PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
610.617.7900 • Fax 610.617.7940 • PHLY.com

08/07/2015

Arizona Community Development Corp
dba LaPaloma Academy - Lakeside
5704 E Grant Rd
Tucson, AZ 85712-2235

Re: PHPK1358780

Dear Valued Customer:

Thank you very much for choosing Philadelphia Indemnity Insurance Company for your insurance needs. Our first class customer service, national presence and A++ (Superior) A.M. Best financial strength rating have made us the selection by over 150,000 policyholders nationwide. I realize you have a choice in insurance companies and truly appreciate your business.

I wish you much success this year and look forward to building a mutually beneficial business partnership which will prosper for years to come. Welcome to PHLY and please visit PHLY.com to learn more about our Company!

Sincerely,

Robert D. O'Leary Jr.
President & CEO
Philadelphia Insurance Companies

RDO/sm

Enroll Today!

- Receive Invoices Electronically
- Pay Your Bills Online
- Set Up Recurring Payments
- Available 24/7
- Safe and Secure
- NO FEE!
- Environmentally Friendly

Pay Your Bill Online

To pay your bills online you will need a User ID and Password to access our website. If you don't have a User ID please create one by visiting **https://www.PHLY.com/myphly/newuser.aspx**.

If you have a User ID, please login and click on *"Online Bill Pay"* and enter the necessary information to pay your bills.
Philadelphia Insurance Companies accepts electronic checks (a debit from your checking or savings account) as a method of payment. Please allow 2 to 3 business days for your payment to post to your account. This service is offered free of charge. Please note that credit card payments cannot be made online.

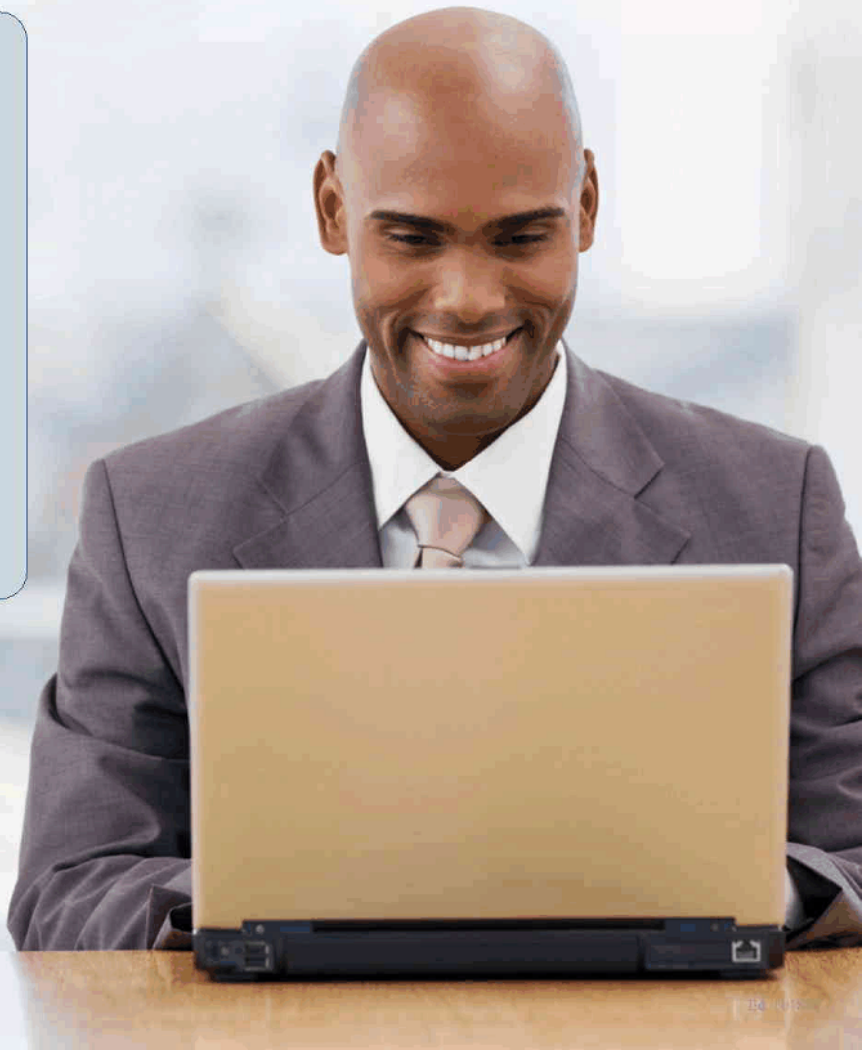
Recurring Payment

Customers that receive their bill directly (and not from their agent) can sign up for recurring payment via automatic withdrawals from a checking, savings, or money market account for direct bill policies.

If you do not already have an account on **PHLY.com** you will need to create one by visiting **https://www.PHLY.com/myphly/newuser.aspx**. Once logged in please refer to *"Links for You"* and click the *"Recurring Payment Instructions"* to learn how to enroll. You can also click the *"Online Bill Pay"* tab on the left hand side to enroll in Recurring Payment.

How to Create an Account on PHLY.com

1. Go to **https://www.PHLY.com/myphly/newuser.aspx**
2. Select the applicable BUTTON (insured or producer).
3. Complete the information on the page:
   - You will CREATE your own USER NAME and PASSWORD.
   - The password must be at least 7 characters and contain one number, one lower case letter, and one capital letter.
4. Click CONTINUE when done.
5. On the next page, complete the PASSWORD RESET QUESTION. If you ever forget your password, we will ask you this security question and you will enter the answer you have selected.
6. Once you have received the page that states: "CONTINUE TO MY PHLY," then you have successfully created the account.



PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

Focus on the Things that Matter, We'll Handle the Risk!®

PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

Making Things Easier for You!

PHLY CUSTOMER SERVICE

Did you know...

- The Loss Assistance Hotline provides Management & Professional Liability policyholders with two FREE HOURS of legal consultation with knowledgeable attorneys on any matter that could potentially result in a claim under a PHLY policy
- You can review billing and payment history online
  For example: Payment verifications go to MyPHLY on PHLY.com
- You can pull up and print your invoices and policy documents online
- You can update your profile online
  For example: Billing address or contact information changes
- We offer live help within seconds: No complicated phone systems
- 94.4% of our policyholders would refer us to prospective customers*
- We provide 48 hour turnaround time on small business quotes and policy issuance in less than 10 days
- We provide interest free installments for accounts that generate at least $2,000 in premium

Frequently Asked Questions

How can I get information about my insurance?

There are 5 different ways to contact Customer Service

- Customer Service 877.438.7459
- Customer Service Fax 866.847.4046
- Customer Service E-mail: custserv@phly.com
- Customer Service online chat
- PHLY.com – "Contact Us"

When can I contact Customer Service?

Customer Service is available Monday - Friday from 8:30 a.m. - 8:00 p.m. EST

What forms of payment does PHLY accept?

PHLY accepts 3 forms of payment:

- Check sent to the lock box
- Check by phone payments through our IVR (877.438.7459 – Option 1), website, or contact center representatives
- Credit card payments through our live contact center representatives (Visa, MasterCard, and American Express)

Claims

- Average policyholder first party automobile losses settled in 10 days or less
- Same or next business day acknowledgements of newly reported and opened claims
- Claims representation nationally with Commercial Liability Claims Examiner Niche expertise
- 24/7 claims service. Staff efficiencies with paperless and industry leading systems
- Staff of Subrogation and Recovery Examiners exclusively dedicated to recovery efforts for policyholder paid losses
- Experienced, consistent staff and department structure

Risk Management Services

- National network of in-house risk management professionals providing direct support to policyholders
- Product specific web-based risk management solutions through PHLY.com
- Interactive Driver Training online courses and examination at no additional charge
- Regular e-flyer communications on relevant risk management issues
- Strategic partnerships with best-in-class vendors for discounted MVR checks, abuse training, GPS, and many more

Automatically included on most accounts

PHLY Bell Endorsement - Includes $50,000 limits each for Business Travel Accident Benefit, Donation Assurance, Emergency Real Estate Consulting Fee, Identity Theft Expense, Image Restoration and Counseling, Key Individual Replacement Expenses, Kidnap Expense, Terrorism Travel Reimbursement, Workplace Violence Counseling. $25,000 limits for each Conference Cancellation, Fundraising Event Blackout, Political Unrest ($5,000 per employee), Temporary Meeting Space Reimbursement, and $1,500 Travel Delay Reimbursement.

Honors, Awards, and Ratings

- America's Top 150 Workplaces
- Best Places to Work in Insurance (4th consecutive year)
- Stevie Awards
- ACE Awards
- Top Workplaces in Philadelphia
- Ward's Top 50 (13th consecutive year)
- National Underwriter Top 100 Insurance Groups (Tokio Marine) #29
- National Underwriter Top 100 Insurance Companies #41

A Passion for Service!

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Coverage(s) described may not be available in all states and are subject to Underwriting and certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. © 2014 Philadelphia Consolidated Holding Corp., All Rights Reserved.

*All statistics contained herein were generated via an internal company survey of active policy holders.

Financial Strength Rating A.M. BEST A++ Superior

PHLY.com

TOKIO MARINE GROUP

PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

Bell Endorsement & Crisis Management

PHLY HAS INCREASED LIMITS...

PHLY has increased limits on Bell Endorsement and created a Crisis Management Endorsement that will be attached to our policies.

Bell Endorsement

$50,000 Identity Theft Expense – coverage which reimburses the expenses of any director or officer who becomes a victim of an incident of identity theft.

$50,000 Terrorism Travel Reimbursement – which covers any director or officer for emergency travel expenses that he or she incurs in the event of a "certified act of terrorism".

$50,000 Emergency Real Estate Consulting Fee – coverage for realtor's fee or real estate consultant's fee necessitated by the Insured's need to relocate due to the "Unforeseeable destruction" of the Insured's principal location.

$25,000 Temporary Meeting Space Reimbursement – coverage for rental of meeting space which is necessitated by the temporary unavailability of the Insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater.

$50,000 Workplace Violence Counseling – in the event that a violent incident occurs at any of the Insured's premises.

$50,000 Kidnap Expense – coverage for reasonable fees incurred as a result of the kidnapping of a Director or Officer or their spouse, "domestic partner," parent or child.

$50,000 Key Individual Replacement Expenses – coverage for the Chief Executive Officer or Executive Director who suffers an "injury" which results in the loss of life. No deductible applies to this coverage.

$50,000 Image Restoration and Counseling – coverage for image restoration and counseling arising out of "Improper Acts."

$50,000 Donation Assurance – coverage for "Failed Donation Claim(s)."

$50,000 Business Travel – coverage for Business Travel Accidental Death Benefit to the Named Insured if a Director or Officer suffers an "injury" while traveling on a common carrier for business.

$25,000 Conference Cancellation – coverage for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

$25,000 Fundraising Event Blackout – coverage for expenses that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage.

$5,000 per employee: $25,000 policy limit Political Unrest – coverage to reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest."

$1,500 Travel Delay Reimbursement – coverage to reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier.

Crisis Management

$25,000 Crisis Management – coverage for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis."

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2011-2012 Philadelphia Insurance Companies. All Rights Reserved.

Financial Strength Rating A.M. BEST A++ Superior

PHLY.com

TOKIO MARINE GROUP

PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

Risk Management Services

PHLY RISK MANAGEMENT SERVICES

Welcome to PHLY Risk Management Services. PHLY is familiar with the unique Risk Management Services programming needs of you organization and has achieved superior results in this area. We are committed to delivering quality and timely loss prevention services and risk control products to your organization. Customer satisfaction through the delivery of these professional products to achieve measurable risk improvement results is our goal. We know the fulfillment of our Risk Management Services commitment is not complete until we deliver upon our promises.

OUR MISSION: We welcome the opportunity to demonstrate how we can tailor a risk management program suitable to our customer's needs. We are committed to providing our customers with improved communications, quicker implementation of loss control servicing initiatives, and specific benchmarking goals that help us quantify the true value of our services.

OUR MOTTO: "Innovative Services Producing Optimum Results:" This mantra reflects our commitment to utilize innovative products and solutions to help our customers achieve measurable results. Customer satisfaction through the delivery of these quality professional products is our goal. We know the fulfillment of our Risk Management Services commitment is not complete until we deliver upon our promises.

In order to gain full access to these resources and others, please take a moment to register on our website. If you already have an id to PHLY.com, please login to access Risk Management Services resources.

Risk Management Resources

- AbusePrevention Systems/Ministry Safe
- Human Services - Abuse Prevention Training
- Home Health Aides - Abuse Prevention Training
- PHLY Risk Management Services e-training
- PureSafety (online driver training course)
- PureSafety (online safety training & software for incident, injury and illness management)
- Nonprofit Risk Management Center
- IntelliCorp Records, Inc.
- SafetyFirst (fleet monitoring program)
- WEMED Loss Assistance Hotline
- in2vate: Web-enabled EPLI (employment practices liability insurance) Risk Management Services
- Safe-Wise: Youth Services Organizations & Aquatics

Proprietary Risk Management Services

- PHLY Risk Management Services E-flyers
- Large Account Service Capabilities
- Loss Trend Analysis/Risk Management Information System
- Responding to Risk Management Services Recommendations

Outside the Box

- ePIC Risk Management Services (unbundled – for fee)

Contact

- For more information please contact: Customer Service

800.873.4552

IMPORTANT NOTICE - The information and suggestions presented by Philadelphia Indemnity Insurance Company in this e-brochure is for your consideration in your loss prevention efforts. They are not intended to be complete or definitive in identifying all hazards associated with your business, preventing workplace accidents, or complying with any safety related, or other, laws or regulations. You are encouraged to alter them to fit the specific hazards of your business and to have your legal counsel review all of your plans and company policies.

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by surplus lines insurers. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2013 Philadelphia Consolidated Holding Corp., All Rights Reserved.

Financial Strength Rating A.M. BEST A++ Superior

PHLY.com

TOKIO MARINE GROUP

Heads Up to Schools: KNOW YOUR CONCUSSION ABCs

Assess the situation | **B**e alert for signs and symptoms | **C**ontact a health care professional

A Fact Sheet for Parents

What is a concussion?

A concussion is a type of brain injury that changes the way the brain normally works. A concussion is caused by a bump, blow, or jolt to the head. Concussions can also occur from a blow to the body that causes the head and brain to move rapidly back and forth. Even what seems to be a mild bump to the head can be serious.

Concussions can have a more serious effect on a young, developing brain and need to be addressed correctly.

What are the signs and symptoms of a concussion?

You can't see a concussion. Signs and symptoms of concussion can show up right after an injury or may not appear or be noticed until hours or days after the injury. It is important to watch for changes in how your child or teen is acting or feeling, if symptoms are getting worse, or if s/he just "doesn't feel right." Most concussions occur without loss of consciousness.

If your child or teen reports *one or more* of the symptoms of concussion listed below, or if you notice the symptoms yourself, seek medical attention right away. Children and teens are among those at greatest risk for concussion.

SIGNS AND SYMPTOMS OF A CONCUSSION

SIGNS OBSERVED BY PARENTS OR GUARDIANS

- Appears dazed or stunned
- Is confused about events
- Answers questions slowly
- Repeats questions
- Can't recall events *prior* to the hit, bump, or fall
- Can't recall events *after* the hit, bump, or fall
- Loses consciousness (even briefly)
- Shows behavior or personality changes
- Forgets class schedule or assignments

SYMPTOMS REPORTED BY YOUR CHILD OR TEEN

Thinking/Remembering:

- Difficulty thinking clearly
- Difficulty concentrating or remembering
- Feeling more slowed down
- Feeling sluggish, hazy, foggy, or groggy

Physical:

- Headache or "pressure" in head
- Nausea or vomiting
- Balance problems or dizziness
- Fatigue or feeling tired
- Blurry or double vision
- Sensitivity to light or noise
- Numbness or tingling
- Does not "feel right"

Emotional:

- Irritable
- Sad
- More emotional than usual
- Nervous

Sleep*:

- Drowsy
- Sleeps *less* than usual
- Sleeps *more* than usual
- Has trouble falling asleep

**Only ask about sleep symptoms if the injury occurred on a prior day.*

To download this fact sheet in Spanish, please visit: www.cdc.gov/Concussion. Para obtener una copia electrónica de esta hoja de información en español, por favor visite: www.cdc.gov/Concussion.

U.S. Department of Health and Human Services
Centers for Disease Control and Prevention

May 2010

DANGER SIGNS

Be alert for symptoms that worsen over time. Your child or teen should be seen in an emergency department right away if s/he has:

- One pupil (the black part in the middle of the eye) larger than the other
- Drowsiness or cannot be awakened
- A headache that gets worse and does not go away
- Weakness, numbness, or decreased coordination
- Repeated vomiting or nausea
- Slurred speech
- Convulsions or seizures
- Difficulty recognizing people or places
- Increasing confusion, restlessness, or agitation
- Unusual behavior
- Loss of consciousness (even a brief loss of consciousness should be taken seriously)

Children and teens with a concussion should NEVER return to sports or recreation activities on the same day the injury occurred. They should delay returning to their activities until a health care professional experienced in evaluating for concussion says they are symptom-free and it's OK to return to play. This means, until permitted, not returning to:

- **Physical Education (PE) class,**
- **Sports practices or games, or**
- **Physical activity at recess.**

What should I do if my child or teen has a concussion?

1. **Seek medical attention right away.** A health care professional experienced in evaluating for concussion can determine how serious the concussion is and when it is safe for your child or teen to return to normal activities, including physical activity and school (concentration and learning activities).

2. **Help them take time to get better.** If your child or teen has a concussion, her or his brain needs time to heal. Your child or teen may need to limit activities while s/he is recovering from a concussion. Exercising or activities that involve a lot of concentration, such as studying, working on the computer, or playing video games may cause concussion symptoms (such as headache or tiredness) to reappear or get worse. After a concussion, physical and cognitive activities—such as concentration and learning—should be carefully managed and monitored by a health care professional.

3. **Together with your child or teen, learn more about concussions.** Talk about the potential long-term effects of concussion and the dangers of returning too soon to normal activities (especially physical activity and learning/concentration). For more information about concussion and free resources, visit: www.cdc.gov/Concussion.

How can I help my child return to school safely after a concussion?

Help your child or teen get needed support when returning to school after a concussion. Talk with your child's teachers, school nurse, coach, speech-language pathologist, or counselor about your child's concussion and symptoms. Your child may feel frustrated, sad, and even angry because s/he cannot return to recreation and sports right away, or cannot keep up with schoolwork. Your child may also feel isolated from peers and social networks. Talk often with your child about these issues and offer your support and encouragement. As your child's symptoms decrease, the extra help or support can be removed gradually. Children and teens who return to school after a concussion may need to:

- Take rest breaks as needed,
- Spend fewer hours at school,
- Be given more time to take tests or complete assignments,
- Receive help with schoolwork, and/or
- Reduce time spent reading, writing, or on the computer.

*To learn more about concussion and to order materials **FREE-OF-CHARGE**, go to: **www.cdc.gov/Concussion** or call **1.800.CDC.INFO.**

HEADS UP CONCUSSION IN HIGH SCHOOL SPORTS

A FACT SHEET FOR ATHLETES

What is a concussion?

A concussion is a brain injury that:

- Is caused by a bump, blow, or jolt to the head or body.
- Can change the way your brain normally works.
- Can occur during practices or games in any sport or recreational activity.
- Can happen even if you haven't been knocked out.
- Can be serious even if you've just been "dinged" or "had your bell rung."

All concussions are serious. A concussion can affect your ability to do schoolwork and other activities (such as playing video games, working on a computer, studying, driving, or exercising). Most people with a concussion get better, but it is important to give your brain time to heal.

What are the symptoms of a concussion?

You can't see a concussion, but you might notice ***one or more*** of the symptoms listed below or that you "don't feel right" soon after, a few days after, or even weeks after the injury.

- Headache or "pressure" in head
- Nausea or vomiting
- Balance problems or dizziness
- Double or blurry vision
- Bothered by light or noise
- Feeling sluggish, hazy, foggy, or groggy
- Difficulty paying attention
- Memory problems
- Confusion

What should I do if I think I have a concussion?

- **Tell your coaches and your parents.** Never ignore a bump or blow to the head even if you feel fine. Also, tell your coach right away if you think you have a concussion or if one of your teammates might have a concussion.
- **Get a medical check-up.** A doctor or other health care professional can tell if you have a concussion and when it is OK to return to play.
- **Give yourself time to get better.** If you have a concussion, your brain needs time to heal. While your brain is still healing, you are much more likely to have another concussion. Repeat concussions can increase the time it takes for you to recover and may cause more damage to your brain. It is important to rest and not return to play until you get the OK from your health care professional that you are symptom-free.

How can I prevent a concussion?

Every sport is different, but there are steps you can take to protect yourself.

- Use the proper sports equipment, including personal protective equipment. In order for equipment to protect you, it must be:
  - The right equipment for the game, position, or activity
  - Worn correctly and the correct size and fit
  - Used every time you play or practice
- Follow your coach's rules for safety and the rules of the sport.
- Practice good sportsmanship at all times.

If you think you have a concussion:
Don't hide it. Report it. Take time to recover.

It's better to miss one game than the whole season.

For more information and to order additional materials ***free-of-charge***, visit: **www.cdc.gov/Concussion**.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR DISEASE CONTROL AND PREVENTION

June 2010

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company

Commercial Lines Policy

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
  - ONE OR MORE COVERAGE FORMS
  - APPLICABLE FORMS AND ENDORSEMENTS

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.

President & CEO

Secretary

PRIVACY POLICY NOTICE
Philadelphia Indemnity Insurance Company

The Philadelphia Indemnity Insurance Company ("PIIC" or "We") value(s) your privacy and we are committed to protecting personal information that we collect during the course of our business relationship with you. The collection, use and disclosure of certain nonpublic personal information are regulated by law. This notice is for your information only and requires no action on your part. It will inform you about the types of information that we collect and how it may be disclosed. This does not reflect a change in the way we do business or handle your information.

INFORMATION THAT WE COLLECT:

We collect personal information about you from the following sources:

- Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- Information about your transactions with us, our affiliates or others; and
- Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties in order to service your policy.

INFORMATION THAT WE DISCLOSE:

We will only disclose the information described above to affiliates and non-affiliated third parties, as permitted by law, and when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- Your agent or broker (producer);
- Parties who perform a business, professional or insurance functions for our company, including our reinsurance companies;
- Independent claims adjusters, investigators, attorneys, other insurers or medical care providers who need information to investigate, defend or settle a claim involving you;
- Regulatory agencies in connection with the regulation of our business; and
- Lienholders, mortgagees, lessors or other persons shown on our records as having a legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes. We do not disclose the personal information of persons who have ceased to be our customers.

PROTECTION OF INFORMATION:

We maintain physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

USE OF COOKIES:

We may place electronic "cookies" in the browser files of your computer when you access this website. Cookies are text files placed on your computer to enable our systems to recognize your browser and to tailor the information on our website to your interests. We or our third party service providers or business partners may place cookies on your computer's hard drive to enable us to match personal information that we maintain about you so that we are able to pre- populate on-line forms with your information. We also use cookies to help us analyze use of our website to understand which areas of our site are most useful to you. You may refuse the use of cookies by selecting the appropriate settings on your browser. Please note that if you do this, you may not be able to use the full functionality of the website.

YOUR RIGHTS REGARDING YOUR INFORMATION:

You have the right to submit a written request for access to your recorded Personal Information. Within 30 business days of receipt of your request, we must inform you of the nature and substance of your recorded Personal Information, permit you to view and copy it in person, or receive a copy by mail of your recorded Personal Information, and receive names of persons or entities to whom we have disclosed Personal Information about you in the last two years. There are some types of information, however, to which we are not required to give you access. Information collected for the evaluation of a claim, or when the possibility of a lawsuit exists, will not be disclosed. If your records contain medical information, we may ask you to name a licensed medical professional to whom we can send such information so that it may be properly explained. You may be charged a fee if we copy your Personal Information for you.

You have the right to request that we correct, amend or delete any recorded Personal Information that you believe is inaccurate. Within 30 business days of receipt of your request, we will correct, amend or delete the inaccurate recorded Personal Information or notify you the reason(s) that we are unable to make the change. If you disagree with our decision, you have the right to submit a concise statement for your file setting forth the reasons you disagree with us and/or the correct, relevant or fair information. If you request, we will provide you with a summary of our procedures by which you may request correction, amendment or deletion of your recorded Personal Information.

If we use an independent consumer reporting agency or insurance-support organization to prepare a report on you, you have the right to be personally interviewed by them. Information you give during an interview will be included in the report sent to us. If you wish to be interviewed, please tell us how the agency or organization may contact you, and every effort will be made to interview you. Even if you are not interviewed, you have the further right to request that the reporting agency or insurance-support organization provide you with a copy of the report it makes. Information obtained by a report prepared by an insurance support organization may be retained by that organization and disclosed to other persons. Write us at the address in this notice and we will give you the name and address of any agency or support organization we have used to prepare a report on you so that you can contact them directly to find out more about that report.

CONTACT US: Philadelphia Indemnity Insurance Company, One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 ATTN: Chief Privacy Officer

PHILADELPHIA INSURANCE COMPANIES
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company
COMMON POLICY DECLARATIONS

Policy Number: PHPK1358780

Named Insured and Mailing Address:
Arizona Community Development Corp
dba LaPaloma Academy - Lakeside
5704 E Grant Rd
Tucson, AZ 85712-2235

Producer: 2857
Crest Insurance Group LLC
5285 E Williams Cr #4500
Tucson, AZ 85711

(520)881-5760

Policy Period From: 07/22/2015 **To:** 07/22/2016
at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Private School

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

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	25,274.00
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	39,610.00
Businessowners	
Workers Compensation	
UltimateCover Property Coverage Part	33,384.00
Educators Protection Plus	1,707.00
Employee Benefits	300.00
Sexual/Physical Abuse	INCLUDED
Total	**$ 100,275.00**
Total Includes Federal Terrorism Risk Insurance Act Coverage	**938.00**

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (06/14)

Secretary

President and CEO

Philadelphia Indemnity Insurance Company

Form Schedule – Policy

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
Recurring Payment Flyer	1212	Recurring Payment Flyer
CSNotice-1	1014	Making Things Easier
CDC Parents	0510	A Fact Sheet For Parents
CDC Youth Sports	0610	A Fact Sheet For Athletes
BJP-190-1	1298	Commercial Lines Policy Jacket
PP2015	2015	Privacy Policy Notice
CPD-PIIC	0614	Common Policy Declarations
Location Schedule	0100	Location Schedule
Mortgagee Schedule	0100	Mortgagee Schedule
Loss Payee Schedule	0100	Loss Payee Schedule
Additional Insured Schedule	0100	Additional Insured Schedule
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement
IL0258	1214	Arizona Changes - Cancellation and Nonrenewal
IL0985	0108	Disclosure Pursuant to Terrorism Risk Insurance Act

Philadelphia Indemnity Insurance Company

Locations Schedule

Policy Number: PHPK1358780

Prems. No.	Bldg. No.	Address
0001	0001	8140 E Golf Links Rd Tucson, AZ 85730-1229
0002	0001	2050 N Wilmot Rd Tucson, AZ 85712-3039
0003	0001	5660 S 12th Ave Tucson, AZ 85706-3102
0004	0001	5704 E Grant Rd Tucson, AZ 85712-2235

Philadelphia Indemnity Insurance Company

Mortgagee Schedule

Policy Number: PHPK1358780

Mortgagee

U.S Bank National Association
101 N 1st Ave Ste 1600
Phoenix, AZ 85003-1924

AZ - Loc #1

AZ - Loc #2

AZ - Loc #3

Philadelphia Indemnity Insurance Company

Loss Payee Schedule

Policy Number: PHPK1358780

Loss Payee

Wells Fargo Financial Leasing
PO Box 6434
c/o Lease Insurance Services
Carol Stream, IL 60197-6434

AZ - Loc #1 - Bld #1 - BUSINESS PERSONAL PROPERTY (SCHOOLS - ELEMENTARY/SECONDARY)

AZ - Loc #2 - Bld #1 - BUSINESS PERSONAL PROPERTY (SCHOOLS - ELEMENTARY/SECONDARY)

Loss Payee

U.S Bank National Association
101 N 1st Ave Ste 1600
Phoenix, AZ 85003-1924

AZ - Loc #1

AZ - Loc #2

AZ - Loc #3

Loss Payee-Auto

Capital One Auto Finance
Insurance Service Center
PO Box 390907
Minneapolis, MN 55439-0907

AZ - Veh #10 2008 DODGE RAM 1500 QUAD ST - 1D7HA18K88J206352

Loss Payee-Auto

Bank of the West, Its Successors and/or
Assigns
520 Main Ave
Fargo, ND 58103-1971

AZ - Veh #15 2012 CHEVROLET TAHOE LT - 1GNSCBE02CR128879

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK1358780

Additional Insured

La Buena Vida Properties LLC
2430 N Camino Principal
Tucson, AZ 85715-3907

CG2011 - AZ - Loc #4

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION ENDORSEMENT ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your renewal policy being issued by us:

Recording And Distribution Of Material Or Information In Violation Of Law Exclusion Endorsement
CG 00 68 05 09

This endorsement replaces the current Distribution Of Material In Violation Of Statutes Exclusion in your policy with a revised exclusion, newly titled Recording And Distribution Of Material Or Information In Violation Of Law Exclusion. The revised exclusion contains language that elaborates on the intent of the Distribution Of Material In Violation Of Statutes Exclusion to reflect that, in addition to the TCPA and CAN-SPAM Act of 2003, the exclusion will more explicitly exclude liability coverage for bodily injury, property damage or personal and advertising injury arising out of any action or omission that violates, or is alleged to violate, the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA) and any other similar federal, state or local statute, ordinance or regulation concerning disposal and dissemination of personal information.

 © Insurance Services Office, Inc., 2008

GENERAL LIABILITY ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsements, which applies to your renewal policy being issued by us:

CG 21 06 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage **A** – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 21 07 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy:

- Under Coverage **A** – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage. However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
- Under Coverage **B** – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

 © Insurance Services Office, Inc., 2013

CG 21 08 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Coverage B Only) (For Use With The Commercial General Liability Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 04 37 – Electronic Data Liability (For Use With The Commercial General Liability Coverage Part)

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy:

- Under Coverage **A** – Bodily Injury And Property Damage Liability, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- Under Coverage **B** – Personal And Advertising Injury Liability, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

CG 33 53 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception (For Use With The Owners And Contractors Protective Liability Coverage Part and Products/Completed Operations Coverage Part)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

CG 33 59 05 14 – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included (For Use With The Owners And Contractors Protective Liability and Products/Completed Operations Liability Coverage Parts)

When this endorsement is attached to your policy, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, when this endorsement is attached, it will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

CG 33 63 – Exclusion – Access, Disclosure Or Unauthorized Use Of Electronic Data (For Use With The Electronic Data Liability Coverage Part)

With respect to damages arising out of access or disclosure of confidential or personal information, when this endorsement is attached to your policy coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.

However, to the extent that damages arising out of theft or unauthorized viewing, copying, use, corruption, manipulation or deletion, of electronic data by any Named Insured, past or present employee, temporary worker or volunteer worker of the Named Insured may extend beyond loss of electronic data arising out of such theft or the other listed items, this revision may be considered a reduction in coverage.

 © Insurance Services Office, Inc., 2013

Philadelphia Indemnity Insurance Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number: PHPK1358780

Agent # 2857

☒ See Supplemental Schedule

LIMITS OF INSURANCE

$	2,000,000	General Aggregate Limit (Other Than Products – Completed Operations)
$	2,000,000	Products/Completed Operations Aggregate Limit (Any One Person Or Organization)
$	1,000,000	Personal and Advertising Injury Limit
$	1,000,000	Each Occurrence Limit
$	100,000	Rented To You Limit
$	5,000	Medical Expense Limit (Any One Person)

FORM OF BUSINESS: NON PROFIT ORGANIZATION

Business Description: Private School

Location of All Premises You Own, Rent or Occupy: **SEE SCHEDULE ATTACHED**

AUDIT PERIOD, ANNUAL, UNLESS OTHERWISE STATED: This policy is not subject to premium audit.

Classifications	Code No.	Premium Basis	Rates Prem./ Ops.	Rates Prod./ Comp. Ops	Advance Premiums Prem./ Ops.	Advance Premiums Prod./ Comp. Ops.
SEE SCHEDULE ATTACHED						
TOTAL PREMIUM FOR THIS COVERAGE PART:					$ 25,274.00	$

RETROACTIVE DATE (CG 00 02 ONLY)
This insurance does not apply to "Bodily Injury", "Property Damage", or "Personal and Advertising Injury" which occurs before the retroactive date, if any, shown below.

Retroactive Date: NONE

FORM (S) AND ENDORSEMENT (S) APPLICABLE TO THIS COVERAGE PART: **Refer To Forms Schedule**

Countersignature Date

Authorized Representative

Philadelphia Indemnity Insurance Company

Form Schedule – General Liability

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
CGP011	0509	Recording and Distribution of Material or Information
CGP016	0514	General Liability Advisory Notice To Policyholders
Gen Liab Dec	1004	Commercial General Liability Coverage Part Declaration
Gen Liab Schedule	0100	General Liability Schedule
CG0001	0413	Commercial General Liability Coverage Form
CG2011	0413	Additional Insured - Managers or Lessors of Premises
CG2106	0514	Excl-Access/Disclosure-With Ltd Bodily Injury Except
CG2146	0798	Abuse Or Molestation Exclusion
CG2147	1207	Employment-Related Practices Exclusion
CG2167	1204	Fungi or Bacteria Exclusion
CG2170	0108	Cap on Losses From Certified Acts of Terrorism
CG2230	0798	Exclusion - Corporal Punishment
CG2267	1093	Corporal Punishment
CG2271	0413	Colleges or Schools (Limited Form)
CG2402	1204	Binding Arbitration
PI-GL-001	0894	Exclusion - Lead Liability
PI-GL-002	0894	Exclusion - Asbestos Liability
PI-GLD-VS	0108	General Liability Deluxe Endorsement: Schools
PI-SE-001	1205	Fund Raising Events Endorsement

Philadelphia Indemnity Insurance Company

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SUPPLEMENTAL SCHEDULE

Policy Number: PHPK1358780

Agent # 2857

Classifications	Code No.	Premium Basis	Rates Prem./ Ops.	Rates Prod./ Comp. Ops.	Advance Premiums Prem./ Ops.	Advance Premiums Prod./ Comp. Ops.
AZ PREM NO. 001						
SCHOOL-PRIV-ELEM/KINDRGRTN-NFP	47476	715 STUDENT	9.609	INCL	6,897	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ PREM NO. 001						
SCHOOL-FACULTY LIAB-CORP PUNSH	47469	152 FACULTY MEM	19.347	INCL	2,953	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ PREM NO. 001						
SWIMMING POOL-NOC	48925	1 POOL	1329.168	INCL	1,334	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ PREM NO. 002						
SCHOOL-PRIV-ELEM/KINDRGRTN-NFP	47476	625 STUDENT	9.609	INCL	6,030	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ PREM NO. 003						
SCHOOL-PRIV-ELEM/KINDRGRTN-NFP	47476	465 STUDENT	9.609	INCL	4,486	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ PREM NO. 004						
BLDG/PREMS-OFFICE-EMPLOYEE-NFP	61225	2,746 AREA	104.255	INCL	289	INCL
PROD/COMP OP SUBJ TO GEN AGG LIMIT						
AZ						
LIABILITY DELUXE	44444				3,285	

Philadelphia Indemnity Insurance Company

POLICY NUMBER: PHPK1358780

COMMERCIAL AUTO
CA DS 03 03 10

BUSINESS AUTO DECLARATIONS

ITEM ONE

Named Insured and Mailing Address:		
Arizona Community Development Corp dba LaPaloma Academy - Lakeside 5704 E Grant Rd Tucson, AZ 85712-2235		
Policy Period		
From: 07/22/2015		
To: 07/22/2016	At 12:01 AM Standard Time at your mailing address shown above	
Previous Policy Number: PHPK1219968		

Form Of Business: NON PROFIT ORGANIZATION

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Premium shown is payable at inception: $

Audit Period (If Applicable): ☐ **Annually** ☐ **Semiannually** ☐ **Quarterly** ☐ **Monthly**

Endorsements Attached To This Policy
See Schedule Attached

Countersignature Of Authorized Representative
Name:
Title:
Signature:
Date:

© Insurance Services Office, Inc., 2009

ITEM TWO
Schedule Of Coverages And Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". **"Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.**

Coverages	Covered Autos	Limit	Premium
Liability	01, 08, 09	$ 1,000,000 CSL	$ 29,878.00
Personal Injury Protection (Or Equivalent No-fault Coverage)		**Separately Stated In Each Personal Injury Protection Endorsement Minus** $ **Deductible**	$
Added Personal Injury Protection (Or Equivalent Added No-fault Coverage)		**Separately Stated In Each Added Personal Injury Protection Endorsement**	$
Property Protection Insurance (Michigan Only)		**Separately Stated In The Property Protection Insurance Endorsement Minus** $ **Deductible For Each Accident**	$
Auto Medical Payments	02	$ 5,000	$ 1,653.00
Medical Expense And Income Loss Benefits (Virginia Only)		**Separately Stated In The Medical Expense And Income Loss Benefits Endorsement**	$
Uninsured Motorists	02	$ 1,000,000 CSL	$ 798.00
Underinsured Motorists (When Not Included In Uninsured Motorists Coverage)	02	$ 1,000,000 CSL	$ 2,270.00

 © Insurance Services Office, Inc., 2009

ITEM TWO

Schedule Of Coverages And Covered Autos (Cont'd)

Coverages	Covered Autos	Limit	Premium
Physical Damage Comprehensive Coverage	02	**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$** SCHEDULE **Deductible** **For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning** **See Item Four for Hired or Borrowed Autos.**	**$** 1,395.00
Physical Damage Specified Causes Of Loss Coverage		**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$ 25 Deductible** **For Each Covered Auto For Loss Caused By Mischief Or Vandalism** **See Item Four for Hired or Borrowed Autos.**	**$**
Physical Damage Collision Coverage	02	**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$** SCHEDULE **Deductible** **For Each Covered Auto** **See Item Four for Hired or Borrowed Autos.**	**$** 3,145.00
Physical Damage Towing And Labor		**$ For Each Disablement Of A Private Passenger Auto**	**$**
Terrorism	All	Per Coverage Endorsement	**$** 46.00
		Premium For Endorsements	**$** 425.00
		Estimated Total Premium*	**$** 39,610.00

*This policy may be subject to final audit.

© Insurance Services Office, Inc., 2009

ITEM THREE

Schedule Of Covered Autos You Own

Covered Auto Number:					
Town And State Where The Covered Auto Will Be Principally Garaged: SEE SCHEDULE ATTACHED					
Covered Auto Description					
Year:	**Model:**		**Trade Name:**		
Body Type:			**Serial Number (S):**		
Vehicle Identification Number (VIN):					
Purchased					
Original Cost New: $ **Actual Cost New Or Used:** $ ☐ New ☐ Used					
Classification					
Radius Of Operation	**Business Use s=service r=retail c=commercial**	**Size GVW, GCW Or Vehicle Seating Capacity**	**Age Group**	**Secondary Rating Classification**	**Code**
	SEE SCHEDULE ATTACHED				
Except For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss: SEE SCHEDULE(S)					

© Insurance Services Office, Inc., 2009

ITEM THREE

Schedule Of Covered Autos You Own (Cont'd)

Coverages – Premiums, Limits And Deductibles (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)		
Coverages	**Limit**	**Premium**
Liability	$ **SEE SCHEDULE ATTACHED**	$
Personal Injury Protection	**Stated In Each Personal Injury Protection Endorsement Minus** $ **Deductible**	$
Added Personal Injury Protection	**Stated In Each Added Personal Injury Protection Endorsement**	$
Property Protection Insurance (Michigan Only)	**Stated In The Property Protection Insurance Endorsement Minus** $ **Deductible**	$
Auto Medical Payments	$	$
Medical Expense And Income Loss Benefits (Virginia Only)	**Stated In The Medical Expense And Income Loss Benefits Endorsement For Each Person**	$
Comprehensive	**Stated In Item Two Minus** $ **Deductible**	$
Specified Causes Of Loss	**Stated In Item Two Minus** $ 25 **Deductible**	$
Collision	**Stated In Item Two Minus** $ **Deductible**	$
Towing And Labor	$ **Per Disablement**	$

Total Premiums	**SEE SCHEDULE ATTACHED**
Liability	$
Personal Injury Protection	$
Added Personal Injury Protection	$
Property Protection Insurance (Michigan Only)	$
Auto Medical Payments	$
Medical Expense And Income Loss Benefits (Virginia Only)	$
Comprehensive	$
Specified Causes Of Loss	$
Collision	$
Towing And Labor	$

© Insurance Services Office, Inc., 2009

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Liability Coverage – Cost Of Hire Rating Basis For Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)		
Liability Coverage	**Estimated Annual Cost Of Hire For All States**	**Premium**
Primary Coverage	$ **SEE SCHEDULE, IF APPLICABLE**	$
Excess Coverage	$ **SEE SCHEDULE, IF APPLICABLE**	$
	Total Premium	$

For "autos" used in your motor carrier operations, cost of hire means:

(a) The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,

(b) The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and

(c) The total dollar amount of any other costs (*i.e.*, repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others.

Liability Coverage – Cost of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)			
Liability Coverage	**State**	**Estimated Annual Cost Of Hire For Each State**	**Premium**
Primary Coverage		$ **SEE SCHEDULE, IF APPLICABLE**	$
Excess Coverage		$ **SEE SCHEDULE, IF APPLICABLE**	$
		Total Premium	$

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

© Insurance Services Office, Inc., 2009

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Physical Damage Coverages – Cost of Hire Rating Basis For All Autos (Other Than Mobile Or Farm Equipment)				
Coverage	**State**	**Limit Of Insurance**	**Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)**	**Premium**
Comprehensive		**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$ Deductible** **For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning**	**$** **See Schedule, If Applicable**	**$**
Specified Causes Of Loss		**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$ Deductible** **For Each Covered Auto For Loss Caused By Mischief Or Vandalism**	**$**	**$**
Collision		**Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus** **$ Deductible** **For Each Covered Auto**	**$**	**$**
			Total Premium	**$**

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.

© Insurance Services Office, Inc., 2009

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages					
		Estimated Annual Cost Of Hire For Each State		Premium	
Coverage	State	Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Liability – Primary Coverage		$	$	$	$
Liability – Excess Coverage		$	$	$	$
Personal Injury Protection		$	$	$	$
Medical Expense Benefits (Virginia Only)		$	$	$	$
Income Loss Benefits (Virginia Only)		$	$	$	$
Auto Medical Payments		$	$	$	$
			Total Premiums	$ See Schedule, If Applicable	

See Schedule, If Applicable

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

© Insurance Services Office, Inc., 2009

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Physical Damage Coverages						
			Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)		Premium	
Coverage	State	Limit Of Insurance	Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Compre-hensive		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus $ Ded. For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning	$	$	$	$
			See Schedule, If Applicable			
Specified Causes Of Loss		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus $ Ded. For Each Covered Auto For Loss Caused By Mischief Or Vandalism	$	$	$	$
Collision		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus $ Ded. For Each Covered Auto	$	$	$	$
				Total Premiums	$ See Schedule, If Applicable	

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.

© Insurance Services Office, Inc., 2009

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Rental Period Rating Basis For Mobile Or Farm Equipment					
Coverage	Town and State Where The Job Site Is Located	Estimated Number Of Days Equipment Will Be Rented		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Liability – Primary Coverage				$	$
Liability – Excess Coverage				$	$
Personal Injury Protection				$	$
Medical Expense Benefits (Virginia Only)				$	$
Income Loss Benefits (Virginia Only)				$	$
Auto Medical Payments				$	$
			Total Premiums	$	$

© Insurance Services Office, Inc., 2009

ITEM FIVE

Schedule For Non-ownership Liability

Named Insured's Business	Rating Basis	Number	Premium
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	25	$ 162.00
	Number Of Partners (Active and Inactive)		$
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		$
	Number Of Partners (Active and Inactive)		$
Social Service Agencies	Number Of Employees		$
	Number Of Volunteers Who Regularly Use Autos To Transport Clients		$
	Number Of Partners (Active and Inactive)		$
		Total Premium	$ 162.00

ITEM SIX

Schedule For Gross Receipts Or Mileage Basis

Address Of Business Headquarters Location:		
Type Of Risk (Check one):	☐ Public Autos	☐ Leasing Or Rental Concerns
Rating Basis (Check one):	☐ Gross Receipts (Per $100)	☐ Mileage (Per Mile)
Estimated Yearly (Gross Receipts Or Mileage):		

Premiums	
Liability	$
Personal Injury Protection	$
Added Personal Injury Protection	$
Property Protection Insurance (Michigan Only)	$
Auto Medical Payments	$
Medical Expense And Income Loss Benefits (Virginia Only)	$
Comprehensive	$
Specified Causes Of Loss	$
Collision	$
Towing And Labor	$

© Insurance Services Office, Inc., 2009

ITEM SIX

Schedule For Gross Receipts Or Mileage Basis (Cont'd)

Address Of Business Headquarters Location:		
Type Of Risk (Check one):	☐ **Public Autos**	☐ **Leasing Or Rental Concerns**
Rating Basis (Check one):	☐ **Gross Receipts (Per $100)**	☐ **Mileage (Per Mile)**
Estimated Yearly (Gross Receipts Or Mileage):		

Premiums	
Liability	$
Personal Injury Protection	$
Added Personal Injury Protection	$
Property Protection Insurance (Michigan Only)	$
Auto Medical Payments	$
Medical Expense And Income Loss Benefits (Virginia Only)	$
Comprehensive	$
Specified Causes Of Loss	$
Collision	$
Towing And Labor	$

Address Of Business Headquarters Location:		
Type Of Risk (Check one):	☐ **Public Autos**	☐ **Leasing Or Rental Concerns**
Rating Basis (Check one):	☐ **Gross Receipts (Per $100)**	☐ **Mileage (Per Mile)**
Estimated Yearly (Gross Receipts Or Mileage):		

Premiums	
Liability	$
Personal Injury Protection	$
Added Personal Injury Protection	$
Property Protection Insurance (Michigan Only)	$
Auto Medical Payments	$
Medical Expense And Income Loss Benefits (Virginia Only)	$
Comprehensive	$
Specified Causes Of Loss	$
Collision	$
Towing And Labor	$

© Insurance Services Office, Inc., 2009

When used as a premium basis:

FOR PUBLIC AUTOS

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

A. Amounts paid to air, sea or land carriers operating under their own permits.

B. Advertising revenue.

C. Taxes collected as a separate item and paid directly to the government.

D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

 © Insurance Services Office, Inc., 2009

Philadelphia Indemnity Insurance Company

Form Schedule – Commercial Auto

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
CADS03	0310	Business Auto Declarations
Auto Schedule	0100	Business Auto Schedule
Hired or Borrowed Auto Sche	0706	Schedule of Hired or Borrowed Covered Auto
CA0001	0310	Business Auto Coverage Form
CA0175	0704	Arizona Changes
CA2139	0709	Arizona Uninsured Motorists Coverage
CA2140	0709	Arizona Underinsured Motorists Coverage
CA2356	1102	Cap on Losses From Certified Acts of Terrorism
CA9903	0306	Auto Medical Payments Coverage
CA9944	1293	Loss Payable Clause
PI-CA-001	0510	Commercial Automobile Elite Endorsement

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)	TERRITORY Town or City & Zip where the Covered Auto will be principally garaged
1	1999 CHEVY VAN, 1GAHG39R6X1112512	119 Tucson, AZ 85712
2	1996 FORD VAN, 1FBJS31H3THA13775	119 Tucson, AZ 85712
3	2001 DODGE VAN, 2B5WB35Z51K548596	119 Tucson, AZ 85712
4	2004 FORD VAN, 1FBSS31L54HA29874	119 Tucson, AZ 85712
5	1997 FORD WAGON, 1FBJS31L8VHB04273	119 Tucson, AZ 85712
6	1991 BLUEBIRD BUS, 1BAAGCSAXMF043345	119 Tucson, AZ 85712

Covered Auto No.	CLASSIFICATION								PURCHASED		
	Radius of Operation	Business Use s = service r = retail c = comml.	Size GVW, CGW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Sec. Rating Factor		Code	Original Cost New	Stated Amount
					Liab.	Phy. Dam.	Liab.	Phy. Dam.			
1	LOCAL		15	12	1.500	0.500	0.100		6282	29,900	
2	LOCAL		15	12	1.500	0.500	0.100		6282	23,280	
3	LOCAL		15	12	1.500	0.500	0.100		6282	26,365	
4	LOCAL		15	12	1.500	0.500	0.100		6282	30,535	
5	LOCAL		15	12	1.500	0.500	0.100		6282	10,000	
6	LOCAL		70	12	1.500	0.500	0.500		6284	55,000	
Total Premium											

Covered Auto No.	LIABILITY		AUTO. MED.		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (VA ONLY)	
	Limit (in thousands)	Premium	Limit	Premium	Limit Stated In Each Med. Exp. And Inc. Loss Ben. End. For Each Person	Premium
1	1,000	1,880.00	5,000	109.00		
2	1,000	1,880.00	5,000	109.00		
3	1,000	1,880.00	5,000	109.00		
4	1,000	1,880.00	5,000	109.00		
5	1,000	1,880.00	5,000	109.00		
6	1,000	2,350.00	5,000	137.00		
Total Premium		11,750.00		682.00		

Covered Auto No.	PERSONAL INJURY PROTECTION		P.P.I. (Mich, Only)		UNINSURED/UNDERINSURED			
	Limit stated in each P.I.P. end.	Premium	Limit stated in each P.P.I. end.	Premium	Limit (in thousands)	Premium	UM	UIM
1					1,000	172.00	X	X
2					1,000	172.00	X	X
3					1,000	172.00	X	X
4					1,000	172.00	X	X
5					1,000	172.00	X	X
6					1,000	172.00	X	X
Total Premium						1,032.00		

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered **Auto** No.	COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION	
	Deductible	Premium	Premium	Deductible	Premium
1	500	37.00		1,000	68.00
2	500	34.00		1,000	54.00
3	500	37.00		1,000	68.00
4	500	37.00		1,000	68.00
5	500	22.00		1,000	31.00
6	1,000	36.00		1,000	105.00
Total Premium		203.00			394.00

Covered **Auto** No.	TOWING & LABOR		Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.	TOTAL
	Limit per disablement	Premium		Premium
1				2,266.00
2			See Schedule(s)	2,249.00
3				2,266.00
4				2,266.00
5				2,214.00
6				2,800.00
Total Premium				14,061.00

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)	TERRITORY Town or City & Zip where the Covered Auto will be principally garaged
7	2008 LAND ROVER RANGE ROVER SPORT HS, SALSK25458A160545	119 Tucson, AZ 85712
8	2000 PACE TRAILER, 4P2FB1014YU016986	119 Tucson, AZ 85712
9	2002 DODGE RAM WAGON B2500, 2B5WB25Z32K126208	119 Tucson, AZ 85712
10	2008 DODGE RAM 1500 QUAD ST, 1D7HA18K88J206352	119 Tucson, AZ 85712
11	2001 BLUE BIRD SCHOOL/TRANSIT BUS, 1BABNBXAX1F096250	119 Tucson, AZ 85712
12	2009 DODGE RAM 1500 QUAD, 1D3HV18P79S786061	119 Tucson, AZ 85712

Covered Auto No.	CLASSIFICATION								PURCHASED		
	Radius of Operation	Business Use s = service r = retail c = comml.	Size GVW, CGW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Sec. Rating Factor		Code	Original Cost New	Stated Amount
					Liab.	Phy. Dam.	Liab.	Phy. Dam.			
7	LOCAL	S	5,000	8	1.000	1.000			01499	58,500	
8	LOCAL			12	0.100	0.500			68499	8,000	
9	LOCAL		15	12	1.500	0.500	0.100		6282	27,000	
10	LOCAL	S	5,000	8	1.000	1.000			01499	27,000	
11	LOCAL		70	12	1.500	0.500	0.500		6284	98,350	
12	LOCAL	S	5,000	7	1.000	1.000			01499	32,695	
Total Premium											

Covered Auto No.	LIABILITY		AUTO. MED.		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (VA ONLY)	
	Limit (in thousands)	Premium	Limit	Premium	Limit Stated In Each Med. Exp. And Inc. Loss Ben. End. For Each Person	Premium
7	1,000	1,721.00	5,000	106.00		
8	1,000	177.00	5,000	11.00		
9	1,000	1,880.00	5,000	109.00		
10	1,000	1,721.00	5,000	106.00		
11	1,000	2,350.00	5,000	137.00		
12	1,000	1,721.00	5,000	106.00		
Total Premium		21,320.00		1,257.00		

Covered Auto No.	PERSONAL INJURY PROTECTION		P.P.I. (Mich, Only)		UNINSURED/UNDERINSURED			
	Limit stated in each P.I.P. end.	Premium	Limit stated in each P.P.I. end.	Premium	Limit (in thousands)	Premium	UM	UIM
7					1,000	172.00	X	X
8					1,000	172.00	X	X
9					1,000	172.00	X	X
10					1,000	172.00	X	X
11					1,000	172.00	X	X
12					1,000	172.00	X	X
Total Premium						2,064.00		

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered **Auto** No.	COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION	
	Deductible	Premium	Premium	Deductible	Premium
7	500	145.00		1,000	408.00
8	500	27.00		1,000	35.00
9	500	37.00		1,000	68.00
10	500	134.00		1,000	266.00
11	1,000	43.00		1,000	151.00
12	500	142.00		1,000	287.00
Total Premium		731.00			1,609.00

Covered **Auto** No.	TOWING & LABOR		Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.	TOTAL
	Limit per disablement	Premium		Premium
7				2,552.00
8			See Schedule(s)	422.00
9				2,266.00
10				2,399.00
11				2,853.00
12				2,428.00
Total Premium				26,981.00

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)	TERRITORY Town or City & Zip where the Covered Auto will be principally garaged
13	2011 TOYOTA RAV4, 2T3BF4DV7BW115911	119 Tucson, AZ 85712
14	2004 CHEVROLET TAHOE K1500, 1GNEK13Z04R183893	119 Tucson, AZ 85712
15	2012 CHEVROLET TAHOE LT, 1GNSCBE02CR128879	119 Tucson, AZ 85712
16	2013 AUDI Q5 PREMIUM, WA1CFAFP1DA085589	119 Tucson, AZ 85712
17	1999 BLUE BIRD SCHOOL/TRANSIT BUS, 1BABNB7A7XF087806	119 Tucson, AZ 85712

Covered Auto No.	CLASSIFICATION								PURCHASED		
	Radius of Operation	Business Use s = service r = retail c = comml.	Size GVW, CGW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Sec. Rating Factor		Code	Original Cost New	Stated Amount
					Liab.	Phy. Dam.	Liab.	Phy. Dam.			
13				5	1.000	1.000			7398	23,325	
14				12	1.000	1.000			7398	37,200	
15				4	1.000	1.000			7398	43,600	
16	LOCAL	S	5,000	3	1.000	1.000			01499	37,000	
17	LOCAL		84	12	1.500	0.500	0.500		6284	98,350	
Total Premium											

Covered Auto No.	LIABILITY		AUTO. MED.		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (VA ONLY)	
	Limit (in thousands)	Premium	Limit	Premium	Limit Stated In Each Med. Exp. And Inc. Loss Ben. End. For Each Person	Premium
13	1,000	1,388.00	5,000	51.00		
14	1,000	1,388.00	5,000	51.00		
15	1,000	1,388.00	5,000	51.00		
16	1,000	1,721.00	5,000	106.00		
17	1,000	2,350.00	5,000	137.00		
Total Premium		29,555.00		1,653.00		

Covered Auto No.	PERSONAL INJURY PROTECTION		P.P.I. (Mich, Only)		UNINSURED/UNDERINSURED			
	Limit stated in each P.I.P. end.	Premium	Limit stated in each P.P.I. end.	Premium	Limit (in thousands)	Premium	UM	UIM
13					1,000	220.00	X	X
14					1,000	220.00	X	X
15					1,000	220.00	X	X
16					1,000	172.00	X	X
17					1,000	172.00	X	X
Total Premium						3,068.00		

BUSINESS AUTO SCHEDULE

POLICY NUMBER: PHPK1358780

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered **Auto** No.	COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION	
	Deductible	Premium	Premium	Deductible	Premium
13	500	130.00		1,000	313.00
14	500	119.00		1,000	228.00
15	500	195.00		1,000	434.00
16	500	177.00		1,000	410.00
17	1,000	43.00		1,000	151.00
Total Premium		1,395.00			3,145.00

Covered **Auto** No.	TOWING & LABOR		Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss.	TOTAL
	Limit per disablement	Premium		Premium
13				2,102.00
14			See Schedule(s)	2,006.00
15				2,288.00
16				2,586.00
17				2,853.00
Total Premium				38,816.00

Policy Number: PHPK1358780

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Coverage	State	Cost of Hire	Deductible	Rate	Premium
Liability Coverage	AZ	5,000		3.21700	$ 161
				Total Premium -	$ 161

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP 01 40 07 06

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance 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. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

© ISO Properties, Inc., 2006

ULTIMATECOVER
PROPERTY COVERAGE PART DECLARATIONS

Policy Number PHPK1358780

Effective Date: 07/22/2015
Expiration Date: 07/22/2016
12:01 a.m., Standard Time

☐ Extension of Declarations is attached

Business Description

Private School

Description of Premises

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0001	8140 E Golf Links Rd Tucson, AZ 85730-1229 SCHOOLS - ELEMENTARY/SECONDARY	MASONRY NON-COMBUSTIBLE
0002	0001	2050 N Wilmot Rd Tucson, AZ 85712-3039 SCHOOLS - ELEMENTARY/SECONDARY	MASONRY NON-COMBUSTIBLE
0003	0001	5660 S 12th Ave Tucson, AZ 85706-3102 SCHOOLS - ELEMENTARY/SECONDARY	NON-COMBUSTIBLE
0004	0001	5704 E Grant Rd Tucson, AZ 85712-2235 OFFICES (N.O.C.)	JOISTED MASONRY

Limits of Insurance

Insurance applies only for coverage for which a Limit of Insurance is shown.

Property at Specified Premises

Prem. No.	Bldg. No.	Your Business Personal Property	Personal Property of Others	Buildings
0001	0001	BKT #2		BKT #1
0002	0001	BKT #2		BKT #1
0003	0001	BKT #2		BKT #1
0004	0001	BKT #2		

Personal Property at Location not Specifically Identified: $100,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

Personal Property in Transit: $50,000, unless a higher limit is shown on the Additional Coverage Summary Declarations.

These declarations are part of the policy declarations containing the Name of the Insured and the policy period.

Applications of Limits

☐ Specific
☐ Exceptions:

☒ Blanket - See Form PI-ULTD-006

Deductibles

Building $ 1,000 Business Personal Property $ 1,000 Transit $ 1,000

Coinsurance

☐ 80% ☐ 90% ☒ 100% ☒ Agreed Value

Mortgage Holders

Prem. No. **Bldg. No.** **Mortgage Holder Name and Address**

SEE SCHEDULE ATTACHED

Forms and Endorsement

Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue:

See Schedule of Forms and Endorsements attached.

Premium

Premium for this Coverage Part $ 33,384.00

ADDITIONAL COVERAGE SUMMARY DECLARATIONS

Policy Number PHPK1358780

As per the Property Coverage Part Declarations this Coverage Part provides the following Additional Coverages and Coverage Extensions, subject to the Limits of Insurance shown below.

	Limits of Insurance
Brands and Labels	Included in Policy Limits
Claim Expenses	$ 10,000
Contract Penalty Clause	$ 25,000
Computer Property	Included in Personal Property Limits
Excavation and Landscaping	$ 25,000
Fine Arts	$ 25,000
Fines for False Alarms	$ 5,000
Fire Department Service Charge	$ 50,000
Fire, Sprinkler or Burglar Alarm Upgrade	$ 50,000
Fish in Aquariums	$ 1,000
Glass	Included in Policy Limits, except when PI-ULT-030 applies
Guard Dogs	$ 1,000
Lost Key Replacement	$ 2,500
Newly Acquired Property	$1,000,000 Blanket Limit Real and Personal Property
New Construction	$ 500,000
Ordinance or Law – Undamaged Portion	Included in Building Limit
Ordinance or Law – Demolition	$ 250,000
Ordinance or Law – Increased Cost of Construction	$ 250,000
Personal Effects – Portable Electronic Equipment – Away from Premises	$ 1,000
Personal Effects - Premises	$ 25,000
Personal Effects – Spouses	$ 500
Personal Effects – Worldwide	$ 1,000
Pollutant Cleanup and Removal	$ 25,000
Precious Metals	$ 2,500
Signs	Included in Personal Property Limits
Theft Damage to Building	Included in Personal Property Limits
Utility Service	$ 10,000
Voluntary Parting	$ 10,000

For the Additional Coverages and Coverage Extensions shown below, if a Superceding Limit of Insurance is shown, that Superceding Limit is the applicable Limit of Insurance.

	Limits of Insurance	**Superseding Limits**
Accounts Receivable	$ 250,000	$ _____
Arson Reward	$ 25,000	$ _____
Computer Virus Extraction Expense	$ 2,500	$ _____
Consequential Damage	$ 25,000	$ _____
Debris Removal	$ 250,000	$ _____
Personal Property in Transit	$ 50,000	$ _____
Personal Property at Locations not Specifically Identified	$ 100,000	$ _____
Valuable Papers and Records – Cost of Research	$ 250,000	$ _____

Philadelphia Indemnity Insurance Company

Form Schedule – UltimateCover

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
CP P 003	0706	Excl of Loss Due to Virus or Bacteria Advisory Notice
PI-ULTD-002	1198	Property Coverage Part Declarations
PI-ULTD-005	0513	Additional Coverage Summary Declarations
PI-ULTD-006	1198	UltimateCover Program Blanket Limits
CP0090	0788	Commercial Property Conditions
CP0132	0604	Arizona Changes
CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
CP0146	0894	Arizona Changes
PI-ULT-007	1198	Property Coverage Form
PI-ULT-008	1198	Causes of Loss Form
PI-ULT-009	1198	Crime Coverage Form
PI-ULT-010	1198	Business Income with Extra Expense Coverage Form
ULT10COV	1198	Business Income with Extra Expense Coinsurance Sched
ULT10OPT	1198	Business Income with Extra Expense Optional Cov Sched
PI-ULT-015	1198	Agreed Value Endorsement
PI-ULT-016	1198	Loss Payable Provisions
PI-ULT-023	0701	Boiler and Machinery Endorsement
PI-ULT-072	1010	Limitations on Fungus, Wet Rot, Dry Rot and Bacteria
PI-ULT-83	0401	Loss of Income due to Workplace Violence
PI-ULT-085	0108	Cap on Losses From Certified Acts of Terrorism
PI-ULT-088	0204	Changes - Electronic Data
PI-ULT-099	0207	Elite Property Enhancement: Academic Schools
PI-ULT-142	0814	Collapse - Exclusion And Additional Coverage Re-Stated
PI-MANU-1	0100	BUSINESS INCOME CHANGES - BEGINNING OF THE PERIOD OF RESTORATION

UltimateCover Program
Blanket Limits

Policy Number: PHPK1358780 Agent # 2857

ULTIMATECOVER PROPERTY – BLANKET STATEMENT OF VALUES

Blanket No.	Coverage	Limit of Insurance	Co-Insurance
1	Building	$ 18,961,000	100%
2	Bus Per Prop	$ 3,020,000	100%
3	Bus Income-Ext	$ 7,520,000	100%

These declarations are part of the policy declarations containing the name of the insured and the policy period.

PI-EPP-03D (03/08)

Philadelphia Indemnity Insurance Company

EDUCATORS PROTECTION PLUS PROFESSIONAL LIABILITY COVERAGE PART
DECLARATIONS
CLAIMS MADE COVERAGE

POLICY NO. PHPK1358780 Effective date: 07/22/2015 12:01 A.M. Standard Time

Item 1. Educational Entity: Arizona Community Development Corp	
Item 2. Address: 5704 E Grant Rd Tucson, AZ 85712-2235	
Item 3. Policy Period:	Inception Date: 07/22/2015 Expiration Date: 07/22/2016 (12:01 A.M. at the address stated in Item 2.)
Item 4. Retroactive Date:	10/01/2002 (Enter Date or "None" if No Retroactive Date Applies)
Item 5. Limits of Liability:	
COVERAGE A.	$ 1,000,000 Professional Aggregate Limit
COVERAGE B.	$ 100,000 Defense Reimbursement
	$ 300,000 Defense Reimbursement Aggregate
Item 6. Deductible:	COVERAGE A. $ 2,500 COVERAGE B. $ 2,500
Item 7. Policy Premium:	$ 1,707.00
Item 8. Additional Premium for Supplemental Extended Reporting Period:	$ 1,280.25
Item 9. Forms and Endorsements Applying to this Coverage Part and Made Part of this Policy at Time of Issue: SEE FORMS SCHEDULE	

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

Philadelphia Indemnity Insurance Company

Form Schedule – Educators Protection Plus

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
PI-EPP-03D	0308	Educators Protection Plus Professional Liability Dec
PI-EPP-03	1210	Educators Protection Plus Coverage Form
PI-EPP-10	0308	Charter Schools Endorsement
PI-ARB-1	0403	Binding Arbitration
PI-EPP-AZ-1	0805	Arizona Amendatory Endorsement

PHILADELPHIA INDEMNITY INSURANCE COMPANY

EMPLOYEE BENEFITS ADMINISTRATION ERRORS AND OMISSIONS INSURANCE
DECLARATIONS

CLAIMS MADE COVERAGE

POLICY NO. PHPK1358780

Effective date: 07/22/2015
12:01 A.M. Standard Time

LIMIT OF LIABILITY

$ 1,000,000 Each Claim

$ 1,000,000 Aggregate

RETROACTIVE DATE

This Insurance Does Not Apply to "Damages" Resulting from an "Employee Benefits Incident" Which Occurred Before the Retroactive Date, If Any, Shown Here: 10/01/2002
(Enter Date or "None" if No Retroactive Date Applies)

PREMIUM COMPUTATION:

Estimated Number of Employees: 152 Total Premium: $ 300

RATE – EACH EMPLOYEE

000.111 First 5,000 000.084 Next 5,000 000.056 Over 10,000

FORMS AND ENDORSEMENTS (Other than Applicable Forms and Endorsements Shown Elsewhere in the Policy)

Forms and Endorsements Applying to this Coverage Part and Made Part of this Policy at Time of Issue:

SEE SCHEDULE ATTACHED

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Includes Copyrighted Material of the Insurance Service Office, Inc Used with its Permission

Philadelphia Indemnity Insurance Company

Form Schedule – Employee Benefits

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
PI-EBL-001D	0599	Employee Benefits Admin Errors And Omissions Ins Dec
PI-ARB-1	0403	Binding Arbitration
PI-EBL-001	0599	Employee Benefits Administration Errors and Omissions
PI-EBL-APP-Addendum	0100	Application Addendum
PI-EBL-AZ-1	0300	Arizona Changes
PI-PPL-001 EB	0803	Prior/Pending Litigation and Known Circumstances Excl

POLICY DECLARATIONS PAGE
SEXUAL OR PHYSICAL ABUSE OR MOLESTATION
VICARIOUS LIABILITY COVERAGE FORM

PLEASE READ THIS POLICY CAREFULLY.

POLICY NO. PHPK1358780

Effective date: 07/22/2015
12:01 A.M. Standard Time

LIMIT OF INSURANCE		
AGGREGATE LIMIT	$	1,000,000
EACH ABUSIVE CONDUCT LIMIT	$	1,000,000

BUSINESS DESCRIPTION

Form of Business: NON PROFIT ORGANIZATION

Business Description: Private School

FORMS AND ENDORSEMENTS (Other than Applicable Forms and Endorsements Shown Elsewhere in the Policy)

Forms and Endorsements Applying to this Coverage Part and Made Part of this Policy at Time of Issue:

SEE SCHEDULE

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS
CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

Philadelphia Indemnity Insurance Company

Form Schedule – Sexual or Physical Abuse or Molestation

Policy Number: PHPK1358780

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
PI-SO-008D	1198	Policy Dec - Sexual or Physical Abuse or Molestation
PI-ARB-1	0403	Binding Arbitration
PI-SO-008	0199	Sexual or Physical Abuse or Molest Liab - Occurrence
PI-SO-013	0205	Employee Defense Coverage

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BELL ENDORSEMENT

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Business Travel Accident Benefit	$50,000
Conference Cancellation	$25,000
Donation Assurance	$50,000
Emergency Real Estate Consulting Fee	$50,000
Fundraising Event Blackout	$25,000
Identity Theft Expense	$50,000
Image Restoration and Counseling	$50,000
Key Individual Replacement Expenses	$50,000
Kidnap Expense	$50,000
Political Unrest	$5,000 per employee: $25,000 policy limit
Temporary Meeting Space Reimbursement	$25,000
Terrorism Travel Reimbursement	$50,000
Travel Delay Reimbursement	$1,500
Workplace Violence Counseling	$50,000

© 2009 Philadelphia Insurance Companies

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.

2. Limits of liability or limits of insurance identified in Section **I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Business Travel Accident Benefit

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;

2. Accidental loss of limbs or multiple fingers;

3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;

2. An act of suicide or attempted suicide;

3. An act of war; or

4. A disease process.

© 2009 Philadelphia Insurance Companies

B. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and

2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;

2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";

3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":

   a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and

   b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;

4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and

5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this

© 2009 Philadelphia Insurance Companies

coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;

2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and

3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

H. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of $50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

I. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

© 2009 Philadelphia Insurance Companies

1. Fees and costs of independent negotiators;

2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;

3. Travel costs and accommodations incurred by the named insured;

4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and

5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:

   a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;

   b. Discovery of their death;

   c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or

   d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is $50,000 each policy period for all insureds combined. No deductible applies to this coverage.

J. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is $5,000 per covered person, subject to a maximum of $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is $25,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

© 2009 Philadelphia Insurance Companies

M. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is $1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

N. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";

2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and

3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is $50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

A. "Certified act of terrorism" means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.

B. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.

C. "Domestic partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.

D. "Emergency evacuation expenses" mean:

1. Additional lodging expenses;

2. Additional transportation costs;

3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and

4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

E. "Emergency travel expenses" mean:

© 2009 Philadelphia Insurance Companies

1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and

2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";

provided that these expenses are not otherwise reimbursable.

F. "Failed donation claim" means written notice to the insured during the policy period of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or

2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

G. "Fundraising expenses" mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.

H. "Identity theft" means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or "domestic partner" thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

I. "Identity theft expenses" mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and

3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

J. "Improper acts" means any actual or alleged act of:

1. Sexual abuse;

2. Sexual intimacy;

3. Sexual molestation; or

4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

K. "Injury" whenever used in this endorsement, other than in Section **III. A. Business Travel**,

© 2009 Philadelphia Insurance Companies

means any physical damage to the body caused by violence, fracture or an accident.

L. "Key individual replacement expenses" mean the following necessary expenses:

1. Costs of advertising the employment position opening;

2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and

3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;

2. Alternative transportation;

3. Clothing and necessary toiletries; and

4. Emergency prescription and non-prescription drug expenses.

O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;

2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or

3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

P. "Principal location" means the headquarters, home office or main location where most business is substantially conducted.

Q. "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.

R. "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

© 2009 Philadelphia Insurance Companies

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	$25,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, 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 Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section **II. CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.

B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

IV. DEFINITIONS

A. "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.

B. "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

C. "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.

D. "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.

E. "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.

COMMON POLICY CONDITIONS

All Coverage Parts included in 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. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. 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.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. 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.

Copyright, Insurance Services Office, Inc., 1998

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

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

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

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

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

2. As used in this endorsement:

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

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

© ISO Properties, Inc., 2007

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

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

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

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

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

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

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

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

© ISO Properties, Inc., 2007

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following is added to the **Cancellation** Common Policy Condition (and applies except in situations where **B.**, below, applies):

7. Cancellation Of Policies In Effect For 60 Days Or More

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

a. Nonpayment of premium;

b. Your conviction of a crime arising out of acts increasing the hazard insured against;

c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this Policy, in continuing this Policy or in presenting a claim under this Policy;

d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;

e. Substantial breach of contractual duties or conditions;

f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;

g. Determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or

h. Acts or omissions by you or your representative which materially increase the hazard insured against.

If we cancel this Policy based on one or more of the above reasons, we will mail by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured, and mail to the agent, if any, written notice of cancellation stating the reason(s) for cancellation. We will mail this notice to the last mailing addresses known to us, at least:

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

b. 45 days before the effective date of cancellation if we cancel for any of the other reasons.

 © Insurance Services Office, Inc., 2014

B. If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

1. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
2. Personal property (except business or farm personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Item **A.** above) with respect to cancellation of such coverage:

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

a. Nonpayment of premium;

b. Your conviction of a crime arising out of acts increasing the hazard insured against;

c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in obtaining the Policy, continuing the Policy or presenting a claim under the Policy;

d. Discovery of grossly negligent acts or omissions by you substantially increasing any of the hazards insured against;

e. Substantial change in the risk assumed by us, since the Policy was issued, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;

f. A determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state; or

g. Your failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses.

If we cancel this Policy based on one or more of these reasons, we will mail written notice of cancellation, stating the reason(s) for cancellation, to the first Named Insured. We will mail this notice to the last mailing address known to us, 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 of the other reasons.

C. The following is added and supersedes any provision to the contrary (and applies except in situations where **D.,** below, applies):

Nonrenewal

1. If we elect not to renew this Policy, we will mail by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 45 days prior to the expiration of this Policy.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:

   a. We or a company within the same insurance group has offered to issue a renewal policy; or

   b. You have obtained replacement coverage or agreed in writing to do so.
4. If written notice of nonrenewal is mailed less than 45 days prior to expiration of this Policy, and neither **3.a.** nor **3.b.** applies, the coverage shall remain in effect until 45 days after the notice is mailed. Earned premium for any period of coverage that extends beyond the expiration date of this Policy shall be considered pro rata based upon the previous year's rate.

D. If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

1. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
2. Personal property (except business or farm personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Item **C.** above) with respect to nonrenewal of such coverage:

1. If we elect not to renew, we will mail written notice of nonrenewal to the first Named Insured. We will mail this notice to the last mailing address known to us, at least 30 days before the end of the policy period. Proof of mailing will be sufficient proof of notice.

 © Insurance Services Office, Inc., 2014

2. If either one of the following occurs, we are not required to provide notice of nonrenewal:
   a. You have agreed to nonrenewal; or
   b. You have accepted replacement coverage.
3. If our nonrenewal is based on the condition of the premises, you will be given 30 days' notice to remedy the identified conditions. If the identified conditions are remedied, coverage will be renewed. If the identified conditions are not remedied to our satisfaction, you will be given an additional 30 days, upon payment of premium, to correct the defective conditions.

E. The following condition is added:

Renewal

1. If we elect to renew this Policy and the renewal is subject to any of the following:
   a. Increase in premium;
   b. Change in deductible;
   c. Reduction in limits of insurance; or
   d. Substantial reduction in coverage;

   we will mail or deliver written notice of the change(s) to the first Named Insured, at the last mailing address known to us, at least 30 days before the anniversary or expiration date of the Policy.
2. If renewal is subject to any condition described in **1.a.** through **1.d.** above, and we fail to provide notice 30 days before the anniversary or expiration date of this Policy, the following procedures apply:
   a. The present policy will remain in effect until the earlier of the following:
      (1) 30 days after the date of mailing or delivery of the notice; or
      (2) The effective date of replacement coverage obtained by the first Named Insured.
   b. If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the following rates:
      (1) The rates applicable to the terminated policy; or
      (2) The rates presently in effect.
   c. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this Policy's anniversary or expiration date.

© Insurance Services Office, Inc., 2014

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) $ 938.00

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):

Additional information, if any, concerning the terrorism premium:

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 85% 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 Program Year (January 1 through December 31), 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 Program Year (January 1 through December 31) 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.

© ISO Properties, Inc., 2007

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

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

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

b. This insurance applies to "bodily injury" and "property damage" only if:

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

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

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

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

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

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

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

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

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

 © Insurance Services Office, Inc., 2012

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

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

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

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

c. Liquor Liability

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

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

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

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

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

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

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

(a) Employment by the insured; or

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

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

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

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

 © Insurance Services Office, Inc., 2012

f. Pollution

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

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

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

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

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

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

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

(i) Any insured; or

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

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

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

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

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

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

© Insurance Services Office, Inc., 2012

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

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

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

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

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

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

(a) Less than 26 feet long; and

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

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

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

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

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

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

h. Mobile Equipment

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

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

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

i. War

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

(1) War, including undeclared or civil war;

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

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

j. Damage To Property

"Property damage" to:

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

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

(3) Property loaned to you;

 © Insurance Services Office, Inc., 2012

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

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

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

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

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

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

n. Recall Of Products, Work Or Impaired Property

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

o. Personal And Advertising Injury

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

p. Electronic Data

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

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

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

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

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

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

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

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

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

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

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C.**

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

c. Material Published Prior To Policy Period

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

d. Criminal Acts

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

e. Contractual Liability

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

f. Breach Of Contract

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

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

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

h. Wrong Description Of Prices

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

 © Insurance Services Office, Inc., 2012

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

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

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

j. Insureds In Media And Internet Type Businesses

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

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web sites for others; or

(3) An Internet search, access, content or service provider.

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

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

k. Electronic Chatrooms Or Bulletin Boards

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

l. Unauthorized Use Of Another's Name Or Product

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

m. Pollution

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

n. Pollution-related

Any loss, cost or expense arising out of any:

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

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

o. War

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

(1) War, including undeclared or civil war;

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

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

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

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

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

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

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

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

© Insurance Services Office, Inc., 2012

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

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

(1) On premises you own or rent;

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

(3) Because of your operations;

provided that:

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

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

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

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

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

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

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

c. Injury On Normally Occupied Premises

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

d. Workers' Compensation And Similar Laws

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

e. Athletics Activities

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

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage **A.**

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

a. All expenses we incur.

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

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

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

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

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

 © Insurance Services Office, Inc., 2012

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

These payments will not reduce the limits of insurance.

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

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

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

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

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

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

f. The indemnitee:

(1) Agrees in writing to:

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

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

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

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

(2) Provides us with written authorization to:

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

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

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

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

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

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

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

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

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

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

© Insurance Services Office, Inc., 2012

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

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

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
   a. Medical expenses under Coverage **C;**
   b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
   c. Damages under Coverage **B.**

 © Insurance Services Office, Inc., 2012

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
   a. Damages under Coverage **A**; and
   b. Medical expenses under Coverage **C**

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

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit**
   a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
      (1) How, when and where the "occurrence" or offense took place;
      (2) The names and addresses of any injured persons and witnesses; and
      (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
   b. If a claim is made or "suit" is brought against any insured, you must:
      (1) Immediately record the specifics of the claim or "suit" and the date received; and
      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
   c. You and any other involved insured must:
      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
      (2) Authorize us to obtain records and other information;
      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
3. **Legal Action Against Us**

   No person or organization has a right under this Coverage Part:
   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

© Insurance Services Office, Inc., 2012

4. Other Insurance

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

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

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

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

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

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

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

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

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

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

6. Representations

By accepting this policy, you agree:

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

 © Insurance Services Office, Inc., 2012

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

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

7. Separation Of Insureds

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

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

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

4. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

(2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

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

 © Insurance Services Office, Inc., 2012

9. "Insured contract" means:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

   b. A sidetrack agreement;

   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

   e. An elevator maintenance agreement;

   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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

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

    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

    b. While it is in or on an aircraft, watercraft or "auto"; or

    c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to premises you own or rent;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

       (1) Power cranes, shovels, loaders, diggers or drills; or

       (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

       (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

       (2) Cherry pickers and similar devices used to raise or lower workers;

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

 © Insurance Services Office, Inc., 2012

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

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

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

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

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

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

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

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

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

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

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

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

© Insurance Services Office, Inc., 2012

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

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

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

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

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

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

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

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

22. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

 © Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You): 5704 E Grant Rd Tucson, AZ 85712-2235
Name Of Person(s) Or Organization(s) (Additional Insured): La Buena Vida Properties LLC
Additional Premium: $ Included
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

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

This insurance does not apply to:

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

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

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

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

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

whichever is less.

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

© Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

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

Damages arising out of:

(1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

(2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

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

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

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

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

 © Insurance Services Office, Inc., 2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

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

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

2. The negligent:

a. Employment;

b. Investigation;

c. Supervision;

d. Reporting to the proper authorities, or failure to so report; or

e. Retention;

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

 Copyright, Insurance Services Office, Inc., 1997

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

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

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

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

This exclusion applies:

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

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

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

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

This insurance does not apply to:

"Personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

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

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

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

This exclusion applies:

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

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

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

© ISO Properties, Inc., 2006

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

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

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

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

© ISO Properties, Inc., 2003

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

 © ISO Properties, Inc., 2007

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CORPORAL PUNISHMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" to your student arising out of any corporal punishment administered by or at the direction of any insured.

 Copyright, Insurance Services Office, Inc., 1997

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CORPORAL PUNISHMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **a.** of paragraph **2.**, Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section **I** – Coverages) is replaced by the following:

This insurance does not apply to:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from:

(1) The use of reasonable force to protect persons or property; or

(2) Corporal punishment to your student administered by or at the direction of any insured.

 Copyright, Insurance Services Office, Inc., 1992

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLEGES OR SCHOOLS (LIMITED FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to the operation of any college or school by you or on your behalf, the following provisions apply:

A. With respect to the transportation of students, Exclusion **g.** of Paragraph **2. Exclusions** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. "Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by any insured. For the purpose of this exclusion, the word hired includes any contract to furnish transportation of your students to and from schools.

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

B. The following exclusions are added to **Section I – Coverage A – Bodily Injury And Property Damage Liability** and **Section I – Coverage B – Personal And Advertising Injury Liability:**

1. If the college or school owns or operates an infirmary with facilities for lodging and treatment or a public clinic or hospital, this insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" caused by:

a. The rendering of or failure to render:

(1) Medical, surgical, dental, X-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;

(2) Any health or therapeutic service, treatment, advice or instruction; or

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

b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or

c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **a.**, **b.** or **c.**

2. This insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition if there is no direct management, organization or supervision of such sports or athletic contest or exhibition by any insured.

C. The following exclusion is added to **Section I – Coverage C – Medical Payments:**

We will not pay expenses for "bodily injury" to your student.

D. **Section II – Who Is An Insured** is amended to include as an insured any of the following but only with respect to their duties in connection with the positions described below:

1. Any of your trustees or members of your Board of Governors if you are a private charitable or educational institution;

2. Any of your board members or commissioners if you are a public board or commission; or

3. Any student teachers teaching as part of their educational requirements.

 © Insurance Services Office, Inc., 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BINDING ARBITRATION

This endorsement modifies insurance provided under the following:

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

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

 © ISO Properties, Inc., 2003

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

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

   a. Exposure to or existence of lead, paint containing lead, or any other material or substance containing lead;

   b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead;

   Whether or not the lead is or was at any time airborne as a particulate, contained in a product ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

2. Any legal obligation of any insured for indemnification or contribution due to damages arising out of "bodily injury," "property damage" or "personal and advertising injury" caused by lead, paint containing lead, or any other substance or material containing lead.

3. Any loss, cost, expense or damages, whether direct or consequential, arising out of any:

   (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, abate, contain, treat or neutralize lead, paint containing lead, or any other substance or material containing lead, or in any way respond to, or assess the effects of lead; or

   (b) Claim or suit related to, testing for, monitoring, cleaning up, removing, abating, containing, treating or neutralizing lead, paint containing lead, or any other substance or material containing lead or in any way responding to or assessing the effects of lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASBESTOS LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section 1 - Coverages) and paragraph 2., Exclusions of COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY (Section 1 - Coverages):

This insurance does not apply to:

"Bodily injury," "property damage," "personal injury" or "advertising injury" arising out of:

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

2. The use of asbestos in constructing or manufacturing any good, product or structure;

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

4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss or "suit," injury or damage or any cost, fine or penalty or for any expense or claim or "suit" related to any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL LIABILITY DELUXE ENDORSEMENT
SCHOOLS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposure is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted on this endorsement. The following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page #
Damage to Premises Rented to You	$300,000	2
Extended Property Damage	included	2
Non-Owned Watercraft	Less than 58 feet	2
Supplementary Payments – Bail Bonds	$2,500	2
Supplementary Payment – Loss of Earnings	$500 per day	2
Medical Payments	$15,000	3
Medical Payments-Extended Reporting Period	3 years	3
Employee Indemnification Defense Coverage for Employee	$25,000	3
Additional Insured -- Medical Directors and Administrators	Included	3
Additional Insured – Managers and Supervisors	Included	3
Additional Insured – Broadened Named Insured	Included	3
Additional Insured – Funding Source	Included	3
Additional Insured – Managers or Lessors of Premises	Included	4
Additional Insured -- By Contract, Agreement or Permit	Included	4
Additional Insured -- Broad Form Vendors	Included	4
General Aggregate – Per Campus	Included	5
Duties in the Event of Occurrence, Claim or Suit	Included	6
Other Insurance – Primary Additional Insured	Included	6
Other Insurance - You Are An Additional Insured On Another Person's Or Organization's Policy.	Included	7
Unintentional Failure to Disclose Hazards	Included	8
Liberalization	Included	8
Bodily Injury – includes Mental Anguish	Included	8
Personal and Advertising Injury – includes Abuse of Process, Discrimination	Included	8
Transfer of Rights of Recovery Against Others To Us	Clarification	8
Science Laboratory "Occurrence"	$50,000	9
Medical Incident Liability-Nurse and Athletic Trainer	Included	9

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

A. Damage to Premises Rented to You

1. If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the word "fire" is changed to "fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

   a. The last paragraph of **SECTION I – COVERAGES**, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**;

   b. **SECTION III - LIMITS OF INSURANCE**, Paragraph **6.**;

   c. **SECTION V – DEFINITIONS**, Paragraph **9.a.**

2. If damage by fire to premises rented to you is not otherwise excluded from this Coverage Part, the words "Fire insurance" are changed to "insurance for fire, lightning, explosion, smoke, or leakage from automatic fire protective systems" where it appears in:

   a. **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **4. Other Insurance**, Paragraph **b. Excess Insurance**

3. The Damage To Premises Rented To You Limit section of the Declarations is amended to the greater of:
   a. $300,000; or
   b. The amount shown in the Declarations as the Damage to Premises Rented to You Limit.

   This is the most we will pay for all damage proximately caused by the same event, whether such damage results from fire, lightning, explosion, smoke, or leaks from automatic fire protective systems or any combination thereof.

B. Extended "Property Damage"

SECTION I - COVERAGES. COVERAGE A, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**, Paragraph **a.** is deleted and replaced by the following:

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

C. Non-Owned Watercraft

SECTION I – COVERAGES, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**, Paragraph **g. (2)** is amended to read as follows:

(2) A watercraft you do not own that is:
   (a) Less than 58 feet long; and
   (b) Not being used to carry persons or property for a charge;

This provision applies to any person, who with your consent, either uses or is responsible for the use of a watercraft. This insurance is excess over any other valid and collectible insurance available to the insured whether primary, excess or contingent.

D. Supplementary Payments

Under the **SUPPLEMENTARY PAYMENTS - COVERAGE A AND B** provision, Items **1.b.** and **1.d.**

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

are amended as follows:

1. The limit for the cost of bail bonds is changed from $250 to $2,500; and
2. The limit for loss of earnings is changed from $250 a day to $500 a day.

E. Medical Payments - Limit Increased to $15,000, Extended Reporting Period

If **COVERAGE C MEDICAL PAYMENTS** is not otherwise excluded from this Coverage Part:

1. The Medical Expense Limit is changed subject to all of the terms of **SECTION III - LIMITS OF INSURANCE** to the greater of:

   a. $15,000; or
   b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. **SECTION I – COVERAGE**, **COVERAGE C MEDICAL PAYMENTS,** Subsection **1. Insuring Agreement**, the second part of Paragraph **a.** is amended to read:

   provided that:
   (2) The expenses are incurred and reported to us within three years of the date of the accident;

F. Employee Indemnification Defense Coverage

Under the **SUPPLEMENTARY PAYMENTS - COVERAGES A AND B** provision, the following is added:

3. We will pay, on your behalf, defense costs incurred by an "employee" in a criminal proceeding.

   The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is $25,000 regardless of the numbers of "employees", claims or "suits" brought or persons or organizations making claims or bringing "suits".

G. SECTION II - WHO IS AN INSURED is amended as follows:

1. If coverage for newly acquired or formed organizations is not otherwise excluded from this Coverage Part, Paragraph **3.a.** is changed to read:

   a. Coverage under this provision is afforded until the end of the policy period.

2. Each of the following is also an insured:

   a. **Medical Directors and Administrators -** Your medical directors and administrators, but only while acting within the scope of and during the course of their duties as such.

   b. **Managers and Supervisors -** If you are an organization other than a partnership or joint venture, your managers and supervisors are also insureds, but only with respect to their duties as your managers and supervisors.

   c. **Broadened Named Insured -** Any organization and subsidiary thereof which you control and actively manage on the effective date of this Coverage Part. However, coverage does not apply to any organization or subsidiary not named in the Declarations as Named Insured, if they are also insured under another similar policy, but for its termination or the exhaustion of its limits of insurance.

   d. **Funding Source -** Any person or organization with respect to their liability arising out of:
   (1) Their financial control of you; or

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(2) Premises they own, maintain or control while you lease or occupy these premises. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

e. **Managers or Lessors of Premises -** Any person or organization with respect to their liability arising out of the ownership, maintenance or use of that part of the premises leased to you subject to the following additional exclusions:
This insurance does not apply to:
(1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
(2) Structural alterations, new construction or demolition operations performed by or on behalf of that person or organization.

f. **By Contract, Agreement or Permit -** Any person or organization with whom you agreed, because of a written contract or agreement or permit, to provide insurance such as is afforded under this policy, but only with respect to your operations, "your work" or facilities owned or used by you.

(1) This provision does not apply:
(a) Unless the written contract or agreement has been executed or permit has been issued prior to the "bodily injury," "property damage," "personal and advertising injury":
(b) To any person or organization included as an insured under g. Broad Form Vendors below; or
(c) To any person or organization included as an insured by an endorsement issued by us and made a part of this Coverage Part.
(2) When an engineer, architect or surveyor becomes an insured under this Coverage Part, the following additional exclusion applies:
(a) "Bodily injury", "property damage", "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
(i) The preparing, approving, or failing to approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
(ii) Supervisory, inspection, or engineering services.
(3) When a lessor of leased equipment becomes an insured under this Coverage Part, the following additional exclusions apply:
(a) To any "occurrence" which takes place after the equipment lease expires; or
(b) To "bodily injury" or "property damage" arising out of the sole negligence of the lessor.
(4) When owners or other interests from whom land has been leased become an insured under this Coverage Part, the following additional exclusions apply:
(a) Any "occurrence" which takes place after you cease to lease that land; or
(b) Structural alterations, new construction or demolition operations performed by or on behalf of the owners or other interests from whom land has been leased.

g. **Broad Form Vendors -** Any person or organization with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions.

(1) The insurance afforded the vendor does not apply to:
(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
(b) Any express warranty unauthorized by you;
(c) Any physical or chemical change in the product made intentionally by the vendor;
(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing or substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with sale of the product;
(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.

(2) This provision does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

(3) This provision does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Coverage Part.

(4) This provision does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Coverage Part or by endorsement.

H. Per Campus – General Aggregate

1. **SECTION III – LIMITS OF INSURANCE**, Paragraph **2.**, is amended to the following:

The General Aggregate limit is the most we will pay:

a. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **SECTION I – COVERAGE**, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, and for all medical expenses caused by accidents under **SECTION I – COVERAGE**, **COVERAGE C MEDICAL PAYMENTS** which can be attributed only to operations at a single designated "campus" shown in the Declarations.

(1) A separate General Aggregate Limit is applicable to each single designated "campus" shown in the Declarations and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.

(2) The General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C** regardless of the number of:

(a) Insureds;
(b) Claims made or "suits" brought; or
(c) Persons or organizations making claims or bringing "suits".

(3) Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the General Aggregate Limit for that designated "campus". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other General Aggregate Limit for any other designated "campus" shown in the Declarations.

(4) The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable single designated "campus" General Aggregate Limit.

2. **SECTION V – DEFINITIONS** is amended by adding the following:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

"Campus" is defined as premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

I. Duties in the Event of Occurrence, Claim or Suit

1. The requirement in Paragraph **2.a.** of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense, applies only when the "occurrence" or offense is known to:

   a. You, if you are an individual;
   b. A partner, if you are a partnership; or
   c. An executive officer or insurance manager, if you are a corporation.

2. The requirement in Paragraph **2.b.** of **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:

   a. You, if you are an individual;
   b. A partner, if you are a partnership; or
   c. An executive officer or insurance manager, if you are a corporation.

J. Other Insurance – Primary Additional Insured

1. If the written contract or agreement or permit requires this insurance to be primary for any person or organization with whom you agree to include in **SECTION II - WHO IS AN INSURED**, then **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection 4**. Other Insurance** is replaced by the following:

   If other valid and collectible insurance is available for a loss we cover under **COVERAGE A** of this Coverage Part, our obligations are limited as follows:

   a. Primary Insurance - This insurance is primary. We will not seek contributions from other insurance available to the person or organization with whom you agree to include in **SECTION II - WHO IS AN INSURED**, except when 2. below applies.

   b. Excess Insurance -This insurance is excess over any of the other insurance whether primary, excess, contingent or any other basis:

      (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
      (2) That is Fire, lightning or explosion insurance for premises rented to you; or temporarily occupied by you with permission of the owner; or
      (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION I – COVERAGE**, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**, Paragraph **g.**

      When this insurance is excess, we will have no duty under Coverages **A** or **B** 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.

      When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
(2) The total of all deductible and self-insured amounts under all other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

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

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

2. This provision only applies with respect to your operations, "your work" or facilities owned or used by you.

K. Other Insurance – You Are An Additional Insured On Another Person's Or Organization's Policy

If you are an insured under **SECTION II - WHO IS AN INSURED**, then **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **4. OTHER INSURANCE**, Paragraph **b. Excess Insurance** is replaced by the following:

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

1. That is Fire, Extended Coverage, Builders Risk, Installation Risk or similar coverage for "your work";
2. That is Fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;
3. If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **SECTION I – COVERAGE, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection 2. **Exclusions**, Paragraph **g.**; or
4. When any of the Named Insureds, under this Coverage Part, are additional insureds under a commercial general liability policy or similar insurance of another party.

When this insurance is excess, we will have no duty under Coverages **A** or **B** 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 insureds.

When this insurance is excess or other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

L. Unintentional Failure To Disclose Hazards

It is agreed that, based on our reliance on your representations as to existing hazards, if you should unintentionally fail to disclose all such hazards prior to the beginning of the policy period of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

M. Liberalization

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

N. Bodily Injury - Mental Anguish

SECTION V – DEFINITIONS, Paragraph **3.** is changed to read:

"Bodily Injury":

a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
b. Except for mental anguish, includes death resulting from the foregoing (item a. above) at any time.

O. Personal and Advertising Injury – Abuse of Process, Discrimination

If **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY COVERAGE** is not otherwise excluded from this Coverage Part, the definition of "personal and advertising injury" is amended as follows:

1. **SECTION V – DEFINITIONS**, Paragraph **14. b.** is revised to read:
   b. Malicious prosecution or abuse of process:

2. **SECTION V – DEFINITIONS**, Paragraph **14.** is amended to include the following:

   "Personal Injury" also means discrimination based on race, color, religion, sex, age or national origin, except when:

   a. Done intentionally by or at the direction of, or with the knowledge or consent of:
      (1) Any insured; or
      (2) Any executive officer, director, stockholder, partner or member of the insured; or
   b. Directly or indirectly related to the employment, former or prospective employment, termination of employment, or application for employment of any person or persons by an insured; or
   c. Directly or indirectly related to the sale, rental, lease or sublease or prospective sales, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured; or
   d. Insurance for such discrimination is prohibited by or held in violation of law, public policy, legislation, court decision or administrative ruling.

The above does not apply to fines or penalties imposed because of discrimination.

P. Transfer of Rights of Recovery Against Others To Us

As a clarification, the following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Subsection **8. Transfer of Rights of Recovery Against Others To Us**:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Therefore, the insured can waive the insurer's Rights of Recovery prior to the occurrence of a loss, provided the waiver is made in a written contract.

Q. Science Laboratory "Occurrence"

SECTION I – COVERAGE, **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Subsection **2. Exclusions**, Paragraph **f.** does not apply to any "bodily injury" or "physical damage" arising out of a fire or "occurrence" in any of your science laboratories while teaching is being conducted in that laboratory, subject to a $50,000 per policy limit.

R. Medical Incident Liability-Nurse and Athletic Trainer

1. **SECTION II – WHO IS AN INSURED, Subparagraph 2.a. (1) (d)** is deleted and replaced by the following:

   (d) Arising out of his or her providing or failing to provide professional medical services. This paragraph does not apply to a registered or practical nurse or athletic trainer, while acting within the scope of his or her duties for the Named Insured and arising out of a "medical incident".

2. **SECTION V – DEFINITIONS, 13.** is deleted and replaced by the following:

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

3. The following definition is added to **SECTION V – DEFINITIONS**:

   "Medical Incident" means any act or omission in the furnishing or failure to furnish professional medical services by the insured or any person acting under the personal direction, control, or supervision of the insured. Any such act or omission together with all related acts or omissions in the furnishing of such services to any one person shall be considered one "medical incident".

   "Medical incident" does not include any actual, alleged or threatened emotional, physical, or sexual abuse of any patient or professional medical services recipient.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUND RAISING EVENTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. This insurance applies to "bodily Injury", "property damage", and "personal and advertising injury" arising out of all of your fund raising events with the following exceptions unless scheduled in paragraph C. below:

- Parades sponsored by the Insured
- Aircraft
- Motorcycle runs and automobile rallies
- Fireworks – exhibitors operated by the Insured.
- Firearms
- Animals – other than house pets
- Carnivals and fairs with mechanical rides sponsored by the Insured
- Rock, Hip-Hop or Rap concerts – with admission over 500 people
- Events including contact sports
- Rodeos sponsored by the Insured
- Political Rallies
- Any event lasting more than 5 days (including otherwise acceptable events)
- Any event with greater than 500 people at any one time (including otherwise acceptable events)
- Any event with liquor provided by the Insured if a license is required for such activity.
- Any activities by third party telemarketing, direct mail, or internet advertising (including spam) firms.

B. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) related to your fund raising events, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf. However, third party telemarketing, direct mail, or internet advertising (including spam) firms shall not be Insureds.

C. Schedule of fund raising events:

Event(s)	Start Date	Finish Date	Premium

BUSINESS AUTO COVERAGE FORM

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

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

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

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

 © Insurance Services Office, Inc., 2009

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
   a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
   b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this coverage form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
   a. Breakdown;
   b. Repair;
   c. Servicing;
   d. "Loss"; or
   e. Destruction.

SECTION II – LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

a. You for any covered "auto".

b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

   (1) The owner or anyone else from whom you hire or borrow a covered "auto".

   This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

 © Insurance Services Office, Inc., 2009

(2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.

(3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".

(5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. **Coverage Extensions**

a. **Supplementary Payments**

We will pay for the "insured":

(1) All expenses we incur.

(2) Up to $2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $250 a day because of time off from work.

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

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when 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 Insurance.

b. **Out-of-state Coverage Extensions**

While a covered "auto" is away from the state where it is licensed we will:

(1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. **Exclusions**

This insurance does not apply to any of the following:

1. **Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. **Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract" provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or

b. That the "insured" would have in the absence of the contract or agreement.

3. **Workers' Compensation**

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

© Insurance Services Office, Inc., 2009

4. **Employee Indemnification And Employer's Liability**

"Bodily injury" to:

a. An "employee" of the "insured" arising out of and in the course of:

(1) Employment by the "insured"; or

(2) Performing the duties related to the conduct of the "insured's" business; or

b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

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

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

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the coverage form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. **Fellow Employee**

"Bodily injury" to:

a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or

b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **a.** above.

6. **Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. **Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. **Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. **Operations**

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

a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or

b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. **Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

a. Work or operations performed by you or on your behalf; and

b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

(1) When all of the work called for in your contract has been completed.

(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

(3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

 © Insurance Services Office, Inc., 2009

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

11. Pollution

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

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";

(2) Otherwise in the course of transit by or on behalf of the "insured"; or

(3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

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

a. War, including undeclared or civil war;

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

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

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

© Insurance Services Office, Inc., 2009

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

   a. Comprehensive Coverage

   From any cause except:

   (1) The covered "auto's" collision with another object; or

   (2) The covered "auto's" overturn.

   b. Specified Causes Of Loss Coverage

   Caused by:

   (1) Fire, lightning or explosion;

   (2) Theft;

   (3) Windstorm, hail or earthquake;

   (4) Flood;

   (5) Mischief or vandalism; or

   (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

   c. Collision Coverage

   Caused by:

   (1) The covered "auto's" collision with another object; or

   (2) The covered "auto's" overturn.

2. **Towing**

   We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. **Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

   If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

   a. Glass breakage;

   b. "Loss" caused by hitting a bird or animal; and

   c. "Loss" caused by falling objects or missiles.

   However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. **Coverage Extensions**

   a. Transportation Expenses

   We will pay up to $20 per day to a maximum of $600 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

   b. Loss Of Use Expenses

   For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

   (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";

   (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

   (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

   However, the most we will pay for any expenses for loss of use is $20 per day, to a maximum of $600.

B. Exclusions

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

   a. Nuclear Hazard

   (1) The explosion of any weapon employing atomic fission or fusion; or

   (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

 © Insurance Services Office, Inc., 2009

b. War Or 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.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:

a. Wear and tear, freezing, mechanical or electrical breakdown.

b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

b. Any device designed or used to detect speed-measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.

c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

d. Any accessories used with the electronic equipment described in Paragraph **c.** above.

5. Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

a. Permanently installed in or upon the covered "auto";

b. Removable from a housing unit which is permanently installed in or upon the covered "auto";

c. An integral part of the same unit housing any electronic equipment described in Paragraphs **a.** and **b.** above; or

d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:

a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or

b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

2. $1,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

a. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

b. Removable from a permanently installed housing unit as described in Paragraph **2.a.** above or is an integral part of that equipment; or

c. An integral part of such equipment.

3. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

4. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

© Insurance Services Office, Inc., 2009

SECTION IV – BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and 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 we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

(1) How, when and where the "accident" or "loss" occurred;

(2) The "insured's" name and address; and

(3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved "insured" must:

(1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

(2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".

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

(4) Authorize us to obtain medical records or other pertinent information.

(5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment you must also do the following:

(1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.

(2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

(3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.

(4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

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

a. There has been full compliance with all the terms of this coverage form; and

b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option we may:

a. Pay for, repair or replace damaged or stolen property;

b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or

c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

 © Insurance Services Office, Inc., 2009

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation Or Fraud

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

a. This coverage form;

b. The covered "auto";

c. Your interest in the covered "auto"; or

d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:

(1) Excess while it is connected to a motor vehicle you do not own.

(2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph **a.** above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. Policy Period, Coverage Territory

Under this coverage form, we cover "accidents" and "losses" occurring:

a. During the policy period shown in the Declarations; and

b. Within the coverage territory.

The coverage territory is:

(1) The United States of America;

(2) The territories and possessions of the United States of America;

(3) Puerto Rico;

(4) Canada; and

(5) Anywhere in the world if:

(a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(b) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

© Insurance Services Office, Inc., 2009

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. **Two Or More Coverage Forms Or Policies Issued By Us**

   If this coverage form and any other coverage form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the coverage forms or policies shall not exceed the highest applicable Limit of Insurance under any 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 this coverage form.

SECTION V – DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

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

D. "Covered pollution cost or expense" means any cost or expense arising out of:

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

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";

(2) Otherwise in the course of transit by or on behalf of the "insured"; or

(3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

 © Insurance Services Office, Inc., 2009

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;

2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

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

a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

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

J. "Loss" means direct and accidental loss or damage.

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

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

a. Power cranes, shovels, loaders, diggers or drills; or

b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in Paragraph **1.**, **2.**, **3.** or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or

b. Cherry pickers and similar devices used to raise or lower workers; or

6. Vehicles not described in Paragraph **1.**, **2.**, **3.** or **4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

   a. Equipment designed primarily for:

      (1) Snow removal;

      (2) Road maintenance, but not construction or resurfacing; or

      (3) Street cleaning;

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

   c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

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

L. "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.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury" or "property damage"; or

2. A "covered pollution cost or expense";

to which this insurance applies, are alleged.

"Suit" includes:

   a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or

   b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

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

P. "Trailer" includes semitrailer.

 © Insurance Services Office, Inc., 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Arizona, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

Changes In Conditions

The **Concealment, Misrepresentation Or Fraud** General Condition is replaced by the following:

We will not pay for any "loss" or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:

1. That are fraudulent;
2. That are material either to the acceptance of the risk, or to the hazard assumed by us; and
3. Where, if the true facts had been known to us as required either by the application for the policy or otherwise, we in good faith would either:
   a. Not have issued the policy;
   b. Not have issued the policy in as large an amount; or
   c. Not have provided coverage with respect to the hazard resulting in the "loss".

© ISO Properties, Inc., 2004

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA UNINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in Arizona, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Arizona Community Development Corp

Endorsement Effective Date: 07/22/2015

SCHEDULE

Limit Of Insurance: $ 1,000,000	**Each "Accident"**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
   a. The Named Insured and any "family members".
   b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
   c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
   a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
   b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

© Insurance Services Office, Inc., 2008

C. Exclusions

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent.
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. "Bodily injury" arising directly or indirectly out of:
   a. War, including undeclared or civil war;
   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Liability Coverage Form, Medical Payments Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

   We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible, including all sums paid under the policy's Liability Coverage.

   We will not pay for any element of "loss" for which an "insured" is entitled to receive payment under any workers' compensation, disability benefits or similar law.

E. Changes In Conditions

The conditions are changed for Uninsured Motorists Coverage as follows:

1. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are changed by addition of the following:
   a. The reference to "other collectible insurance" applies only to other collectible uninsured motorists insurance.
   b. Any insurance we provide with respect to a vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Uninsured Motorists Coverage under this coverage form shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
2. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:
   a. Promptly notify the police if a hit-and-run driver is involved; and
   b. Promptly send us copies of the legal papers if a "suit" is brought.
3. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

   If we make any payment under this coverage, and the "insured", or someone on behalf of the "insured", has a right to recover damages from the owner or operator of the "uninsured motor vehicle", we shall be subrogated to that right.
4. **Two Or More Coverage Forms Or Policies Issued By Us** Condition is replaced by the following:

   If this coverage form and any other coverage form or policy issued to the Named Insured by us or any company affiliated with us apply to the same "accident", only one coverage form or policy shall be applicable to the "accident". The Named Insured shall select the one coverage form or policy that will apply. This condition does not apply to any coverage form or policy issued by us or any affiliated company which is excess insurance over this coverage form.

 © Insurance Services Office, Inc., 2008

5. The following conditions are added:

a. **Arbitration**

(1) If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

(2) Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

b. **Time Limitation**

(1) We will not be liable for uninsured motorists coverage benefits unless the "insured" gives us written notice of the "insured's" intent to pursue an uninsured motorists coverage claim under this coverage form within three years after the date of the "accident" that caused the "bodily injury". However, the "insured" may make an uninsured motorists coverage claim within three years after the earliest of the following:

(a) The date the "insured" knew that the tortfeasor was uninsured.

(b) The date the "insured" knows or should have known that coverage was denied by the tortfeasor's insurer.

(c) The date the "insured" knows or should have known of the insolvency of the tortfeasor's insurer.

(2) If we and the "insured" do not settle a claim for uninsured motorists coverage under this coverage form for which the "insured" has given us timely written notice in accordance with Paragraph **(1)** above, we will not be liable for uninsured motorists coverage benefits unless within three years after the date the "insured" provides us with such written notice the "insured":

(a) Files a lawsuit against us for uninsured motorists coverage benefits under this coverage form; or

(b) Requests arbitration pursuant to the provisions of this coverage form.

F. **Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":

a. For which no liability bond or policy at the time of an "accident" provides at least the amount specified in Section 28-4009 of the Arizona Revised Statutes;

b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or

c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must either:

(1) Hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying"; or

(2) Cause "bodily injury" to an "insured" without hitting an "insured", a covered "auto" or a vehicle an "insured" is "occupying", provided the facts of the "accident" can be corroborated by any additional and confirming testimony, fact or evidence that strengthens and adds weight or credibility to the "insured's" representation of the "accident".

However, "uninsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.

© Insurance Services Office, Inc., 2008

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA UNDERINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in Arizona, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Arizona Community Development Corp

Endorsement Effective Date: 07/22/2015

SCHEDULE

Limit Of Insurance: $ 1,000,000	**Each "Accident"**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "underinsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
   a. The Named Insured and any "family members".
   b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
   c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
   a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
   b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

© Insurance Services Office, Inc., 2008

C. Exclusions

This insurance does not apply to any of the following:

1. Punitive or exemplary damages.
2. Any claim settled without our consent.
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. "Bodily injury" arising directly or indirectly out of:
   a. War, including undeclared or civil war;
   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit of Insurance for Underinsured Motorists Coverage shown in the Schedule or Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage form and any Liability Coverage Form, Medical Payments Coverage Endorsement or Uninsured Motorists Coverage Endorsement attached to this Coverage Part.

   We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible, including all sums paid under the policy's Liability Coverage.
3. We will reduce the "insured's" total damages by any amount available to that "insured", under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle", that such "insured" did not recover as a result of a settlement between that "insured" and the insurer of an "underinsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

E. Changes In Conditions

The conditions are changed for Underinsured Motorists Coverage as follows:

1. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are changed by addition of the following:
   a. The reference to "other collectible insurance" applies only to other collectible underinsured motorists insurance.
   b. Any insurance we provide with respect to a vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Underinsured Motorists Coverage under this coverage form shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.
2. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:
   a. Promptly notify the police if a hit-and-run driver is involved; and
   b. Promptly send us copies of the legal papers if a "suit" is brought.
3. The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to Underinsured Motorists Coverage.
4. **Two Or More Coverage Forms Or Policies Issued By Us** Condition is replaced by the following:

   If this coverage form and any other coverage form or policy issued to the Named Insured by us or any company affiliated with us apply to the same "accident", only one coverage form or policy shall be applicable to the "accident". The Named Insured shall select the one coverage form or policy that will apply. This Condition does not apply to any coverage form or policy issued by us or any affiliated company which is excess insurance over this coverage form.

 © Insurance Services Office, Inc., 2008

5. The following conditions are added:

a. **Arbitration**

(1) If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

(2) Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

b. **Time Limitation**

(1) We will not be liable for underinsured motorists coverage benefits unless the "insured" gives us written notice of the "insured's" intent to pursue an underinsured motorists coverage claim under this coverage form within three years after the date of the "accident" that caused the "bodily injury", and the "insured" has either made a claim with the tortfeasor's insurer or filed an action against the tortfeasor within the time limits prescribed by Section 12-542 of the Arizona Revised Statutes or within the corresponding limitation period provided under the law of the location where the "accident" occurred. However, the "insured" may make an underinsured motorists coverage claim within three years after the date the "insured" knows or should have known that the tortfeasor has insufficient liability insurance to cover the "insured's" injuries.

(2) If we and the "insured" do not settle a claim for underinsured motorists coverage under this coverage form for which the "insured" has given us timely written notice in accordance with Paragraph **(1)** above, we will not be liable for underinsured motorists coverage benefits unless within three years after the date the "insured" provides us with such written notice the "insured":

(a) Files a lawsuit against us for underinsured motorists coverage benefits under this coverage form; or

(b) Requests arbitration pursuant to the provisions of this coverage form.

F. **Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.

2. "Occupying" means in, upon, getting in, on, out or off.

3. "Underinsured motor vehicle" means a land motor vehicle or "trailer" for which the sum of all bonds or policies applicable at the time of an "accident" does not provide at least the amount an "insured" is legally entitled to recover as damages resulting from "bodily injury" caused by the "accident".

However, "underinsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.

© Insurance Services Office, Inc., 2008

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY
TRUCKERS COVERAGE FORM

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

A. With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of $5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. 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 any loss which would otherwise be excluded under this Coverage Form, such as losses excluded by a Nuclear Hazard Exclusion or a War Or Military Action Exclusion.

 © ISO Properties, Inc., 2002

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

B. Who Is An Insured

1. You while "occupying" or, while a pedestrian, when struck by any "auto".
2. If you are an individual, any "family member" while "occupying" or, while a pedestrian, when struck by any "auto".
3. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
2. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
3. "Bodily injury" sustained by any "family member" while "occupying" or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "family member".
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purposes of this endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
   a. War, including undeclared or civil war;
   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

© ISO Properties, Inc., 2005

7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.
2. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance – Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to "other collectible insurance" applies only to other collectible auto medical payments insurance.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

© ISO Properties, Inc., 2005

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

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

A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto".

B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.

C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.

Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy we will mail you and the loss payee the same advance notice.

D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

Copyright, Insurance Services Office, Inc., 1993

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE ELITE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART

Following is a summary of the Limits of Insurance and additional coverages provided by this endorsement. For complete details on specific coverages, consult the policy contract wording.

Coverage Applicable	Limit of Insurance	Page #
Who is An Insured Board Members Newly Acquired Entities Designated Insured Lessor	 Included Included Included Included	2
Cost of Bail Bonds	$5,000	2
Reasonable Expenses – Loss of Earnings	$500 per day	2
Fellow Employee Coverage	Amended	3
Towing	$100 per disablement	3
Glass Breakage (Windshields and Windows)	No deductible applies	3
Transportation Expenses	$100 per day / $3,000 maximum	3
Hired Auto Physical Damage – Loss of Use	$100 per day / $1,000 maximum	4
Hired Auto Physical Damage	ACV or repair or replacement of the vehicle whichever is less	4
Personal Effects	$500	4
Rental Reimbursement	$100 per day / 30 days	4
Accidental Discharge – Air Bag	Amended	5
Electronic Equipment	$1000	5
Original Equipment Manufacturer Parts Replacement	Included	5
Auto Loan / Lease Gap Coverage	Amended	6
One Comprehensive Coverage Deductible Per Occurrence	Amended	7
Notice of and Knowledge of Occurrence	Amended	7
Blanket Waiver of Subrogation	Amended (as required by written contract)	7
Unintentional Errors or Omissions	Amended	8
Mental Anguish – Bodily Injury Redefined	Amended	8

Coverage extensions under this endorsement only apply in the event that no other specific coverage for these extensions is provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy, unless otherwise noted in this endorsement.

Any deductible listed in the Auto Declarations Page will apply unless specific deductible provisions are set forth under a coverage enhancement below.

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

I. LIABILITY COVERAGE EXTENSIONS

A. Who Is An Insured

SECTION II – LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured is amended by adding the following:

The following are also "insureds":

1. **Board Members –** Board members (or their spouses) while renting a vehicle while on business for the named insured.

2. **Newly Acquired Entities –** Any business entity newly acquired or formed by you during the policy period, provided you own 50% or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of 180 days following the acquisition or the formation of the business entity.

3. **Designated Insured** – Any person or organization designated by the "insured" is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **SECTION II** of the Coverage Form.

4. **Lessor of Leased Autos** – The lessor of a "leased auto" is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:

   a. You;

   b. Any of your "employees" or agents; or

   c. Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.

   Any "leased auto" in the policy schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

   The coverages provided under this endorsement apply to any "leased auto" in the policy schedule until the expiration date of the lease, or when the lessor or his or her agent takes possession of the "leased auto," whichever occurs first.

   "Leased auto" means an "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.

B. Cost of Bail Bonds

SECTION II – LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments, Item (2) is deleted in its entirety and replaced with the following:

(2) Up to $5,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

C. Reasonable Expenses

SECTION II – LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments, Item (4) is deleted in its entirety and replaced with the following:

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

D. Fellow Employee Coverage

SECTION II – LIABILITY COVERAGE, B. Exclusions, 5. Fellow Employee is deleted in its entirety and replaced by the following:

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

However, this exclusion does not apply to any manager or officer of your company.

II. PHYSICAL DAMAGE COVERAGE EXTENSIONS

A. Towing

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 2. Towing is deleted in its entirety and replaced with the following:

2. Towing

We will pay up to $100 for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement. No deductible applies to this enhancement.

We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

B. Glass Breakage

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles is amended by adding the following:

No deductible applies to "loss" to glass used in the windshield or windows.

We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

C. Transportation Expenses

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions, a. Transportation Expenses is deleted in its entirety and replaced with the following:

a. Transportation Expenses

We will pay up to $100 per day to a maximum of $3,000 for temporary transportation expenses incurred by you because of a "loss" to a covered "auto." We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the "loss" and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss."

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

D. Hired Auto Physical Damage – Loss of Use

The last sentence of **SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extension, b. Loss of Use Expenses** is deleted in its entirety and replaced with the following:

> However, the most we will pay for any expenses for loss of use is $100 per day, to a maximum of $1,000.

E. Hired Auto Physical Damage

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following extension:

Hired Auto Physical Damage

Any "auto" you lease, hire, rent or borrow from someone other than your "employees" or partners, or members of their household is a covered "auto" for each of your physical damage coverages.

The most we will pay for any "loss" in any one "accident" is the ACV or the cost for repair or replacement of the vehicle, whichever is less.

For each covered "auto" our obligation to pay will be reduced by a deductible of $500 for Comprehensive Coverage and $1000 for Collision Coverage.

F. Personal Effects Coverage

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following extension:

Personal Effects Coverage

We will pay up to $500 for "loss" to personal effects, which are:

1. Owned by an "insured"; and
2. In or on your covered "auto."

This coverage applies only in the event of the total theft of your covered "auto." No deductible applies to this coverage.

G. Rental Reimbursement

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions is amended by adding the following extension:

Rental Reimbursement Coverage

We will pay up to $100 per day, for up to 30 days, for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto."

We will also pay up to $300 for reasonable and necessary expenses incurred by you to remove and replace your materials and equipment from the covered "auto."

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

If "loss" results from the total theft of a covered "auto," we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Item **III. C. Transportation Expenses** of this endorsement.

H. Accidental Discharge – Airbag Coverage

SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions, Paragraph 3. is amended by adding the following exception:

This exclusion does not apply to the accidental discharge of an airbag. This coverage is excess of any other collectible insurance or warranty. No deductible applies to this coverage.

I. Electronic Equipment Coverage

The following supersedes anything to the contrary in **SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions**, Paragraph 4.

Exclusions **4.c.** and **4.d.** do not apply to:

Any risk management or monitoring equipment and electronic equipment that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound. This coverage applies only if the equipment is permanently installed in the covered "auto" at the time of the "loss" or the equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss," and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto."

The most we will pay for all "loss" to risk management or monitoring equipment, audio, visual or data electronic equipment that is not designed solely for the reproduction of sound and any accessories used with this equipment as a result of any one "accident" is the least of:

a. The actual cash value of the damaged or stolen property at the time of the "loss";

b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or

c. $1,000.

This coverage will not apply if there is other insurance provided by this policy for the above-described electronic equipment. We will, however, pay any deductible, up to $500, that is applicable under the provisions of the other insurance.

We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

J. Original Equipment Manufacturer (OEM) Parts Replacement

SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance, Paragraph 1. is amended to include:

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

However, if the covered "auto" has less than 20,000 miles on its odometer, then the following condition will apply:

We will pay the cost to replace the damaged parts (excluding glass and mechanical parts) with new Original Equipment Manufacturer replacement parts if the damaged parts cannot be repaired.

K. Auto Loan / Lease Gap Protection

SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit of Insurance is amended to include the following:

4. In the event of "loss" to a covered "auto" that is loaned or leased to an "insured":

   a. The most we will pay for "loss" in any one "accident" is the lesser of:

      (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or

      (2) The cost of repairing or replacing the damaged or stolen property with other property of like, kind and quality.

   b. Our Limit of Insurance for "total loss" will be the greater of:

      (1) The balance due under the terms of the lease or loan, to which your "auto" is subject but not including:

         (a) Past due payments;

         (b) Financial penalties imposed under the lease;

         (c) Security deposits not refunded;

         (d) Costs for extended warranties or insurance; or

         (e) Final payment due under a "balloon loan"; or

      (2) Actual cash value of the stolen or damaged property.

      An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of "loss."

   c. Additional Definitions

      (1) "Total loss" for the purpose of this coverage, means a loss in which the estimated cost of repairs, plus the salvage value, exceeds the actual cash value.

      (2) "Balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.

   d. Additional Conditions

      This coverage will apply only to the original lease or loan written on your covered "auto." In order for this coverage to apply, leased "autos" must be leased or rented to you under

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

a leasing or rental agreement, for a period of not less than six months, which requires you to provide direct primary insurance for the benefit of the lessor.

L. One Comprehensive Coverage Deductible

SECTION III – PHYSICAL DAMAGE COVERAGE, D. Deductible is amended by adding the following:

Only one Comprehensive Coverage Deductible per occurrence will apply to any "loss" resulting from a covered peril.

For the purpose of this extension, occurrence means a single incident, including continuous or repeated exposure to substantially the same general harmful conditions within a 24-hour period.

III. BUSINESS AUTO CONDITIONS

A. Notice and Knowledge of Occurrence

SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties In The Event Of Accident, Claim, Suit Or Loss, Paragraph a. is deleted in its entirety and replaced with the following:

a. In the event of "accident," claim, "suit" or "loss," you must give us, or our authorized representative, prompt notice of the "accident" or "loss." Include:

(1) How, when and where the "accident" or "loss" occurred;

(2) The "insured's" name and address; and

(3) To the extent possible, the names and addresses of any injured persons and witnesses.

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

(1) You, if you are an individual;

(2) A partner, if you are a partnership; or

(3) An executive officer or insurance manager, if you are a corporation.

B. Blanket Waiver Of Subrogation

SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us, is amended by adding the following exception:

However, we waive any right of recovery we may have against any person or organization because of payments we make for "bodily injury" or "property damage" arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract."

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

C. Unintentional Errors or Omissions

SECTION IV – BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation, Or Fraud is amended by adding the following:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

IV. DEFINITIONS

A. Mental Anguish

SECTION V – DEFINITIONS, C. "Bodily injury" is amended by adding the following:

"Bodily injury" also includes mental anguish but only when the mental anguish arises from other bodily injury, sickness, or disease.

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with its permission.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. 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.

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
   a. During the policy period shown in the Declarations; and
   b. Within the coverage territory.
2. The coverage territory is:
   a. The United States of America (including its territories and possessions);
   b. Puerto Rico; and
   c. Canada.

 Copyright, ISO Commercial Risk Services, Inc., 1983, 1987

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part 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:

1. Prior to a loss to your Covered Property or Covered Income.

2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

a. Someone insured by this insurance;

b. A business firm:

(1) Owned or controlled by you; or

(2) That owns or controls you; or

c. Your tenant.

This will not restrict your insurance.

 Copyright, ISO Commercial Risk Services, Inc., 1983, 1987

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy **CP 00 99,** the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions** in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act committed:
   - **a.** By or at the direction of any insured; and
   - **b.** With the intent to cause a loss.
2. However, this exclusion will not apply to deny an insured's claim for an otherwise covered property loss under this policy if such loss is caused by an act of domestic violence by another insured under this policy and the insured making this claim:
   - **a.** Did not cooperate in or contribute to the creation of the loss; and
   - **b.** Cooperates in any investigation relating to the loss.

   We may apply reasonable standards of proof for such claims.
3. If we pay a claim pursuant to Paragraph **B.2.** of this endorsement, our payment to the insured is limited to that insured's insurable interest in the property as reduced by any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the Limit of Insurance.

C. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

If we pay an insured for a loss described in Paragraph **B.2.,** the rights of the insured to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator of the domestic violence.

D. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

We will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:

1. That are fraudulent;
2. That are material either to the acceptance of the risk, or to the hazard assumed by us; and
3. Where, if the true facts had been known to us as required either by the application for the policy or otherwise, we in good faith would either:
   - **a.** Not have issued the policy;
   - **b.** Not have issued the policy in as large an amount; or
   - **c.** Not have provided coverage with respect to the hazard resulting in the loss.

 © ISO Properties, Inc., 2003

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but 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.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. 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 Coverage Part or Policy.

© ISO Properties, Inc., 2006

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
BUILDERS RISK COVERAGE FORM
TOBACCO SALES WAREHOUSE COVERAGE FORM
STANDARD PROPERTY POLICY

A. Additional Coverages

Paragraph **A.4.c.** Fire Department Service Charge does not apply.

 Copyright, ISO Commercial Risk Services, Inc., 1994

PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read this entire policy carefully to determine rights, duties and what is and 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.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section G., Definitions.**

A. Coverage

We will pay for direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

a. Your Business Personal Property, and similar property of others in your care, custody or control:

(1) Located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises;

(2) In transit; and

(3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

(a) Furniture and fixtures;

(b) Machinery and equipment;

(c) **"Stock"**;

(d) **"Fine Arts"**

If the total value of "**Fine Arts"** is over $25,000 they must be listed in a schedule on file with us;

(e) **"Computer Property"**;

(f) All other personal property owned by you and used in your business;

(g) Labor, materials or services furnished or arranged by you on personal property of others;

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(h) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(i) Made a part of the **"buildings"** you occupy but do not own; and

(ii) You acquired or made at your expense but cannot legally remove;

(i) Building glass for which you have a contractual responsibility as tenant, including encasement frames, alarm tape, lettering and ornamentation;

(j) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and

(k) Signs.

b. "Buildings" described in the Declarations including:

(1) Building glass;

(2) Completed additions;

(3) Permanently installed;

(a) Fixtures;

(b) Machinery; and

(c) Equipment;

(4) Outdoor fixtures, including awnings;

(5) Fences;

(6) Personal property owned by you that is used to maintain or service the **"buildings"** or their premises, including:

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings;

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

(e) Alarm, communication and monitoring systems;

(7) If not covered by other insurance:

(a) Alterations within, or on the exterior of, the existing **"buildings";**

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations to the existing **"buildings";**

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(8) Foundations of covered **"buildings",** machinery and boilers and foundations of equipment and machinery, whether above or below ground;

(9) Underground pipes, flues and drains.

(10) Retaining walls that are not part of **"buildings"**;

(11) Bridges, roadways, walks, patios, and other paved surfaces, including in-ground pools.

2. Property Not Covered

Covered Property does not include:

a. Aircraft, watercraft, or railroad rolling stock;

b. Animals, birds or fish;

c. Automobiles held for sale;

d. Pilings, piers, wharves or docks;

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

f. "Money" or **"securities";**

g. The cost of excavations, grading, filling or backfilling, all except as provided under the Coverage Extensions;

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

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

j. Vehicles or self-propelled machines that:

(1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

(1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or

(2) Vehicles or self-propelled machines, other than autos, you hold for sale;

k. The following property while outside of **" buildings":**

(1) Grain, hay, straw or other crops;

(2) Trees, shrubs or plants (other than **"stock"** of trees, shrubs or plants) except as provided in the Coverage Extensions;

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

l. Property that is covered under any import or export ocean marine insurance policy;

m. After delivery to customers, property that you have sold under a conditional sale or trust agreement, installment payment or other deferred payment plan;

n. Property of others for which you are responsible as a:

(1) Carrier for hire; or

(2) Carloader, consolidator, transportation broker, freight forwarder, shipping association or arranger of transportation.

o. **"Fine Arts"**, if the total value of such property is greater than $25,000, unless such property is listed in a Schedule on file with us;

p. **"Data"** and **"media"** which cannot be reproduced or replaced with others of the same kind or quality;

q. Property which is intended for installation at a premises you do not own, lease or control, after it has left your premises: and

r. **(1)** **"Buildings"**; or

(2) Additions to existing **"buildings"**;

In the course of construction, except as provided in the Additional Coverages.

3. Covered Causes of Loss

See the Causes of Loss Form.

4. Additional Coverages

The most we will pay in any one occurrence for each of the following Additional Coverages is as stated under each, unless a different limit is shown in the Superseding Limits section of the Additional Coverage Summary Declarations.

a. Debris Removal

(1) We will pay your expenses to remove debris of Covered Property caused by or resulting from any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical **"loss".**

(2) **(a)** The most we will pay under this Additional Coverage in any one occurrence is 25% of :

(i) The amount we pay for the direct physical **"loss"** to Covered Property; plus

(ii) The Deductible in this Coverage Form applicable to that **"loss".**

This limit does not increase any applicable Limits of Insurance provided by this Coverage Form.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(b) But if either:

(i) The sum of direct physical **"loss"** and Debris Removal expenses exceeds the applicable Limit of Insurance; or

(ii) The Debris Removal expenses exceed the amount payable under the 25% limitation in subparagraph **(2) (a)** above;

We will pay up to an additional $250,000 for each described premises in any one occurrence.

This limit is in addition to the applicable Limits of Insurance provided by this Coverage Form.

(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.

b. Preservation of Property

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

(1) While it is being moved or while temporarily stored at another premises; and

(2) Only if the **"loss"** occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from any of the Covered Causes of Loss, we will pay for your liability of fire department service charges:

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

(2) Required by local ordinance.

The most we will pay under this Additional Coverage in any one occurrence is $50,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

d. Fines for False Alarms

We will pay any fines your are assessed that you are legally obligated to pay under local or state ordinances, regulations or laws, for any false alarms sent in to police or fire stations or to central monitoring stations by fire, burglar or sprinkler alarms installed to protect Covered Property at described premises or in safes or vaults on described premises.

The most we will pay in any one occurrence is $2,500, but no more than $5,000 in any one policy year. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No Deductible applies to this Additional Coverage.

e. Fire, Sprinkler or Burglar Alarm Upgrade

In the event of a total **"loss"** to covered fire, sprinkler or burglar alarm systems at described premises caused by or resulting from any of the Covered Causes of Loss, we will pay for the cost to purchase upgraded equipment.

The most we will pay in any one occurrence is $50,000. This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

f. Pollutant Clean Up and Removal

We will pay your expenses 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 any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Causes of Loss occur.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of **"pollutants".** But we will pay for testing which is performed in the course of extracting the **"pollutants"** from the land or water.

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

This Additional Coverage is in addition to the applicable limits of insurance provided by this Coverage Form.

g. Recharge or Refill of Fire Protection System

We will pay your expenses to recharge or refill automatic fire protection systems when such systems are discharged as the result of any of the Covered Causes of Loss.

We will not pay recharging or refilling expenses if the discharge occurred while the system was being tested.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

h. Theft Damage to "Buildings"

We will pay for **"loss"** to **"buildings"** (including equipment within the **"buildings"** used to maintain or service the **"buildings"**) caused by theft or attempted theft of Covered Business Personal Property.

This Additional Coverage is applicable only to the premises where you are a tenant and are liable for such damage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

i. Brands and Labels

If your **"stock"** is damaged as a result of any of the Covered Causes of Loss, you have two options when you do not want to sell it under your brand or label even though it has a salvage value. You can:

(1) Remove the brand or label and then relabel the **"stock"** to comply with the law; or

(2) Label the damaged **"stock"** as salvage but, in doing so, cause no further damage to the damaged **"stock".**

We will pay the cost of removing and relabeling your **"stock".**

In either case, we will pay the difference between the salvage value of the damaged **"stock"** with the brand and label attached, and the salvage value of the damaged **"stock"** with the brand and label removed.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

j. Consequential Damage

We will pay for **"consequential damage"** to covered Business Personal Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Additional Coverage in any one occurrence is $25,000.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

k. Arson Reward

In the event that a covered fire **"loss"** was the result of an act of arson, we will reimburse you up to $25,000 for rewards you pay for information leading to conviction of the person or persons responsible for that act of arson. This is additional insurance. The Coinsurance Condition and Deductible do not apply to this Additional Coverage.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

l. Computer Virus Extraction Expense

We will pay:

Your expenses to extract a **"computer virus"** from covered electronic data processing **"hardware", "data"** and **"media".**

The most we will pay under this Coverage Extension in any one occurrence is $2,500.

This Additional Coverage is the only portion of this policy that provides coverage for a **"computer virus"** extraction loss, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss".**

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

m. Computer Upgrade

(1) In the event of **"loss"** to covered electronic data processing **"hardware"** caused by or resulting from a Covered Cause of Loss, we will allow you to use the amount we pay you for that **"loss"** to purchase upgraded electronic data processing **"hardware"**.

(2) If you choose to upgrade that equipment, we will pay for the expenses you incur to convert your **"data"** and **"media"** to the upgraded system.

n. Contract Penalty Clause

We will pay for any contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must result solely from direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for penalties for all contracts in any one occurrence is $25,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

o. Claim Expenses

In the event of a covered **"loss"**, we will pay for all reasonable expenses you incur at our request to assist us in:

(1) The investigation of a claim; or

(2) The determination of the amount of **"loss"**, such as taking inventory.

We will not pay for:

(1) Expenses to prove that **"loss"** is covered;

(2) Expenses incurred under Loss Condition **E.2., Appraisal**; or

(3) Expenses billed by and payable to independent or public adjusters.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

The most we will pay under this Additional Coverage is $10,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

p. Worldwide Coverage

We will pay for **"loss"** to Covered Property:

(1) In transit, other than in the custody of a mail carrier, to or from:

(a) The United States of America;

(b) Canada; or

(c) Territories or possessions of the United States of America; and

Points worldwide, except those excluded below. This coverage applies from the delivery of the Covered Property at the point of origin shown in the bill of lading until it is discharged at the destination shown in the bill of lading.

(2) At locations outside the Coverage Territory, while it is in the custody of directors, officers or employees who are traveling in the conduct of your business, except in those countries listed below.

(3) This Additional Coverage does not apply to property located in, or in transit to, from or within, Afghanistan, Albania, Cambodia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Iraq, Iran, Laos, Lebanon, Libya, Myanmar, Nicaragua, North Korea, Syria, Republics formerly a part of the Union of Soviet Socialist Republics, Vietnam, or Yugoslavia or Republics formerly a part of Yugoslavia.

The most we will pay in any one occurrence is $25,000. This Additional Coverage is in addition to the applicable Limits of Insurance under this Coverage Form.

5. Coverage Extensions

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises.

The most we will pay in any one occurrence for each of the following Coverage Extensions is as stated under each, unless a different limit is shown in the Superseding Limits column of the Additional Coverage Summary Declarations.

a. Newly Acquired Property

We will pay for direct physical **"loss"** to:

(1) "Buildings" and business personal property you acquire; and

(2) "Buildings" which you have had constructed after:

(a) Construction is completed; and

(b) You have accepted the **"buildings"** for occupancy; and

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the **"buildings"**;

At any premises caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Coverage Extension for **"loss"** to **"buildings"** and business personal property combined in any one occurrence is $1,000,000.

This Coverage Extension does not increase the Limit of Insurance for **"buildings"** and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire the property or have completed construction; or

(3) You report values to us.

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

b. New Construction

We will pay for direct physical **"loss"** caused by or resulting from any of the Covered Causes of Loss to:

(1) "Buildings"; or

(2) Additions to existing **"buildings"**;

In the course of construction at any premises, if the construction began after the inception date of this policy. We do not cover **"buildings"** which you construct to sell to others or for the account of others.

The most we will pay in any one occurrence is $500,000.

This Additional Coverage will end when any of the following first occurs:

(1) This policy expires;

(2) 60 days expire after construction begins; or

(3) You report the new construction to us;

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

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

c. Personal Effects

(1) We will pay for direct physical **"loss"** to cellular phones and other portable electronic equipment owned by your employees and used in your business, while they are away from described premises, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is $1,000 for property of any one employee and $2,500 in any one occurrence.

(2) We will pay for direct physical **"loss"** to personal effects of your directors, officers, (partners) and employees, while they are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** in any one occurrence is $1,000.

(3) We will pay for direct physical **"loss"** to personal effects owned by you, your officers, your partners or your employees caused by or resulting from any of the Covered Cause of Loss at a described premises. The most we will pay for such **"loss"** is $25,000 at any one described premises.

No Deductible applies to this Coverage Extension.

d. Personal Effects - Spouses

We will pay for direct physical **"loss"** to personal effects belonging to spouses of your directors, officers or partners when such spouses are traveling with your directors, officers or partners who are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is $500 for any one person or $1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

e. Accounts Receivable

We will pay the following loss and expenses which are the direct result of **"loss"** to accounts receivable records caused by or resulting from any of the Covered Causes of Loss:

(1) All sums due you from customers, provided you are unable to collect;

(2) Interest charges on any loan to offset amounts you are unable to collect pending our payments of these accounts;

(3) Collection expenses in excess of your normal collection expenses made necessary because of **"loss"**; and

(4) Other reasonable expenses you incur to re-establish your records of accounts receivable following such **"loss"**.

We will not pay for **"loss"** that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension in any one occurrence is $250,000.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

f. Excavations and Landscaping

We will pay for:

(1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary by direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss; and

(2) Direct physical **"loss"** to your outdoor trees, shrubs and plants, including debris removal expenses, caused by or resulting from any of the following Causes of Loss:

(a) Fire;

(b) Lightning;

(c) Explosion;

(d) Riot or Civil Commotion; or

(e) Aircraft.

This Coverage Extension does not apply to **"stock"** of trees, shrubs and plants.

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

g. Valuable Papers and Records - Cost of Research

We will pay your expenses to research, replace, or restore the lost information on **"valuable papers and records",** including those converted to electronic data format, that are lost or damaged as a result of any of the Covered Causes of Loss.

We will not pay for such expenses arising out of **"loss"** caused by or resulting from errors or omissions in processing or copying **"valuable papers and records"**. But we will pay for expenses arising out of **"loss"** caused by resulting fire or explosion.

The most we will pay under this Coverage Extension in any one occurrence is $250,000 at each described premises.

h. Guard Dogs

We will pay for direct death or destruction of a **"guard dog"** caused by or resulting from, or made necessary by, any of the following Causes of Loss:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Theft;

(5) Vandalism (including shooting or poisoning);

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(6) Vehicles; or

(7) Collision, upset or overturn of the vehicle transporting the **"guard dog"**.

The Cause of Loss must occur at described premises and during other than normal business hours, or while the **"guard dog"** is being transported to or from the described premises. This Additional Coverage does not apply to death or destruction of **"stock"** held for sale.

The most we will pay for any one **"guard dog"** is $500, but not more than $1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

i. Fish in Aquariums

We will pay for direct death or destruction of fish in aquariums caused by or resulting from, or made necessary by, any of the following Causes of Loss at the described premises:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Riot or Civil Commotion;

(5) Aircraft; or

(6) Interruption of power supply service to the described premises, when the cause of the event occurs more than 1,000 feet from the premises.

This Coverage Extension does not apply to death or destruction of **"stock"** held for sale.

The most we will pay in any one occurrence is $1,000.

No deductible applies to this Coverage Extension.

j. Ordinance or Law

If a Covered Cause of Loss occurs to a covered **"building"**, we will pay for:

(1) Loss to the undamaged portion of the **"building"** caused by enforcement of any ordinance or law that:

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

(b) Regulates the construction or repair of **"buildings"** or establishes zoning or land use requirements at the described premises.

This coverage is included within the Limit of Insurance applicable to the covered **"buildings"** shown in the UltimateCover Program Declarations.

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

The most we will pay for such demolition costs is $250,000 in any one occurrence.

(3) We will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the **"building"** is not repaired or replaced.

The most we will pay for such increased cost of construction is $250,000 in any one occurrence.

Insurance under this Coverage Extension applies only with respect to an ordinance or law that is in effect at the time of **"loss"**. Insurance under this Additional Coverage does not apply to 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 to respond to or assess the effects of **"pollutants"**.

k. Lost Key Replacement

In the event of the theft or disappearance of a master key to **"buildings"**, rooms or compartments at described premises in which covered Business Personal Property is located, we will pay the actual and necessary expenses you incur to:

(1) Replace the key; and

(2) **(a)** Adjust existing locks to accept the new key; or

(b) Replace the lock;

Whichever is less.

The most we will pay under this Coverage Extension is $2,500.

No deductible applies to this Coverage Extension.

Each of these Coverage Extensions is additional insurance, unless otherwise indicated.

The Additional Condition, Coinsurance (if applicable to this Coverage Form), does not apply to these Coverage Extensions.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for **"loss"** in any one occurrence:

1. For each Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

2. For each Coverage Extension is the Limit of Insurance applicable to that Coverage Extension;

3. For **"Fine Arts"** is:

   a. $25,000; or

   b. The amount shown in the **"Fine Arts"** Schedule on file with us;

   Whichever is greater; and

4. For all other coverage provided under this Coverage Form is the applicable Limit of Insurance shown in the Property Coverage Part Declarations.

D. Deductible

We will not pay for **"loss"** in any one occurrence until the amount of the **"loss"** exceeds the Deductible shown in the Declarations or schedules. We will then pay the amount of the **"loss"** in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by any of the following:

1. Coinsurance Condition;

2. Agreed Value Optional Coverage; or

3. Reporting Endorsement.

If more than one Deductible is applicable under this Coverage Form to **"loss"** in any one occurrence, we will only apply the highest applicable Deductible.

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or 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 value of the property and 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.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

3. Duties in the Event of Loss

a. You must see that the following are done in the event of **"loss"** to Covered Property:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the **"loss"**. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the **"loss"** occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

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

(6) As often as may be reasonably required, permit us to inspect the property and records proving the **"loss".**

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) Make no statement that will assume any liability, for any **"loss"** for which we may be liable, without our consent.

(8) Promptly send us any legal papers or notices received concerning the **"loss".**

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

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

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must signed.

4. Loss Payment

a. In the event of **"loss"** to Covered Property covered by this Coverage form, 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.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

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. We may adjust the **"loss"** 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.

e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

f. We will pay for covered **"loss"** within 30 days after we receive the sworn proof of loss, if:

(1) You have complied with all of the terms of this coverage form; and

(2) **(a)** We have reached agreement with you on the amount of **"loss";**

(b) An appraisal award has been made; or

(c) Final judgment has been entered.

5. a. Recovered Property

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

b. Recoveries

The following applies only to the Accounts Receivable Coverage Extension:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

6. Vacancy

If the **"building"** where **"loss"** occurs has been vacant for more than 60 consecutive days before that **"loss,"** we will:

a. Not pay for any **"loss"** caused by any of the following even if they are Covered Causes of Loss:

(1) Vandalism;

(2) Sprinkler leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Water damage;

(5) Theft; or

(6) Attempted theft.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

b. Reduce the amount we would otherwise pay for the **"loss"** by 15%.

"Buildings" are vacant when they do not contain enough business personal property to conduct customary operations.

7. Valuation

We will determine the value of Covered Property in the event of **"loss"** as follows:

a. At replacement cost (without deduction for depreciation) as of the time of **"loss"**, except as provided in **b., c., d., e., f., g.,** and **h.** below.

(1) We will not pay more for **"loss"** on a replacement costs basis than the least of:

(a) The Limit of Insurance applicable to the lost or damaged property;

(b) The cost to replace the lost or damaged property with other property:

(i) Of comparable material and quality; and

(ii) Used for the same purpose; or

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

(2) We will not pay on a replacement cost basis for any **"loss"**:

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

(b) Unless the repairs or replacement are made as soon as reasonably possible after the **"loss".**

If the repairs or replacement are not made as soon as reasonably possible after the **"loss"**, the value of the property will be actual cash value.

b. "Fine Arts" as stated in a Schedule on file with us. If there is no schedule on file, valuation will be at fair market value as of the time of **"loss"**.

c. "Stock" as follows:

(1) "Finished Stock" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

(2) "Merchandise" you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

(3) "Stock in process" at the cost to replace plus labor and overhead expenses you have actually incurred.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. "Valuable Papers and Records" at the cost of:

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(1) Blank materials for reproducing the records; and

(2) Labor to transcribe or copy the records when there is a duplicate.

f. **"Data"** and **"media"** (other than prepackaged software programs)

The value of the property will be either:

(1) The actual cost of reproducing or replacing the lost or damaged **"data"** and **"media"**, if you actually reproduce or replace them; or

(2) The cost to replace the blank **"media"** with substantially identical property.

g. Accounts Receivable

(1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the **"loss"** the following method will be used:

(a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the **"loss"** occurred; and

(b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the **"loss"** occurred or any demonstrated variance from the average for that month.

(2) The following will be deducted from the total amount of accounts receivable, however that amount is established.

(a) The amount of the accounts for which there is no **"loss"**;

(b) The amount of the accounts that you are able to re-establish or collect;

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

(d) All unearned interest and service charges.

h. Tenant's Improvements and Betterments at:

(1) Replacement cost (without deduction for depreciation) of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the **"loss"** to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

(3) Nothing, if others pay for repairs or replacement for your benefit and at no cost to you.

8. Pair, Sets or Parts

a. Pair or set. In case of **"loss"** to any part of a pair or set we may:

(1) Repair or replace any part to restore the pair or set to its value before the **"loss";** or

(2) Pay the difference between the value of the pair or set before and after the **"loss"**

b. Parts. In case of **"loss"** to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

F. General Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Premium Property Program Declarations, the following condition applies.

a. We will not pay the full amount of any **"loss"** if the value of Covered Property (except property in transit and Business Personal Property of others in your care, custody or control) at the time of **"loss"** times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for that property.

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

(1) Multiply the value of Covered Property at the time of **"loss"** by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in step (1);

(3) Multiply the total amount of **"loss"**, before the application of any deductible, by the figure determined in step (2); and

(4) Subtract the deductible from the figure determined in step **(3).**

We will pay the amount determined in step **(4)** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the **"loss"** yourself.

Step **(3)** will not apply to property in transit or to Business Personal Property of others in your care, custody or control.

Example No. 1 (Underinsurance)

When:

The value of the property is	$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	$100,000
The Deductible is	$ 250

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

The Amount of **"Loss"** is $ 40,000

Step (1)	$250,000	X	80%	=	$200,000

(The minimum amount of insurance to meet your Coinsurance requirements.)

Step (2)	$100,000.	÷	$200,000	=	.50
Step (3)	$40,000	X	.50	=	$ 20,000
Step (4)	$20,000.	–	$250	=	$ 19,750

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

Example No. 2 (Adequate Insurance)

When:

The Value of the Property is	$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	$200,000
The Deductible is	$ 250
The Amount of **"Loss"** is	$ 40,000

Step (1)	$250,000	X	80%	=	$200,000

(The minimum amount of insurance to meet your Coinsurance requirements.)

Step (2)	$200,000	÷	$200,000	=	1.00
Step (3)	$40,000	X	1.00	=	$ 40,000
Step (4)	$40,000	–	$250	=	$ 39,750

We will cover the $39,750 **"loss"** in excess of the Deductible. No penalty applies.

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

Example No. 3:

The Value of the property is:	
"Building" at Premises No. 1	$ 75,000
"Building" at Premises No. 2	$100,000
Personal Property at Premises No. 2	$ 75,000
	$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for:	
"Buildings'" and Personal Property at Premises No. 1 and 2.	$180,000
The Deductible is	$ 1,000
The Amount of **" Loss"** is:	
"Building" at Premises No. 2	$ 30,000
Personal Property at Premises No. 2	$ 20,000
	$ 50,000

Step (1)	$250,000	X	90%	=	$225,000

(The minimum amount of Insurance to meet your Coinsurance requirements)

Step (2)	$180,000	÷	$225,000	=	.80
Step (3)	$50,000	X	.80	=	$ 40,000
Step (4)	$40,000	–	$1,000	=	$ 39,000

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

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

2. Mortgage Holders

a. The term mortgage holder includes trustee.

b. We will pay for covered **"loss"** to **"buildings"** to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgage holder has the right to receive **"loss"** payment even if the mortgage holder has started foreclosure or similar action on the **"buildings".**

d. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the mortgage holder will still have the right to receive **"loss"** payment if the mortgage holder:

(1) Pays any premium due under this Coverage Form at our request if you have failed to do so;

(2) Submits a signed, sworn statement 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 mortgage holder.

All other terms of this Coverage Form will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form;

(1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder 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 mortgage holder at least:

(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

3. Other Insurance

The following is added to subparagraph **2.** of Commercial Property Condition **G., Other Insurance**:

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

But this provision does not apply to **"loss"** to personal property of others in your care, custody or control.

4. **Policy Period, Coverage Territory**

   Commercial Property Condition **H., Policy Period, Coverage Territory**, is replaced by the following:

   a. We cover **"loss"** commencing:

   (1) During the Policy Period shown in the UltimateCover Program Declarations; and

   (2) Within the Coverage Territory.

   b. The Coverage Territory is:

   (1) The United States of America; and

   (2) Canada.

G. Definitions

1. **"Buildings"** means buildings or structures.

2. **"Computer Virus"** means unauthorized intrusive codes or programming that are entered into covered **"hardware"**, **"data"** and **"media"** and interrupt your operations at the described premises.

3. **"Consequential Damage"** means the decrease in value to the undamaged part or parts of Business Personal Property which is unmarketable as a complete product.

4. **Computer Property** means **"data", "hardware"** and **"media"**.

   a. **"Data"** means facts, figures, concepts, or instructions that are in a form that can be communicated, interpreted or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).

   b. **"Hardware"** means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or manufacturing or production machinery or equipment.

   c. **"Media"** means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

   "Data" and **"media"** include pre-packaged software and any instructional manuals for that software.

5. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

6. **"Guard Dog"** means a dog that is trained to protect premises from intruders and kept on your premises when they are not open for business.

7. **"Loss"** means accidental loss or damage.

8. **"Money"** means:

   a. Currency, coins and bank notes whether or not in current use; and

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

9. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

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

    a. Tokens, tickets, revenue and other stamps whether or not in current use;

    b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

    But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.

11. **"Stock"** means **"finished stock"**, **"merchandise"** and **"stock in process"**.

    a. **"Finished Stock** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.

    b. **"Merchandise"** means goods kept for sale by you that are not the product of your manufacturing or processing operations.

    c. **"Stock in Process"** means raw materials that have undergone any processing or manufacturing but which has not become **"finished stock."**

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

    But **"valuable papers and records"** does not mean **"money"** or **"securities"**.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **F., Definitions.**

A. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss unless the **"loss"** is:

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

that follow.

B. Exclusions

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

   a. Ordinance or Law

   The enforcement of any ordinance or law:

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

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

   b. Earth Movement

   Any earth movement (other than sinkhole collapse or volcanic action, eruption, explosion or effusion), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if **"loss"** by fire or explosion results, we will pay for that resulting **"loss"**.

   This exclusion does not apply to the following:

   (1) Business Personal Property in transit or away from premises you own, lease, rent or control;

   (2) The Accounts Receivable Coverage Extension; or

   (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

   c. Governmental Action

   Seizure or destruction of property by order of governmental authority.

   But we will pay for **"loss"** 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.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

d. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct **"loss"** caused by resulting fire if the fire would be covered under this Policy.

e. Utility Services

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 **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss".**

This exclusion does not apply to the following Coverages:

(1) Accounts Receivable Coverage Extension;

(2) **"Computer Property"** for interruption of electrical power supply when the cause of such event occurs within 1,000 feet of the premises; or

(3) Utility Services - Direct Damage Additional Coverage Extension.

f. War and Military Action

(1) War, including undeclared or civil war;

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

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

g. Flood

"Flood".

But if **"loss"** by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting **"loss".**

This exclusion does not apply to the following:

(1) Business Personal Property in transit or away from premises you own, lease rent or control;

(2) The Accounts Receivable Coverage Extension; or

(3) The Valuable Papers and Records - Cost to Research Coverage Extension.

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

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

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

This exclusion does not apply to **"computer property"** .

b. Delay, loss of use, loss of market or any other consequential loss.

c. Smoke, vapor or gas from agricultural smudging or industrial operations. This exclusion does not apply to **"computer property "**.

d. **(1)** Wear and tear;

(2) Rust, corrosion, fungus, decay, deterioration, spoilage, contamination, 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) Insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting **"loss"** caused by elevator collision;

(7) Dampness or dryness of atmosphere; changes in or extremes of temperature; freezing or thawing.

Paragraphs **d. (3), (4), (6)** and **(7)** do not apply to **"computer property"**.

But if **"loss"** by the **"specified causes of loss"** or building glass breakage results, we will pay for that resulting **"loss".**

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if **"loss"** by fire or combustion explosion results, we will pay for that resulting **"loss"**. We will also pay for **"loss"** 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.

f. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air-conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the **"buildings"**; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

This exclusion does not apply to **"computer property"**.

g. Dishonest or criminal acts by you, any of your 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; or

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

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

This exclusion does not apply to:

(1) Acts of destruction by your employees (but theft by employees is not covered);

(2) Property in the custody of a carrier for hire (provided the carrier is not in collusion with you, any of your partners, directors, trustees or authorized representatives); or

(3) **"Loss"** to **"computer property"** (provided your employees are not in collusion with you, any of your partners, directors, trustees or authorized representatives).

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

i. Collapse, except as provided below in the Additional Coverage for Collapse. But if **"loss"** by any of the Covered Causes of Loss results at the described premises, we will pay for that resulting **"loss".**

j. Discharge, dispersal, seepage, migration, release or escape of **"pollutants".**

But we will pay for resulting **"loss"** to Covered Property when the discharge, dispersal, seepage, migration, release or escape of **"pollutants"** is caused by any of the **"specified causes of loss".**

k. Processing or work upon the property.

But we will pay for **"loss"** caused by resulting fire or explosion.

This exclusion does not apply to **"computer property"**.

l. 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.

m. Bookkeeping, accounting or billing errors or omissions.

n. Unexplained disappearance. This exclusion does not apply to **"computer hardware"**.

o. Shortage found upon taking inventory or audit. This exclusion does not apply to **"computer hardware"**.

p. Electrical or magnetic disturbance or erasure of records of accounts receivable that have been converted into electronic format, when such **"loss"** 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; or

(3) An occurrence that took place more than 1,000 feet from your premises.

But we will pay for such **"loss"** caused by lightning.

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

r. Changes in your electrical power supply to **"computer property"**, including interruption of power, power surge, blackout or brownout, if the cause of such event originates more than 1,000 feet from any of the premises listed in the Declarations, Extension of Declarations or attached Schedule.

3. We will not pay for **"loss"** caused by or resulting from any of the following. But if **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss."**

a. 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"**.

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

c. 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.

This exclusion does not apply to **"computer property"**.

4. Special Exclusions

The following provisions apply only to the Coverage Forms listed below, if these Coverage Forms are attached to this Policy.

a. Business Income, Extra Expenses and Business Income with Extra Expenses Coverage Forms.

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of finished **"stock";** or

(b) The time required to reproduce finished **"stock".**

This exclusion does not apply to Extra Expenses.

(2) Any loss caused by or resulting from direct physical **"loss"** to communication antennas or satellite dishes, including their lead-in wiring masts or towers.

(3) Any increase of loss caused by or resulting from:

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

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

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

(4) Any Extra Expenses caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the **"period of restoration".**

(5) Any other consequential loss.

(6) Any loss caused by or resulting from error in machine programming or instructions to any machine.

(7) Any loss caused by or resulting from direct physical **"loss"** to property at locations not specifically identified. This exclusion does not apply to coverage provided to Business Income from Dependent Property - Additional Coverage.

(8) Any loss caused by or resulting from direct physical **"loss"** to:

(a) "Buildings"; or

(b) Additions to existing **"buildings"**;

That are under the course of construction.

b. Legal Liability Coverage Form

(1) The following Exclusions do not apply to insurance under this Coverage Form;

(a) Paragraph **B. 1.a.**, Ordinance or Law;

(b) Paragraph **B. 1. c.**, Governmental Action;

(c) Paragraph **B. 1.d.**, Nuclear Hazard;

(d) Paragraph **B.1.e.**, Utility Service; and

(e) Paragraph B. 1. f., War and Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or **"suit"** or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(b) Nuclear Hazard

We will not defend any claim or **"suit"** or pay any damages, **"loss"**, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

C. Limitations

1. We will not pay for **"loss"** to:

   a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for **"loss"** to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

   b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

   c. The interior of any **"buildings"**, or to personal property in **"buildings"**, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

      (1) The **"buildings"** first sustain damage by a Covered Cause of Loss to their roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

      (2) The **"loss"** is caused by or results from thawing of snow, sleet or ice on the **"buildings"**.

2. For **"loss"** by theft, the following types of property are covered only up to the Limits of Insurance shown:

   a. $2,500 for furs, fur garments and garments trimmed with fur.

   b. $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 of Insurance does not apply to jewelry and watches worth $100 or less per item.

   c. $250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, molded, rusted, frosted, rotted, soured, steamed or changed in flavor.

   But we will pay for such **"loss"** caused by: the **"specified causes of loss"**; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

D. Additional Coverage - Collapse

We will pay for **"loss"** caused by or resulting from risks of direct physical **"loss"** involving collapse of **"buildings"** or any part of **"buildings"** caused only by one or more of the following:

1. The **"specified causes of loss"** or breakage of building glass, all only as insured against in this form;

2. Hidden decay;

3. Hidden insect or vermin damage;

4. Weight of people or personal property;

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

5. Weight of rain that collects on a roof.
We will not pay for **"loss"** to the following types of property, if otherwise covered in this Policy, under items **2., 3., 4.** and **5.,** unless the **"loss"** is a direct result of the collapse of **"buildings";** outdoor communication antennas or satellite dishes, including their masts or lead - in wiring; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; beach or diving platforms or appurtenances; retaining walls.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

This Additional Coverage will not increase the Limits of Insurance provided by this Policy.

E. Additional Coverage Extensions

1. Water Damage, Other Liquids, Powder or Molten Material Damage

If **"loss"** caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of **"buildings"** to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

a. Results in discharge of any substance from an automatic fire protection system; or

b. Is directly caused by freezing.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

2. Utility Services - Direct Damage

We will pay for direct physical **"loss"** caused by interruption of utility service to the described premises. The interruption must be caused by direct physical **"loss"** by any of the Covered Causes of Loss to the following types of property not on the described premises supplying water, communication and power to the described premises.

Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises.

a. Utility Generating Plants;

b. Switching stations;

c. Substations;

d. Transformers; and

e. Transmission Lines.

But not overhead transmission lines.

Water Supply Services, meaning the following types of property supplying water to the described premises.

a. Pumping Stations; and

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

b. Water mains.

Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

a. Communication transmission lines, including optical fiber transmission lines;

b. Coaxial cables; and

c. Microwave radio relays except satellites.

But not overhead transmission lines.

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is $10,000.

This Coverage Extension is in addition to the Limits of Insurance provided by this Policy.

3. Voluntary Parting

We will pay for **"loss"** caused by or resulting from voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

The most we will pay under this Coverage Extension in any one occurrence is $10,000.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

F. Definitions

1. "Buildings" means buildings or structures.

2. "Computer Property" means **"data"**, **"hardware"** and **"media"**.

a. "Data" means facts, figures, concepts or instructions that are in a form that can be communicated, interpreted, or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).

It does not include Valuable Papers unless converted to electronic form.

b. "Hardware" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or production machinery or equipment.

c. "Media" means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

3. "Flood" means:

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

b. Mudslide or mudflow.

4. **"Loss"** means accidental loss or damage.

5. **"Money"** means:

   a. Currency, coins and bank notes whether or not in current use; and

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

6. **"Operations"** means:

   a. Business activities you perform at the described premises; and

   b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.

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

   a. Begins:

   (1) 72 hours after the time of direct physical **"loss"** for Business Income Coverage; or;

   (2) Immediately after the time of direct physical **"loss"** for Extra Expense Coverage;

   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.

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

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

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

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

8. **"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.

9. **"Rental Value"** means

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

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

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

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

    a. Tokens, tickets, revenue and other stamps whether or not in current use; and

    b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

    But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.

11. **"Specified Causes of Loss"** means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

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

        (1) The cost of filling sinkholes; or

        (2) Sinking or collapse of land man-made underground cavities.

    b. Falling objects does not include **"loss"** to:

        (1) Personal property in the open; or

        (2) The interior of **"buildings",** or property inside **"buildings",** unless the roof or an outside wall of the **"buildings"** is first damaged by a falling object.

    c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

12. **"Stock"** means **"finished stock"**, **"merchandise"**, and **"stock in process"**.

    a. **"Finished Stock"** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.

    b. **"Merchandise"** means goods kept for sale by you that are not the product of your manufacturing or processing operations.

    c. **"Stock in Process"** means raw materials that have undergone any processing or manufacturing but which have not become **"finished stock."**

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

Includes copyrighted material of ISO Commercial Risk Services, Inc.
Copyright, ISO Commercial Risk Services, Inc., 1990

CRIME COVERAGE FORM

Various provisions in the policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and 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.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G., Definitions**.

Coverage Summary

	Basic Limit Of Insurance	Basic Deductible	Superseding Limit Of Insurance	Superseding Deductible
"Money" and **"Securities"**- Inside the Premises	$ 5,000	$ 500	$	$
"Money" and **"Securities"**- Outside the Premises	$ 5,000	$500	$	$
Money Orders and Counterfeit Paper Currency	$ 5,000	$500	$	$
Kidnap and Ransom – Extortion	$25,000	None		

Optional Coverage Summary

	Limit of Insurance	Deductible
Forgery or Alteration	$	$
Computer Fraud	$	$
Employee Dishonesty	$ 100,000	$ 5,000

☐ If this box is marked with **"X", Clause B.1.f., Coverage Extension - Welfare and Pension Plan ERISA Compliance**, applies to this policy.

A. Coverage

1. Money and Securities

Covered Property, as used in this Coverage, means **"money"** and **"securities"** used in your business.

a. We will pay for all loss to Covered Property:

(1) Inside the Premises - while at a bank or savings institution, at the **"premises"**, or

(2) Outside the Premises - in transit between any of the places described in **1. a. (1)** above; resulting directly from:

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

(a) Theft, meaning any act of stealing;

(b) Disappearance; or

(c) Destruction.

b. In addition to the General Exclusions of this Form, 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.

(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.

(4) Resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(5) Of Covered Property after it has been transferred or surrendered to a person or place outside the **"premises"** or a bank or savings institution on the basis of unauthorized instructions.

(6) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

c. Additional Definition

As respects Money and Securities coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

2. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the acceptance in good faith of Covered Property.

a. Covered Property, as used in this Coverage, means:

(1) Any post office or express money order accepted in exchange for merchandise, **"money"** or services issued, or purporting to have been issued, by any post office or express company, if such money order is not paid upon presentation; or

(2) Counterfeit United States or Canadian paper currency accepted in the regular course of business.

b. In addition to the General Exclusions of this Form, we will not pay for loss resulting from:

(1) Any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(2) Your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

c. Additional Definition

As respects Money Orders and Counterfeit Paper Currency coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

3. Kidnap and Ransom-Extortion

a. We will pay for loss of **"money"**, **"securities"**, and **"property other than money and securities"** resulting directly from **"extortion"**. Loss is covered only if:

(1) The threat to do bodily harm is first communicated to you during the Policy Period; and

(2) The capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

b. We will not pay for loss as specified below:

(1) Loss resulting from any dishonest or criminal acts committed by any of your **"employees"**, directors, trustees, or authorized representatives:

(a) Acting alone or in collusion with other persons; or

(b) While performing services for you or otherwise.

(2) Loss of property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:

(a) An associate;

(b) The Federal Bureau of Investigation; and

(c) Local law enforcement authorities.

c. The most we will pay for loss in any one **"occurrence"** is $25,000.

d. Additional Definition

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or event not involving any person.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

B. Optional Coverages

The following Optional Coverages for which a limit of insurance is shown in the Coverage Summary are also provided:

1. Employee Dishonesty

We will pay for loss of, and loss from damage to Covered Property resulting directly from **"employee dishonesty"**.

a. Covered Property, as used in this Coverage, means **"money"**, **"securities"** and **"property other than money and securities"**.

b. We will pay for loss caused by any **"employee"** while temporarily outside the Coverage Territory for a period not more than 90 days.

c. We will not pay for:

(1) Loss caused by any **"employee"** of yours, or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.

(2) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

d. Additional Condition

The following applies in addition to the General Conditions of this Form.

Cancellation As To Any Employee

This insurance is canceled as to any **"employee"**:

(1) Immediately upon discovery by:

(a) You; or

(b) Any of your partners, officers or directors not in collusion with the **"employee"**;

of any dishonest act committed by that **"employee"** whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

e. Additional Definition

As respects Employee Dishonesty coverage:

"Occurrence" means all loss caused by, or involving, one or more **"employees"**, whether the result of a single act or series of acts.

f. Coverage Extension - Welfare and Pension Plan ERISA Compliance

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

(1) "Employee" also includes any natural person who is:

(a) A trustee, officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereinafter called Plan) insured under this insurance; and

(b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

(2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

(4) If two or more Plans are insured under this insurance, any payment we make for loss:

(a) Sustained by two or more Plans; or

(b) Of commingled funds or other property of two or more Plans;

that arises out of one **"occurrence"** is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

(5) The Deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

2. Forgery or Alteration

We will pay for loss due to forgery or alteration of, on or in any Covered Property.

a. Covered Property, as used in this Coverage, means **"Covered Instruments"** that are:

(1) Made or drawn by or drawn upon you;

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

b. If you are sued for refusing to pay any **"covered instrument"** on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay is in addition to the Limit of Insurance applicable to this insurance.

c. The following applies in addition to the General Exclusions of this Form:

We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(1) Acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form.

(1) Facsimile Signatures

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

(2) Proof of Loss

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

(3) Territory

We will cover loss you sustain anywhere in the world.

The **Territory General Condition** does not apply to this Optional Coverage.

e. Additional Definition

As respects Forgery or Alteration coverage:

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

3. Computer Fraud

We will pay for loss of, and loss from damage to, Covered Property resulting directly from **"computer fraud"**.

a. Covered Property, as used in this Coverage means **"money"**, **"securities"** and **"property other than money and securities"**.

b. The following apply in addition to the General Exclusions of this Form:

(1) We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

(a) Acting alone or in collusion with other persons; or

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

(b) While performing services for you or otherwise.

(2) We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

d. Additional Conditions

The following apply in addition to the General Conditions of this Form:

(1) Duties in the Event of Loss

If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

(2) Special Limit of Insurance for Specified Property

For loss of, or loss from damage to, manuscripts, drawings or records of any kind the most we will pay in any one **"occurrence"** is the lesser of the following amounts:

(a) The cost of reconstructing such property or reproducing any information contained in such property; or

(b) $5,000.

e. Additional Definition

As respects Computer Fraud coverage:

"Occurrence" means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

C. Limits of Insurance

The most we will pay for loss in any one **"occurrence"** is the applicable Limit of Insurance shown in the Coverage Summary.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Limit of Insurance is:

a. The Basic Limit of Insurance shown in the Coverage Summary if no Superseding Limit of Insurance is shown; or

b. The Superseding Limit of Insurance if a Superseding Limit is shown in the Coverage Summary.

2. For all other coverages, the applicable Limit of Insurance is the Limit shown in the Coverage Summary.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

D. Deductible

We will not pay for loss in any one **"occurrence"** until the amount of the loss exceeds the applicable Deductible shown in the Coverage Summary. We will then pay the amount of the loss in excess of the applicable Deductible, up to the applicable Limit of Insurance.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Deductible is:

   a. The Basic Deductible shown in the Coverage Summary if no Superseding Deductible is shown; or

   b. The Superseding Deductible if a Superseding Deductible is shown in the Coverage Summary.

2. For all other coverages, the applicable Deductible is the Deductible shown in the Coverage Summary.

E. General Exclusions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Exclusions apply to all Coverages and Optional Coverages provided by this Coverage Form.

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners**

   Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

2. **Governmental Action**

   Loss resulting from seizure or destruction of property by order of governmental authority.

3. **Indirect Loss**

   Loss that is an indirect result of any act or **"occurrence"** covered by this insurance including, but not limited to, loss resulting from;

   a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.

   b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

   c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

4. **Legal Expenses**

   Expenses related to any legal action, except as provided in the Forgery or Alteration Optional Coverage, if the coverage is applicable to this policy.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

5. **Nuclear**

   Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

6. **War and Similar Actions**

   Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

F. General Conditions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Conditions apply to all Coverages and Optional Coverages provided by this Coverage Form:

1. **Concealment, Misrepresentation or Fraud**

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

   a. This insurance;

   b. The Covered Property;

   c. Your interest in the Covered property; or

   d. A claim under this insurance.

2. **Consolidation - Merger**

   If through consolidation or merger with, or purchase of assets of, some other entity:

   a. Any additional persons become **"employee";** or

   b. You acquire the use and control of any additional **"premises";**

   Any insurance afforded for **"employees"** or **"premises"** also applies to those additional **"employees"** and **"premises"**, but only if you:

   a. Give us written notice within 30 days thereafter; and

   b. Pay us an additional premium.

3. **Discovery Period for Loss**

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

4. **Duties in the Event of Loss**

   After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

a. Notify us as soon as possible.

b. Submit to examination under oath at our request and give us a signed statement of your answers.

c. Give us a detailed, sworn proof of loss within 120 days.

d. Cooperate with us in the investigation and settlement of any claim.

5. Joint Insured

a. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next named Insured will become the first Named Insured.

b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

c. An **"employee"** of any Insured is considered to be an **"employee"** of every Insured.

d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.

e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

6. Legal Action Against Us

You may not bring any legal action against us involving loss:

a. Unless you have complied with all the terms of this insurance;

b. Until 90 days after you have filed proof of loss with us; and

c. Unless brought within 2 years from the date you discover the loss.

7. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

8. Loss Covered Under More Than One Coverages Of This Insurance

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

a. The actual amount of loss; or

b. The sum of the limits of insurance applicable to those coverages.

9. Loss Sustained During Prior Insurance

a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

the time within which to discover loss had expired, we will pay for it under this insurance, provided:

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

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

b. The insurance under this Condition is part of, not in addition to the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

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

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

10. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate

If any loss is covered:

a. Partly by this insurance; and

b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

The most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

11. Non-Cumulation of Limit of Insurance

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.

12. Other Insurance

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Coverage Summary or the Optional Coverage Summary.

13. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

a. That you own or hold; or

b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

14. Policy Period

a. The Policy Period is shown in the Common Policy Declarations.

b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

15. Records

You must keep records of all Covered Property so we can verify the amount of any loss.

16. Recoveries

a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

(1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

(2) Then to us, until we are reimbursed for the settlement made;

(3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

b. Recoveries do not include any recovery:

(1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(2) Of original **"securities"** after duplicates of them have been issued.

17. Territory

This insurance covers only acts committed or events occurring within the United States of America, and Canada.

18. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

19. Valuation - Settlement

a. Subject to the applicable Limit of Insurance provision we will pay for:

(1) Loss of **"money"** but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

(a) At face value in the **"money"** issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of **"securities"** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

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

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **"securities"**. However, we will be liable only for the payment of so much of the cost of the bond having a penalty not exceeding the lesser of the;

(i) Value of the **"securities"** at the close of business on the day the loss was discovered; or

(ii) Limit of Insurance.

(3) Loss of, or loss from damage to, **"property other than money and securities"** or loss from damage to the **"premises"** for not more than the;

(a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or **"premises"**; or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than **"money"**:

(1) In the **"money"** of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the **"money"** of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

(3) Any property that we pay for or replace becomes our property.

G. Definitions

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. **"Computer Fraud"** means **"theft"** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **"premises"** or **"banking premises"** to a person (other than a **"messenger"**) outside those **"premises"** or to a place outside those **"premises".**

3. **"Covered Instrument(s)"** means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **"money".**

4. **"Employee"** means:

a. Any natural person:

(1) While in your service (and for 30 days after termination of service); and

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

(2) Whom you compensate directly by salary, wages or commissions; and

(3) Whom you have the right to direct and control while performing services for you; or

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however any such person while having care and custody of property outside the **"premises".**

But **"employee"** does not mean any:

a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

b. Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

5. **"Employee Dishonesty"** means only dishonest acts committed by an **"employee"**, whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

   a. Cause you to sustain loss; and also

   b. Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

   (1) The **"employee"**; or

   (2) Any person or organization intended by the **"employee"** to receive that benefit.

6. **"Extortion"** means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an **"employee"**, or to a relative or invitee of either, who is, or allegedly is, being held captive.

7. **"Messenger"** means you, any of your partners or any **"employee"** while having care and custody of the property outside the **"premises".**

8. **"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.

9. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.

10. **"Property Other Than Money and Securities"** means any tangible property other than **"money"** and **"securities"** that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

11. **"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

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

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

but does not include **"money".**

12. "Theft" means any act of stealing.

Includes copyrighted material of Insurance Services Office, with its permission.
Copyright, Insurance Services Office, Inc. 1989, 1994

BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G., Definitions.**

COVERAGE SUMMARY

Coinsurance Option - applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinsurance Option
		SEE SCHEDULE		

Optional Coverages - applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period of Indemnity (Days)	Agreed Value Amount ($)
		SEE SCHEDULE			

A. Coverage

1. Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Coverage Summary above:

   (i) Business Income including **"Rental Value."**
   (ii) Business Income other than **"Rental Value."**
   (iii) **"Rental Value."**

   If option **(i)** above is selected, the term Business Income will include **"Rental Value."** If option **(iii)** above is selected, the term Business Income will mean **"Rental Value"** only.

   If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Form apply separately to each.

   We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **"operations"** during the **"period of restoration".** The suspension must be caused by direct physical **"loss"** to property at the premises described in the Declarations, or within 1000 feet of the premises, caused by or resulting from any of the Covered Causes of Loss.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

If you are a tenant, your premises is the portion of **"buildings"** which you rent, lease or occupy, including:

a. All routes within **"buildings"** to gain access to the described premises; and

b. Your personal property within 1000 feet of the premises.

2. Business Income

Business Income means the:

a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

b. Continuing normal operating expenses incurred, including payroll.

3. Covered Causes Of Loss

See the Causes of Loss Form.

4. Additional Coverages

a. Extra Expenses

Extra Expenses means necessary expenses you incur during the **"period of restoration"** that you would not have incurred if there had been no direct physical **"loss"** to property caused by or resulting from any of the Covered Causes of Loss.

(1) We will pay any Extra Expenses to avoid or minimize the suspension of business and to continue **"operations":**

(a) At the described premises; or

(b) At replacement premises or at temporary locations, including:

(i) Relocation expenses; and

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

(2) We will pay any Extra Expenses to minimize the suspension of business if you cannot continue **"operations".**

(3) We will pay any Extra Expenses to:

(a) Repair or replace any property; or

(b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

b. Civil Authority

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

We will pay for the actual loss of Business Income you sustain and necessary Extra Expenses you incur caused by action of Civil Authority that prohibits access to the described premises due to direct physical **"loss"** to property other than at the described premises caused by or resulting from any of the Covered Causes of Loss.

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

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

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

(2) When your Business Income coverage ends;

Whichever is later.

c. Alterations

We will pay for the actual loss of Business Income you sustain due to direct physical **"loss"** at the described premises caused by or resulting from any of the Covered Causes of Loss to:

(1) Alterations within, or on the exterior of, existing **"buildings"**; and

(2) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and used in the alterations.

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

d. Extended Business Income

(1) Business Income Other Than **"Rental Value"**

If the necessary suspension of your "**operations**" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(a) Begins on the date property (except **"finished stock"**) is actually repaired, rebuilt or replaced and **"operations"** are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your **"operations"** with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical **"loss"** had occurred; or

(ii) 60 consecutive days after the date determined in **(1)(a)** above.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Causes of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical **"loss"** at the described premises caused by or resulting from any of the Covered Causes of Loss.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

(2) "Rental Value"

If the necessary suspension of your **"operations"** produces a **"Rental Value"** loss payable under this policy we will pay for the actual loss of **"Rental Value"** you incur during the period that:

(a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(b) Ends on the earlier of:

(i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the **"Rental Value"** that would have existed if no direct physical **"loss"** had occurred; or

(ii) 60 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of **"Rental Value"** incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of **"Rental Value"** must be caused by direct physical **"loss"** at the described premises caused by or resulting from any of the Covered Cause of Loss.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

e. Business Income From Dependent Properties

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **"operations"** during the **"period of restoration."** The suspension must be caused by direct physical **"loss"** at the premises of a **"contingent business property,"** caused by or resulting from any of the Covered Causes of Loss. But we will not pay more than .3% (three-tenths of one percent) of the Business Income Limit of Insurance for each day's suspension of **"operations"** at a described premises due to direct physical **"loss"** at any one **"contingent business property."**

The most we will pay under this Additional Coverage is $25,000 per Policy Period.

This Additional Coverage does not apply to **"contingent business property"** for which you have more specific insurance either under this policy or another.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

f. Property in Transit

In the event of direct physical **"loss"** to your property in transit within the Coverage Territory, we will pay for loss of Business Income and necessary Extra Expenses you incur during the **"period of restoration"**.

This Additional Coverage does not apply to property of others in your care, custody or control.

The most we will pay under this Additional Coverage in any one occurrence is $25,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

5. Coverage Extension - Newly Acquired Premises

a. We will pay for the actual loss of Business Income you sustain caused by direct physical **"loss"** to property at any premises you acquire other than at fairs or exhibitions.

b. The most we will pay for loss under this Extension is 10% of the sum of the Limits of Insurance for Business Income shown in the Coverage Summary above, but not more than $100,000 at each premises.

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

(1) This policy expires;

(2) 90 days expire after you acquire the property; or

(3) You report values to us.

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

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form. The Coinsurance Option does not apply to this Extension.

B. Exclusions

See the Causes of Loss Form.

C. Limits of Insurance

The most we will pay for loss in any one occurrence:

1. For the Business Income From Dependent Properties Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.

2. For the Coverage Extension - Newly Acquired Premises is the Limit of Insurance applicable to that Coverage Extension.

3. For all other coverages provided under this Coverage Form is the applicable Limit of Insurance shown in the Coverage Summary.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

D. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of net income and operating expenses or 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 net income and operating expenses or 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.

2. Duties in the Event of Loss

You must see that the following are done in the event of loss:

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the direct physical **"loss".** Include a description of the property involved.

c. As soon as possible, give us a description of how, when and where the direct physical **"loss"** occurred.

d. Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

e. As often as may be reasonably required, permit us to inspect the property proving the **"loss"** 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.

f. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

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

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

h. Cooperate with us in the investigation or settlement of the claim.

i. If you intend to continue your business, you must resume all or part of your **"operations"** as quickly as possible.

3. Loss Determination

a. The amount of Business Income loss will be determined based on:

(1) The net income of the business before the direct physical **"loss"** occurred;

(2) The likely net income of the business if no physical **"loss"** occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume **"operations"** with the same quality of service that existed just before the direct physical **"loss"**; and

(4) Other relevant sources of information, including:

(a) Your financial records and accounting procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

b. Resumption of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your **"operations,"** in whole or in part, by using:

(1) Damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere;

(2) Any other available sources of material or outlets for your product.

c. If you do not resume **"operations,"** or do not resume **"operations"** as quickly as possible, we will pay based on the length of time it would have taken to resume **"operations"** as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

a. You have complied with all of the terms applicable to this Coverage Form; and

b. (1) We have reached agreement with you in the amount of loss; or

(2) An appraisal award has been made.

E. Coinsurance Option

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

1. If a Coinsurance percentage is shown in the Coverage Summary, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

   a. We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

   (1) The Coinsurance percentage shown in the Coverage Summary; times

   (2) The sum of:

   (a) The net income (net profit or loss before income taxes); and

   (b) All operating expenses, including payroll expenses;

   that would have been earned or incurred (had no **"loss"** occurred) by your **"operations"** at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

   b. Instead, we will determine the most we will pay using the following steps:

   (1) Multiply the net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;

   (2) Divide the Limit of Insurance for the described premises by the figure determined in step **1**; and

   (3) Multiply the total amount of loss by the figure determined in step **2**.

   We will pay the amount determined in step **3.**, or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

2. In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

   a. Prepaid freight - outgoing;

   b. Returns and allowances;

   c. Discounts;

   d. Bad debts;

   e. Collection expenses;

   f. Cost of raw stock and factory supplies consumed (including transportation charges);

   g. Cost of merchandise sold (including transportation charges);

   h. Cost of other supplies consumed (including transportation charges);

   i. Cost of services purchased from outsider (not employees) to resell, that do not continue under contract;

   j. All ordinary payroll expense excluded (if form **PI-ULT-011** is attached); and

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

k. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion--not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When:

The net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been	$400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	$150,000
The amount of loss is	$ 80,000

Step **1:**	$400,000	X	50%	=	$200,000

(the minimum amount of insurance to meet your Coinsurance requirements)

Step **2:**	$150,000	÷	$200,000	=	.75
Step **3:**	$ 80,000	X	.75	=	$60,000

We will pay no more than $60,000. The remaining $20,000 is not covered.

Example No. 2 (Adequate Insurance):

When:

The net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been	$400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	$200,000
The amount of loss is	$ 80,000

Step **1:**	$400,000	X	50%	=	$200,000

(the minimum amount of insurance to meet your Coinsurance requirements)

Step **2:**	$200,000	÷	$200,000	=	1.00
Step **3:**	$80,000	X	1.00	=	$80,000

We will pay the $80,000 loss. No penalty applies.

This condition does not apply to the Extra Expense Additional Coverage.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

3. Agreed Value

a. To activate this Optional Coverage:

(1) A Business Income Work Sheet must be made a part of this policy and must show financial data for your **"operations"**:

(a) During the 12 months prior to the date of the Business Income Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) An Agreed Value must be shown in the Coverage Summary. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Coverage Summary; multiplied by

(b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Business Income Work Sheet.

b. The Coinsurance Option is suspended until the expiration date of this policy.

c. We will reinstate the Coinsurance Option automatically if you do not submit a new Business Income Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

Example:

When:

The Limit of Insurance is	$100,000
The Agreed Value is	$200,000
The amount of loss is	$ 80,000

Step (a)	$100,000	÷	$200,000	=	.50
Step (b)	.50	X	$80,000	=	$40,000

We will pay $40,000. The remaining $40,000 is not covered.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

F. Optional Coverages

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

1. Maximum Period of Indemnity

a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income is the lesser of:

(1) The amount of loss sustained during the 120 days immediately following the beginning of the **"period of restoration"**; or

(2) The Limit of Insurance shown in the Coverage Summary.

2. Monthly Limit of Indemnity

a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.

b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the **"period of restoration"** is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Coverage Summary for this Optional Coverage.

Example:

When:

The Limit of Insurance is	$120,000
The fraction shown in the Coverage Summary for this Optional Coverage is	1/4

The most we will pay for loss in each period of 30 consecutive days is:

$120,000 X ¼ = $30,000

If, in this example, the actual amount of loss is:

Days 1-30	$40,000
Days 31-60	20,000
Days 61-90	30,000
	$90,000

We will pay:

Days 1-30	$30,000
Days 31-60	20,000
Days 61-90	30,000
	$80,000

The remaining $10,000 is not covered.

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

3. **Extended Period of Indemnity**

   Under paragraph **A.4.d.**, Extended Business Income, the number "60" in subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Coverage Summary for this Optional Coverage.

G. Definitions

1. **"Buildings"** means buildings or structures.

2. **"Contingent Business Property"** means property operated by others you depend on to:

   a. Deliver materials or services (other than water, communications or power supply) to you, or to others for your account (Contributing Locations);

   b. Accept your products or services (Recipient Locations); or

   c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations).

3. **"Finished Stock"** means stock you have manufactured.

   "Finished Stock" also includes whiskey and alcoholic products being aged.

   "Finished Stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

4. **"Loss"** means accidental loss or damage.

5. **"Operations"** means:

   a. Business activities you perform at the described premises; and

   b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.

6. **"Period of Restoration"** means the period of time that:

   a. Begins:

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

   (2) Immediately after the time of direct physical **"loss"** for Extra Expense coverage; 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.

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

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

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

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

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

7. **"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.

8. **"Rental Value"** means:

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

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

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

Includes copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc., 1994.

Policy Number: PHPK1358780
Named Insured: Arizona Community Development Corp

SCHEDULE -
Business Income with Extra Expense Coverage Form

Coverage Summary

Coinsurance Option – applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinsurance Option
0001	0001	(i)	BKT # 3	100%
0002	0001	(i)	BKT # 3	100%
0003	0001	(i)	BKT # 3	100%
0004	0001	(i)	BKT # 3	100%

Policy Number: PHPK1358780
Named Insured: Arizona Community Development Corp

SCHEDULE -
Business Income with Extra Expense Coverage Form

Coverage Summary

Optional Coverages – applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period Of Indemnity (Days)	Agreed Value Amount ($)
0001	0001	NONE		360	BKT # 3
0002	0001	NONE		360	BKT # 3
0003	0001	NONE		NONE	BKT # 3
0004	0001	NONE		NONE	BKT # 3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AGREED VALUE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Property Coverage Form

Schedule

Premises No.	Building No.	Description of Covered Property
0001	0001	Personal Property
0001	0001	Building
0002	0001	Personal Property
0002	0001	Building
0003	0001	Personal Property
0003	0001	Building
0004	0001	Personal Property

Agreed Value Effective Date 07/22/2015

Agreed Value Expiration Date 07/22/2016

A. The Additional Condition, Coinsurance, does not apply to Covered Property listed and described above.

B. If the Agreed Value Expiration Date shown above is not extended, the Additional Condition, Coinsurance, is reinstated and this Endorsement expires.

C. The terms of this Endorsement apply only to "**loss**" that occurs:

(1) On or after the Agreed Value Effective Date shown above; and

(2) Before the Agreed Value Expiration Date shown above or the policy expiration date, whichever occurs first.

Include copyrighted material of ISO Commercial Risk Services, Inc., with its permission.
Copyright, ISO Commercial Risk Services, Inc. 1990

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

SCHEDULE

.

Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	Provision (Indicate A, B, or C)
0001	0001	As their interest may appear	U.S Bank National Association 101 N 1st Ave Ste 1600 Phoenix, AZ 85003-1924	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an **"A", "B", or "C"** in Schedule:

A. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust **"loss"** with you; and
2. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
   - **a.** Warehouse receipts;
   - **b.** A contract for deed;
   - **c.** Bills of lading;
   - **d.** Financing statements; or
   - **e.** Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
   - **a.** We will pay for covered **"loss"** to each Loss Payee in their order or precedence, as interests may appear.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:

(1) Pays any premium due under this Coverage Form 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 Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

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

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

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

a. Adjust **"loss"** with you; and

b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

SCHEDULE

.

Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	Provision (Indicate A, B, or C)
0001	0001	As their interest may appear	Wells Fargo Financial Leasing PO Box 6434 Carol Stream, IL 60197-6434	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an **"A", "B", or "C"** in Schedule:

A. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust **"loss"** with you; and
2. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
   - **a.** Warehouse receipts;
   - **b.** A contract for deed;
   - **c.** Bills of lading;
   - **d.** Financing statements; or
   - **e.** Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
   - **a.** We will pay for covered **"loss"** to each Loss Payee in their order or precedence, as interests may appear.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:

(1) Pays any premium due under this Coverage Form 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 Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

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

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

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

a. Adjust **"loss"** with you; and

b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

SCHEDULE

.

Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	Provision (Indicate A, B, or C)
0002	0001	As their interest may appear	U.S Bank National Association 101 N 1st Ave Ste 1600 Phoenix, AZ 85003-1924	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an **"A", "B", or "C"** in Schedule:

A. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust **"loss"** with you; and
2. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
   - **a.** Warehouse receipts;
   - **b.** A contract for deed;
   - **c.** Bills of lading;
   - **d.** Financing statements; or
   - **e.** Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
   - **a.** We will pay for covered **"loss"** to each Loss Payee in their order or precedence, as interests may appear.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:

(1) Pays any premium due under this Coverage Form 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 Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

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

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

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

a. Adjust **"loss"** with you; and

b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

SCHEDULE

.

Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	Provision (Indicate A, B, or C)
0002	0001	As their interest may appear	Wells Fargo Financial Leasing PO Box 6434 Carol Stream, IL 60197-6434	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an **"A", "B", or "C"** in Schedule:

A. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust **"loss"** with you; and
2. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
   - **a.** Warehouse receipts;
   - **b.** A contract for deed;
   - **c.** Bills of lading;
   - **d.** Financing statements; or
   - **e.** Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
   - **a.** We will pay for covered **"loss"** to each Loss Payee in their order or precedence, as interests may appear.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:

(1) Pays any premium due under this Coverage Form 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 Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

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

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

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

a. Adjust **"loss"** with you; and

b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

UltimateCover Policy

SCHEDULE

.

Prem. No.	Applicable Bldg. No.	Description of Property	Loss Payee	Provision (Indicate A, B, or C)
0003	0001	As their interest may appear	U.S Bank National Association 101 N 1st Ave Ste 1600 Phoenix, AZ 85003-1924	A

The following is added to the Loss Conditions, **Loss Payment**, as shown by an **"A", "B", or "C"** in Schedule:

A. Loss Payable

For Covered Property in which both you and a Loss Payee shown in the Schedule have an insurable interest, we will:

1. Adjust **"loss"** with you; and
2. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule is a creditor, including a mortgageholder or trustee, whose interest in the Covered Property is established by such written instruments as:
   - **a.** Warehouse receipts;
   - **b.** A contract for deed;
   - **c.** Bills of lading;
   - **d.** Financing statements; or
   - **e.** Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
   - **a.** We will pay for covered **"loss"** to each Loss Payee in their order or precedence, as interests may appear.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

b. The Loss Payee has the right to receive **"loss"** payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the Loss Payee will still have the right to receive **"loss"** payment if the Loss Payee:

(1) Pays any premium due under this Coverage Form 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 Loss Payee.

All of the terms of this Coverage Form will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:

(1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

(2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

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

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

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

a. Adjust **"loss"** with you; and

b. Pay any claim for **"loss"** jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word **"you"** includes the Loss Payee.

Includes copyrighted material of Commercial Risk Services, Inc., with its permission
Copyright, ISO Commercial Risk Services, Inc., 1995

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CREFULLY.

BOILER AND MACHINERY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Property Coverage Form
Causes of Loss Form
Business Income and Extra Expense Coverage Form
Business Income Coverage Form
Extra Expenses Coverage Form

SCHEDULE

Coverage Description	**Limit of Insurance**
Property Damage	$
Property Damage and Business Income/Extra Expense	$ 29,501,000
Business Income and Extra Expense	$
Business Income	$
Extra Expense	$

Sublimits of Insurance applicable to each covered location. These sublimits are part of and not in addition to the Limits of Insurance shown above.

Coverage	**Sublimit of Insurance**
Ammonia Contamination	$ 100,000
Water Damage	$ 100,000
Hazardous Substances	$ 100,000
Spoilage	$ 100,000
Expediting Expense	$ 100,000
Newly Acquired Location Coverage	$ 1,000,000
Off Premises Service Interruption	
Business Income	$
Business Income and Extra Expense	$ 7,520,000
Extra Expense	$
Spoilage	$
Ordinance or Law	$ 250,000

Deductibles

Coverage	**Deductible**
Property Damage	$ 1,000
Business Income and Extra Expense	hours
Business Income	48 hours
Extra Expense	$
Spoilage	Incl in PD
Off Premises Service Interruption	48 hours
Ammonia Contamination	Incl in PD
Other ( )	$
Premium	**$ 2,506**

A. Coverage

For the purposes of this endorsement, the following exclusions and limitations, or parts thereof, are deleted as respects to the Boilers, Pressure Vessels and Machinery and Equipment at the described premises:

Exclusion B.2.a.	Artificially generated electric current, including electric arcing, that disturbs electrical devices, wiring or wires.
Exclusion B.2.d.(2)	The word latent is deleted.
Exclusion B.2.d.(6)	Mechanical breakdown, including rupture or bursting caused by centrifugal force.
Exclusion B.2.e.	Explosion of steam boilers, steam pipes, steam engines, steam turbines owned or leased by your, or operated under your control.
Limitation C.1.a.	Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from a condition or event inside such equipment.
Limitation C.1.b.	Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

B. Exclusions

As respects the Boiler and Machinery coverage provided by this endorsement, coverage shall not include **"loss"** caused by or resulting from:

1. Damage while any boiler, fired or unfired vessel or electrical steam generator is undergoing a hydrostatic or gas pressure test;

2. Damage while any type of electrical or electronic equipment is undergoing an insulation breakdown test;

3. Damage to or destruction of media, however caused, and regardless of the function of that media;

4/ Depletion, deterioration, corrosion, erosion or wear or tear, and other gradually developing conditions. But if **"loss"** or damage otherwise covered by this endorsement ensues, we will pay for such ensuing **"loss"**;

C. Limits

The most we will pay under this endorsement for direct **"loss"** to Covered Property is the Property Damage Limit of Insurance shown in the schedule of this endorsement. If Business Income Coverage, Extra Expense Coverage, or Business Income and Extra Expense Coverage is included in the policy to which this endorsement is a part, the most we will pay for those extensions of coverage under this endorsement are the respective Limits of Insurance shown in the schedule of this endorsement.

All losses covered by this endorsement occurring at any one location which manifests themselves at the same time and are the result of the same cause will be considered a single loss. If an initial loss covered by this endorsement causes other losses covered by this endorsement, all will be considered a single loss.

D. Extra Expediting

This endorsement is extended to cover the reasonable extra cost of temporary repair and of expediting repair or replacement of Covered Property as a direct result of loss otherwise covered by this endorsement. The most we will pay under this extension is the amount shown as the Expediting Expense Sublimit in the schedule of this endorsement.

E. Ammonia Contamination

If Covered Property is contaminated by ammonia as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Ammonia Contamination Sublimit in the schedule of this endorsement.

F. Water Damage

If Covered Property is damaged by water as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Water Damage Sublimit in the schedule of this endorsement.

G. Hazardous Substances

If covered Property is contaminated by a hazardous substance as the direct result of loss otherwise covered by this endorsement, the most we will pay for expenses to clean up or dispose of such property is the amount shown as the Hazardous Substances Sublimit in the schedule of this endorsement.

H. Spoilage

If Covered Property spoils from lack of power, light, heat, steam, or refrigeration as a direct result of the Breakdown of the insured's Boilers, Pressure Vessels, Machinery or Equipment, the most we will pay for this kind of damage, including salvage expenses, is the amount shown as the Spoilage Sublimit in the schedule of this endorsement.

I. Newly Acquired Locations

The coverages of this endorsement are extended to the interest of the named insured in Boilers, Pressure Vessels, Machinery and Equipment, not otherwise insured, at newly constructed, acquired, or leased locations within the policy coverage territory and which have been previously undeclared. The most we will pay under this extension for loss or damage at any one location is the amount shown as the Newly Acquired Location Coverage Sublimit in the schedule of this endorsement.

J. Off Premises Service Interruption

If Off Premises Service Interruption Coverage is included in the policy of which this endorsement is a part, the coverage extensions of this endorsement for Business Income and/or Extra Expense and/or Spoilage are further extended to include loss caused by Boilers, Pressure Vessels, Machinery and Equipment, whether or not they are located on Insured's premises, owned by a public utility or other company and used to directly supply electrical power, communications services, heating, gas, water, steam or air conditions to the described premises.

K. Deductibles

There shall be liability under this endorsement only when the amount of loss exceeds the Boiler and Machinery Deductibles shown in the schedule of this endorsement. If no Boiler and Machinery Deductibles are shown, coverage under this endorsement is subject to the policy deductible.

If an hour deductible is shown in the schedule, we will only pay for loss or damage you sustain after the first specified number of hours immediately following the physical loss to the Covered Property.

If a multiplier is shown in the schedule of this endorsement, the deductible is determined by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the multiplier. The 100% ADV will be obtained by dividing the total net profits, fixed charges and expenses for the entire location that would have been earned had no physical loss occurred during the period of interruption of business by the number of working days in that period. No reduction shall be made for net profits, fixed charges and expenses not being earned, or in the number of working days, because of the physical loss or damage or any other scheduled or unscheduled shutdowns during the period of interruptions.

If a percent of loss deductible is indicated in the schedule of this endorsement, we will not be liable for the indicated percentage of loss or damage insured under this endorsement. If the dollar amount of such percentage is less than the indicated minimum deductibles, the minimum deductible will the applicable deductible.

L. Suspension

If any Boiler, Pressure Vessel, Machinery or Equipment covered by this endorsement is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement for that equipment by written notice mailed or delivered to:

1. Your last known address; or

2. The address where the affected equipment is located.

Once suspended in this way, your insurance can be reinstated only by endorsement.

If we suspend your insurance, you will get a pro rata refund for the affected equipment. But the suspension will be effective even if we have not yet made or offered a refund.

M. Mechanical or Electrical Breakdown

With respect to coverage provided by this endorsement, Mechanical or Electrical Breakdown means a sudden and accidental breakdown of covered Boilers, Pressure Vessels, Machinery and Equipment. At the time breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the affected equipment or part of the affected equipment.

Mechanical or Electrical Breakdown does not mean or include any of the following:

1. Breakdown of any structure or foundation.

2. Breakdown of any boiler setting, insulating or refractory material.

3. Breakdown of a power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube.

4. Breakdown of any elevator, crane, hoist, escalator or conveyor, but not including any pressure vessel or electrical equipment used with such a machine.

5. Breakdown of Boilers, Pressure Vessels, Machinery or Equipment manufactured or held for sale by you.

6. Breakdown of catalyst.

7. Breakdown of any oven, stove, furnace, incinerator, pot or kiln.

8. Breakdown of any buried vessel or piping.

9. Breakdown of a felt, wire, screen, die, mold, form, pattern, extrusion plate, swing hammer, grinding disc, cutting blade, chain, cable, belt, rope, clutch plate, brake pad, nonmetallic part or any part or tool subject to frequent, periodic replacement.

10. Breakdown, of any nonmetallic vessel, unless it is constructed and used in accordance with the American Society of Engineers (A.S.M.E.) code.

11. Breakdown of sewer piping, piping forming a part of a fire protection system or water piping other than:

    a. Feed water piping between any boiler and its feed pump or injector; or

    b. Boiler condensate return piping; or

    c. Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.

12. Breakdown of a part of a Boiler, Pressure Vessel or Electric Steam Generator that:

    a. Does not contain steam or water; or

    b. Is not under pressure of contents of the vessel; or

    c. Is not under internal vacuum.

13. The functioning of any safety or protective devices.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM

I. **CAUSES OF LOSS FORM**, Section **E. Additional Coverage Extensions** is amended to include the following:

A. Coverage

1. We will pay for **"loss"** or damage by **"fungus,"** wet or dry rot or bacteria that is the result of fire or lightning.

2. **a.** We will also pay for loss or damage by **"fungus,"** wet or dry rot or bacteria that is the result of one or more of the following causes that occurs during the policy period. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

   (2) Water that backs up or overflows from a sewer, drain or sump; or

   (3) Water under the ground surface pressing on, or flowing or seeping through:

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

   (b) Basements, whether paved or not;

   (c) Doors, windows or other openings; or

   (4) **"Flood,"** if the Flood Endorsement applies to the affected premises.

   b. The term loss or damage as used in Item **2.a.** means:

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

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

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

3. The amount we will pay for coverage described in **2.a.** above is limited as described in **B. Limits of Insurance** and **C. Additional Conditions – Business Income and/or Extra Expense**.

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with permission.

B. Limits of Insurance

1. The most we will pay for all **"loss"** or damage for coverage described in **A.1.** above is the Limit of Insurance for Covered Property shown in the Declarations.

2. **a.** The most we will pay for all loss or damage for coverage described in **A. 2.** above is limited to $15,000:

   (1) Regardless of the number of claims arising out of all occurrences which take place in a 12 month period, starting with the beginning of the present annual policy period; and

   (2) Even if the **"fungus,"** wet or dry rot or bacteria continues to be present or active, or recurs in a later policy period.

   b. The $15,000 Limit of Insurance is included within, and is not in addition to, the applicable Limit of Insurance for any Covered Property.

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

   d. The terms of this Limited Coverage do not increase or reduce the coverage provided under:

   (1) Paragraph **D. Additional Coverage – Collapse**; or

   (2) Paragraph **E. 1. Water Damage, Other Liquids, Powder or Molten Material Damage**

   In the **CAUSES OF LOSS FORM**.

C. Additional Conditions – Business Income and/or Extra Expense

Under Item **A. 2.** above, the following applies only if the Business Income and/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 (WITH EXTRA EXPENSE) COVERAGE FORM**:

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

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

II. CAUSES OF LOSS FORM, Section **B. Exclusions**, is amended as follows:

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with permission.

A. Exclusion **2.d. (2)** is deleted in its entirety and replaced with the following:

(2) Rust, corrosion, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

B. The following exclusions are added:

1. Unless as provided for in Section **I.A. Coverage** above, we will not pay for **"loss"** or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of **"fungus,"** wet or dry rot or bacteria. Such **"loss"** or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss."**

But if **"fungus,"** wet or dry rot or bacteria results in a cause of loss covered by this endorsement, we will pay for the **"loss"** or damage caused by that covered cause of loss.

2. We will not pay for **"loss"** or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

3. We will not pay under:

a. The **Ordinance or Law** coverage extension in the **PROPERTY COVERAGE FORM**; or

b. The **ORDINANCE OR LAW COVERAGE** endorsement, if it applies to this policy:

For:

(1) **"Loss"** or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of **"fungus,"** wet or dry rot or bacteria; or

(2) The 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 **"fungus,"** wet or dry rot or bacteria.

III. CAUSES OF LOSS FORM, Section **C. Limitations,** Paragraph **3.** is deleted and replaced by the following:

3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, frosted, rotted, soured, steamed, or changed in flavor.

But we will pay for such **"loss"** caused by: the **"specified causes of loss"**; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

IV. CAUSES OF LOSS FORM, Section **F. Definitions**, is amended by adding the following:

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

© 2010 Philadelphia Indemnity Insurance Company
Includes copyrighted material of Insurance Services Office, Inc., with permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS OF INCOME DUE TO WORKPLACE VIOLENCE

This endorsement modifies and is subject to the insurance provided under the following:

ULTIMATECOVER PROGRAM - BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

The following is added to **Section A. Coverage, 4. Additional Coverages:**

g. Workplace Violence

(1) Coverage:

Loss of Business Income:

We will pay for the actual loss of Business Income you sustain due to the suspension of your **"operations"** caused by any intentional use, or threat to use, deadly force by any person.

The most we will pay under this coverage is $100,000.

Extra Expense:

Coverage is extended to include the cost of public relations consultants or other specialists to restore the insured's reputation following an incident of workplace violence. Additionally, coverage includes mental health counseling for employees.

The most we will pay under this coverage is $5,000.

(2) Loss Determination:

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the **"period of restoration"**.

Extra expense will apply even though operations have resumed. However, they will not apply after 60 days following the incident.

All other terms and conditions remain the same.

.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

ULTIMATECOVER PROPERTY COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

   If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

Includes copyrighted material of the Insurance Services Office Inc., used with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES – ELECTRONIC DATA

This endorsement modifies insurance provided under the following:
ULTIMATECOVER PROPERTY COVERAGE PART

A. Under this endorsement, 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. For the purpose of this endorsement, the term electronic data does not include your "stock" of prepackaged software.

B. This section, **B.**, and the following sections **C.** and **D.**, apply to the UltimateCover Property Coverage Form, Condominium Association Coverage Endorsement, Commercial Condominium Unit-Owner's Coverage Endorsement, and the UltimateCover Causes of Loss Form. Paragraphs **B.1.** and **B.2.** supersede any provisions relating to electronic data, electronic media or valuable papers or records, including any such provisions under Property Not Covered, Coverage Extensions, Valuation Conditions or Limitations in the aforementioned forms.

1. Covered Property does not include electronic data, except as provided below in **C.**, Limited Coverage – Electronic Data.
2. Covered Property does not include the cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. However, limited coverage for valuable papers and records, other than those which exist as electronic data, is provided below in **D.**, Limited Coverage – Valuable Papers And Records (Other Than Electronic Data).

C. Limited Coverage – Electronic Data

1. Subject to the provisions of this Limited Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
2. The Covered Causes of Loss applicable to Your Business Personal Property apply to this Limited Coverage – Electronic Data, subject to the following:
   - **a.** If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
   - **b.** If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Electronic Data.
   - **c.** The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

Includes copyright material of the Insurance Services Office, Inc. used with its permission

3. The most we will pay under this Limited Coverage – Electronic Data is $250,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

D. Limited Coverage – Valuable Papers And Records (Other Than Electronic Data)

1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Limited Coverage does not apply to valuable papers and records which exist as electronic data.
2. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
3. Under this Limited Coverage, the most we will pay to replace or restore the lost information is $250,000 at each described premises. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

E. With respect to the UltimateCover Business Income and/or Extra Expense Coverage Forms, the following exclusion is added:

Exclusion – Interruption Of Computer Operations

1. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in **F.**, Limited Coverage – Interruption Of Computer Operations.
2. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in **F.**, Limited Coverage – Interruption Of Computer Operations.

F. Limited Coverage – Interruption Of Computer Operations

This Limited Coverage applies only to the UltimateCover Business Income and/or Extra Expense Coverage Forms.

1. Subject to all provisions of this Limited Coverage, you may extend the insurance that applies to Business Income and/or Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
2. With respect to the coverage provided under this Limited Coverage, the Covered Causes of Loss are subject to the following:
   a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
   b. If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Interruption Of Computer Operations.
   c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

Includes copyright material of the Insurance Services Office, Inc. used with its permission

3. The most we will pay under this Limited Coverage -Interruption Of Computer Operations is $250,000 for the total of all loss sustained and/or expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
4. This Limited Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in **3.** above has not been exhausted.

G. Under the Legal Liability Coverage Form, Covered Property does not include electronic data.

H. If this policy is endorsed to cover damage to Covered Property or Business Income loss or Extra Expense caused by or related to interruption in utility service, such coverage does not apply to destruction or corruption of (or any loss or damage to) electronic data.

I. If this policy is endorsed to cover Business Income loss or Extra Expense related to "suspension" of "operations" due to loss or damage to a "dependent property", such coverage does not apply when the only loss to "dependent property" is destruction or corruption of (or any loss or damage to) electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under the "dependent property" endorsement will not continue once the other property is repaired, rebuilt or replaced.

Includes copyright material of the Insurance Services Office, Inc. used with its permission

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELITE PROPERTY ENHANCEMENT: ACADEMIC SCHOOLS

This endorsement modifies insurance provided under the Ultimate Cover program:

PROPERTY COVERAGE FORM
CAUSES OF LOSS FORM

I. Schedule of Coverages and Limits

The following is a summary of increased Limits of Insurance, additional coverages, and/or coverage extensions provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page #
Fine Arts	$50,000	2
Pollutant Clean up and Removal	$100,000	2
Students' Personal Effects	$2,500 per student/ $100,000 per occurrence	2
Ordinance or Law – Demolition Cost	$300,000	2
Ordinance or Law – Increased Cost of Construction	$300,000	2
Emergency Vacating Expense	$15,000	3
Automated External Defibrillators (AEDs)	$5,000	3
Lease Cancellation Moving Expenses	$2,500	3
Earthquake Sprinkler Leakage	$10,000	3
Garage/Storage Sheds	$5,000	4
Business Income and Extra Expense (including contingent)	$100,000	4
Reward Reimbursement	$5,000	5
Spoilage	$25,000	5
Personal Property of Others	$25,000	6
Band Uniforms	$50,000	6
Musical Instruments	$50,000	6
Furs	$5,000	6
Precious Metals	$5,000	6

II. Conditions

A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

B. Limits of Insurance

1. When coverage is provided by this form and another coverage form attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

2. Limits of Insurance identified herein are not excess of, or in addition to, Limits of Insurance provided by the **PROPERTY COVERAGE FORM** or **CAUSES OF LOSS FORM** applicable to this endorsement unless otherwise stated.

3. Coverage is considered to be on an occurrence basis (not on a per location basis) unless otherwise stated.

C. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

D. Requirement for Covered Cause of Loss

Except where a specific Covered Cause of Loss is identified in this coverage enhancement, coverage for the **"losses"** described herein are applicable only for Covered Causes of Loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

III. The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 1. Covered Property, a. Your Business Personal Property, (d) "Fine Arts"**:

If the total value of **"Fine Arts"** is over $50,000, they must be listed in a schedule on file with us;

The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 2. Property Not Covered, o. "Fine Arts"**:

"Fine Arts", if the total value of such property is greater than $50,000, unless such property is listed in a schedule on file with us.

IV. The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 4. Additional Coverages.**

f. Pollutant Clean Up and Removal

The Limit of Insurance for this additional coverage for each described premises is increased to $100,000 for the sum of all covered expenses arising out of a Covered Cause of Loss occurring during each separate 12 month period of this policy.

V. The **PROPERTY COVERAGE FORM** is amended as follows under **A. Coverage, 5. Coverage Extensions.**

A. The following is added to Section **c. Personal Effects**:

(4) We will pay for direct physical **"loss"** to personal effects owned by your students caused by or resulting from any of the Covered Causes of Loss at the described premises. This coverage does not apply to **"loss"** or damage by theft or mysterious disappearance. The most we will pay for such **"loss"** is $2,500 for property of any one student and $100,000 in any one occurrence.

B. Section **j. Ordinance or Law**:

(1) The Limit of Insurance for demolition costs is increased to $300,000 in any one occurrence.

(2) The Limit of Insurance for increased cost of construction is increased to $300,000 in any one occurrence.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

VI. The following is added to the **PROPERTY COVERAGE FORM** under **A. Coverage, 4. Additional Coverages:**

q. Emergency Vacating Expense

(1) The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the **"emergency"** vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an **"emergency"** situation resulting from a Covered Cause of Loss.

(2) We will not pay for any expenses under this extension arising out of:

(a) A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority; or

(b) A planned vacating drill; or

(c) The vacating of one or more individuals that is due and confined to their individual medical condition.

No other exclusions in your policy apply to this extension. However, specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

(3) The most we will pay for emergency vacating expenses in any one occurrence under this extension is $15,000. The deductible for emergency vacating expenses is $250 per occurrence.

r. Automated External Defibrillators

Automated external defibrillators (AEDs) are considered Covered Property. Coverage for automated external defibrillators is limited to $5,000 per occurrence, which is in addition to the Business Personal Property Limit stated on the Declarations.

s. Lease Cancellation Moving Expenses

The Company will reimburse the Insured any moving expenses necessitated by the Insured's need to relocate due to the cancellation of the lease at the Insured's premises listed on the Declarations page during the policy period, provided that the lease cancellation occurs as a result of a Covered Cause of Loss. The limit for this coverage will be $2,500 per policy period for all Insureds combined.

No deductible applies to this coverage.

t. Earthquake Sprinkler Leakage

We will pay up to $10,000 for damages resulting from sprinkler leakage which is caused by earth movement.

VII. The following is added to the **PROPERTY COVERAGE FORM** under **A. Coverage, 5. Coverage Extensions:**

l. Garages

Coverage for your building is extended to apply to any garages or storage sheds located at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

Coverage for all garages or storage sheds is subject to a $5,000 Limit of Insurance per location.

m. Business Income and Extra Expense

(1) Coverage is extended to cover Business Income/Extra Expense incurred when your covered building or business personal property listed on the Declarations is damaged by a Covered Cause of Loss.

We will also pay any Extra Expense to continue your normal operations:

(a) At the described premises; or

(b) At replacement premises or temporary locations; including:

(i) Relocation expenses; and

(ii) Costs to equip or operate the replacement or temporary locations; and

(c) We will pay for any corresponding Extra Expense to minimize the suspension of your normal operation if you cannot continue them.

(2) We will pay for the actual **"loss"** of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical **"loss"** of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end: (1) 3 consecutive weeks after the time of that action; or (2) When your Business Income coverage ends; whichever comes first.

(3) Coverage is extended, subject to all provisions herein, to cover Business Income/Extra Expense incurred when Contingent Business Property is damaged by a Covered Cause of Loss. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume operations, in whole or in part, by using any other available:

(a) Source of materials; or

(b) Outlet for your products.

(4) The following, when used in this section, are defined as follows:

(a) Extra Expense means necessary expenses you incur during the **"period of restoration"** that you would not have incurred if there had been no direct physical **"loss"** or damage to property caused by or resulting from a Covered Cause of Loss.

(b) Business Income means Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred during the **"period of restoration"** and continuing normal operating expenses including payroll.

(c) Contingent Business Property means property operated by others on whom you depend to:

(i) Deliver materials or services to you or to others for your account (Contributing Locations);

(ii) Accept your products or services (Recipient Locations);

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(iii) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(iv) Attract customers to your business (Leader Locations).

(5) Extended Business Income for Schools

If the necessary suspension of your **"operations"** produces a business income **"loss"** payable under this policy, we will pay for the actual **"loss"** of business income you incur during the school term following the date the property is actually repaired, rebuilt or replaced, if that date is 60 days or less before the scheduled opening of the next school term.

However, extended business income does not apply to loss of business income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

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

The most we will pay under this section is $100,000 for any one occurrence.

n. Reward Reimbursement

Coverage is extended to provide a reward for information that leads to a criminal conviction in connection with **"loss"** or damage to covered property by a Covered Cause of Loss; provided that the reward is pre-approved by the Company. The most we will pay for **"loss"** or damage under this extension is $5,000 regardless of the number of persons involved providing information. This extension does not include Arson Reward as Arson Reward is included in Section **4. Additional Coverages** of the **PROPERTY COVERAGE FORM**.

No deductible shall apply to this coverage.

o. Spoilage

(1) We will pay for direct physical **"loss"** or damage to your perishable business personal property, and perishable personal property of others while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:

(a) Complete or partial interruption of electrical power to the described premises due to condition beyond your control; or

(b) Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.

(2) Coverage does not apply to:

(a) The disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power; or

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

(c) The inability of an electric utility company or other power source to provide sufficient power due to:

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

(i) Lack of fuel; or
(ii) Governmental order.

(d) The inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand.

(3) The most we will pay for **"loss"** or damage in any one occurrence is $25,000.

p. Personal Property of Others

We will pay for personal property of others that is in your care, custody, or control, and 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.

The most we will pay for **"loss"** or damage under this extension is $25,000 at each described premises. Our payment for **"loss"** of or damage to personal property of others will only be for the account of the owner of the property.

q. Band Uniforms

Business Personal Property coverage is extended to apply to band uniforms that are:

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

The most we will pay for **"loss"** or damage to band uniforms in any one occurrence under this extension is $50,000.

r. Musical Instruments

Business personal property coverage is extended to apply to musical instruments and related equipment and accessories that are:

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

The most we will pay for **"loss"** or damage to musical instruments in any one occurrence under this extension is $50,000.

VIII. The **CAUSES OF LOSS FORM** is amended as follows:

A. Section **C. Limitations** is amended as follows:

2.a. The limit for furs, fur garments and garments trimmed with fur is increased to $5,000.

2.b. The limit for trophies, medals, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold silver, platinum and other precious alloys or metals is increased to $5,000. This Limit of Insurance does not apply to jewelry and watches worth $100 or less per item.

IX. Other Insurance

If there is other insurance under a separate policy covering the same **"loss"** or damage as provided for in this coverage enhancement, we will pay only for the amount of covered **"loss"** or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

However, we will not pay more than the applicable Limit of Insurance.

X. Definitions

A. **"Emergency"** means imminent danger arising from an external event or a condition in the facility which could cause loss of life or harm to occupants.

B. **"Fence"** means a structure serving as an enclosure, a barrier, or a boundary, made of posts or stakes joined together by boards, wire, or rails.

C. **"Operations"** means:

1. Your business activities, occurring at the described premises, which generate tuition and related fees from students, including fees from room, board, laboratories and other similar sources. **"Operations"** also includes bookstores, athletic events, activity related to research grants and business activities other than those which generate tuition and related fees from students.
2. The tenantability of the described premises, if coverage for Business Income including **"rental value"** or **"rental value"** applies.

D. **"Period of restoration"** as defined for this endorsement means the following:

1. Begins:
   a. 72 hours after the time of direct physical **"loss"** for business income coverage; or
   b. Immediately after the time of direct physical **"loss"** for extra expense coverage; and

2. Ends on the earlier of:
   a. The day before the opening of the next school term following the date when, with reasonable speed and similar quality, the property at the described premises should be repaired, rebuilt or replaced; or
   b. The date when the school term is resumed at a new permanent location.

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

1. Regulates the construction, use or repair, or requires the tearing down of any property; or

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

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

Includes copyrighted material of Insurance Services Office, Inc., with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLAPSE – EXCLUSION AND ADDITIONAL COVERAGE RE-STATED

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS FORM

I. Section **B. Exclusions**, **2.i.** is deleted in its entirety and replaced with the following:

i. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the **"loss"** or damage caused by that Covered Cause of Loss.

This exclusion **i.** does not apply:

(a) To the extent that coverage is provided under the Additional Coverage – Collapse; or

(b) To collapse caused by one or more of the following:

(i) The **"specified causes of loss"**;

(ii) Breakage of building glass;

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

(iv) Weight of people or personal property.

II. Section **D. Additional Coverage – Collapse** is deleted in its entirety and replaced with the following:

D. Additional Coverage – Collapse

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

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a **"building"** or any part of a **"building"** with the result that the **"building"** or part of the **"building"** cannot be occupied for its intended purpose.

Includes copyrighted material of Insurance Services Office, Inc., with permission.

2. We will pay for direct physical **"loss"** or damage to Covered Property, caused by abrupt collapse of a **"building"** or any part of a **"building"** that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused only by one or more of the following:

a. **"Building"** decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;

d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(1) A cause of loss listed in **2.a.** or **2.b.**;

(2) One or more of the **"specified causes of loss"**;

(3) Breakage of **"building"** glass;

(4) Weight of people or personal property; or

(5) Weight of rain that collects on a roof.

3. This Additional Coverage – Collapse does not apply to:

a. A **"building"** or any part of a **"building"** that is in danger of falling down or caving in;

b. A part of a **"building"** that is standing, even if it has separated from another part of the **"building"**; or

c. A **"building"** that is standing or any part of a **"building"** that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

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

b. Awnings, gutters and downspouts;

c. Yard fixtures;

d. Outdoor swimming pools;

e. Fences;

Includes copyrighted material of Insurance Services Office, Inc., with permission.

f. Piers, wharves and docks;

g. Beach or diving platforms or appurtenances;

h. Retaining walls; and

i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for **"loss"** or damage to that property only if:

(1) Such **"loss"** or damage is a direct result of the abrupt collapse of a **"building"** insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

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

a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;

b. The personal property which collapses is inside a **"building"**; and

c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

7. This Additional Coverage – Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage – Collapse, as described and limited in **D.1.** through **D.7.**

Includes copyrighted material of Insurance Services Office, Inc., with permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BUSINESS INCOME CHANGES - BEGINNING OF THE PERIOD OF RESTORATION

THIS ENDORSEMENT CHANGES THE POLICY.PLEASE READ IT
CAREFULLY.

ORDINANCE OR LAW - INCREASED PERIOD
OF RESTORATION

This endorsement modifies insurance provided under the following:

BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

A. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time 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:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. 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. The Period of Restoration definition is replaced by the following:

6. "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

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

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.
(3) 720 days

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of 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".

C. The following definition is added:

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

All other terms and conditions of this Policy remain unchanged.

EDUCATORS PROTECTION PLUS COVERAGE FORM

THIS IS A CLAIMS MADE POLICY - PLEASE READ IT CAREFULLY

In consideration of the payment of the premium and in reliance upon all statements and information furnished to the insurance company shown in the Declarations (a stock insurance company, herein called the "Company"), including all statements made in the application form and its attachments and the material incorporated therein and made part hereof, the "Company" agrees as follows:

SECTION I – COVERAGES

The following coverages are provided in this coverage part if shown in the Declarations with a Limit of Insurance.

COVERAGE A. - PROFESSIONAL EDUCATIONAL LEGAL LIABILITY

1. Insuring Agreement

a. We will pay only those sums that the Insured becomes legally obligated to pay as "damages" arising out of a "professional incident" on behalf of the Named Insured because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for injury to which this insurance does not apply. But:

(1) The amount we will pay for "damages" is limited as described in **LIMITS OF INSURANCE AND DEDUCTIBLE (SECTION III)**; and

(2) Our right and duty to defend end when the applicable limit of insurance has been exhausted by the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered under this Insuring Agreement unless explicitly provided for under **SUPPLEMENTARY PAYMENTS**.

b. We may, at our discretion, investigate any "professional incident" that may result in "damages" and settle any "claim" which may result, provided:

(1) We have your written consent to settle; and

(2) The settlement is within the applicable Limit of Insurance available.

In the event you refuse to consent to any settlement we recommend and such recommendation is acceptable to the claimant, our liability will be limited. Our liability for such "claim" shall not exceed the amount for which the "claim" could have been settled, including "defense costs" incurred, up to the date of such refusal, plus 50% of covered "damages" and "defense costs" in excess of such first settlement amount, it being a condition of this insurance that the remaining 50% of such "damages" and "defense costs excess of the first settlement amount shall be borne by you at your own risk and be uninsured.

c. This insurance applies to an injury only if:

(1) The injury is caused by a "professional incident" that takes place in the "coverage territory"; and the original "claim" or "suit" is brought in the "coverage territory";

(2) The "professional incident" occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the "coverage period"; and

(3) A "claim" for "damages" because of a "professional incident" is both:

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

(a) First made against any insured, in accordance with paragraph d. below, during the "coverage period" or any Extended Reporting Period we provide under **SECTION V - EXTENDED REPORTING PERIODS**; and

(b) Reported to us either:

(i) during the "coverage period" or within sixty (60) days thereafter, or

(ii) with respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION V - EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

d. A "claim" by a person or organization seeking "damages" will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(2) When we make settlement in accordance with Paragraph 1.a. above.

e. All "claims" for "damages" based on or arising out of, or directly or indirectly resulting from, having a common nexus with, or in any way involving:

(1) One "professional incident"; or

(2) A series of related "professional incidents", facts, circumstances, situations or events, involving one or more insureds shall be deemed to be one "claim" and shall be subject to the Professional Aggregate Limit. The Professional Aggregate Limit that applies to such "claim" shall be the limit that is in effect at the time the first such "claim" is made as described in 1c. above.

2. Exclusions

COVERAGE A. does not apply to:

a. "Claims" arising directly or indirectly out of any obligation under or any violation of any of the following laws:

(1) Any unemployment compensation law, workers compensation, disability benefits or any similar law; and

(2) The Employee Retirement Income Security Act of 1974, as amended, any similar federal, state, local or common law, and any rules and regulations. This includes fiduciary liability, liability arising out of the administration of any employee benefit plan and any other liability under such laws.

b. "Damages" because of injury covered under any other primary policy of insurance for that insured or which would have been covered but for the exhaustion of limits under that policy.

c. "Damages" for any "professional incident" which the insured is obligated to pay by reason of the assumption of the liability in a written contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of a contract or agreement.

d. Injury arising out of the breach of a written, oral or implied contract or agreement, including any employment contract. This does not include any contract for "educational services" between the insured and a student.

e. Any "claim" or "suit" arising out of or resulting from, caused or contributed to by asbestos or exposure to asbestos; or the costs of abatement, mitigation, removal or disposal of asbestos. This exclusion also includes:

(1) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and

(2) Any obligation to share damages with or repay someone else who must pay damages

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

because of such injury or damage.

f. Any "claim" or "suit" arising out of or resulting from, caused by, or contributed to by lead. This exclusion also includes:

(1) Any legal obligation of yours for indemnification or contribution due to "damages" arising out of injury caused by lead, paint containing lead, or any other substance or material containing lead; and

(2) Any loss, cost or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove or abate, contain, treat or neutralize lead, paint containing lead, or any other material containing lead.

g. Injury to:

(1) Any person arising out of:"employment incidents", policies, acts or omissions including, but not limited to, refusal or failure to employ, termination of employment, coercion, demotion, evaluation, reassignment, discipline, defamation, "harassment", humiliation or "discrimination" directed at that person; or

(2) The spouse, child, parent, brother, sister of that person as a consequence of (1) above.

This exclusion applies:

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

(2) To any obligation to share "damages" with or repay another entity who must pay "damages" because of the injury.

h. Injury arising out of the rendering of or failure to render professional services by any person or organization acting in the capacity of a physician, psychologist, surgeon, dentist, psychiatrist, anesthesiologist, nurse, nurse anesthetist, nurse midwife, x-ray therapist, radiologist, chiropodist, chiropractor, optometrist, medical technician, veterinarian, accountant, attorney, architect, engineer, real estate manager or investment manager. This exclusion does not apply to any "claim" or "suit" arising out of "educational services", or arising out of a "professional incident" of a school psychologist or school counselor employed by you.

i. Injury arising out of services performed by any insured while acting on behalf of any organization other than an entity named in Item 1 of the Declarations.

j. Injury arising out of any "claim" or "suit" where the act was dishonest, fraudulent, malicious, criminal, or was a willful failure to comply with any law or statute;

Exclusion j. does not apply until such time as the insured has admitted to or has been:

(1) Determined to have acted in a dishonest, fraudulent, malicious, or criminal manner; or

(2) Determined to have willfully failed to comply with any law or statute;

by a court, jury or arbitrator(s). Any such determination with respect to one insured shall not be imputed to any other insured.

k. Any "claim" or "suit" arising out of, resulting from, or in any way related to:

(1) The actual or threatened abuse, sexual abuse, molestation or sexual misconduct of any person while in the care, custody or control of the insured, or

(2) The negligent:

(a) Employment;

(b) Investigation;

(c) Supervision;

(d) Reporting to the proper authorities, or failure to so report; or

(e) Retention;

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

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

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

m. Injury that would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

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

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

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

o. Injury arising out of nuclear projects, nuclear reaction, radiation, or radioactive contamination or any consequence thereof, regardless of any other cause.

p. Injury due to war, whether, or not declared, or any act or condition incident to war. War includes, but is not limited to, civil war, insurrection, rebellion or revolution.

q. Any "claim":

(1) That was reported under any policy or coverage part for which this coverage part is a replacement or renewal; or

(2) That was made to an insured's human resources department, internal legal division or department, or any department that provides a human resource function, or to the Superintendent of Schools, Assistant Superintendent of Schools, Principal or Vice Principal of a school before the inception date of this coverage part.

(3) Arising from all pending or prior litigation or hearings as well as future "claims" arising out of said pending or prior litigation or hearing. If this coverage part is a renewal of a policy or coverage part issued by the Company, this exclusion shall only apply with respect to a pending or prior litigation or hearing prior to the effective date of the first policy or coverage part issued and continuously renewed by the Company.

r. Any "claim" or "suit" arising out of or resulting from bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

s. Any "claim or "suit" arising out of or resulting from:

(1) false arrest, detention, imprisonment or malicious prosecution; or

(2) 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; or

(3) oral or written publication of material that violates a person's right of privacy; or

(4) copying any idea or style in the dissemination of information or images for the purpose of the sale of goods, products, or services through radio, television, billboard, magazine, newspaper or any other publication that is given widespread public distribution ; or

(5) infringement of copyright, slogan, or title of any literary or artistic work in your dissemination of information or images for the purpose of the sale of goods, products, or services through radio, television, billboard, magazine, newspaper or any other publication that is given widespread public distribution; or

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

(6) "Discrimination" or humiliation that results in injury to the feelings or reputation of a person.

t. Any "claim" or "suit" arising out of or resulting from:

(1) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

(2) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.

u. Any "professional incident" committed on or before the effective date of this coverage part if the insured knew or could have reasonably foreseen that such "professional incident" could give rise to a claim.

v. Any "claim" or "suit" arising out of or resulting from any liability, damage, loss, cost or expense arising out of any breach of duty, negligent act, error or omission of any insured or of any other person for whose acts any insured is legally liable while acting as:

(1) An officer, director, trustee or executor of any business, charitable organization, fund, trust or estate, other than the named insured's business; or

(2) A public official.

w. Any "claim" or suit" arising out of, or in any way related to, any insured having gained in fact any profit, remuneration or advantage to which such insured is not legally entitled.

x. Any "claim" or "suit" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any employee benefit plan.

COVERAGE B. - DEFENSE REIMBURSEMENT FOR ANY "SUIT" SEEKING NON-MONETARY OR INJUNCTIVE RELIEF

1. Insuring Agreement

a. We will reimburse you for reasonable "defense costs" that you incur because of "suits" seeking non-monetary or injunctive relief to which **COVERAGE B.** applies. We will not reimburse you for "defense costs" you incur for any "suit" seeking non-monetary or injunctive relief to which **COVERAGE B.** does not apply. The amount we will reimburse for "defense costs" is limited as described in **LIMITS OF INSURANCE AND DEDUCTIBLE (SECTION III)**.

b. This insurance applies only if:

(1) The "suit" seeking non-monetary or injunctive relief is caused by a "professional incident" that takes place within the "coverage territory", and the original "suit" is brought within the "coverage territory";

(2) The "professional incident" occurred after the Retroactive Date, if any, shown in the Declarations and before the end of the "coverage period"; and

(3) The "suit" seeking non-monetary or injunctive relief is both:

(a) First served against any insured during the "coverage period" or any Extended Reporting Period we provide under **SECTION V – EXTENDED REPORTING PERIODS**; and

(b) Reported to us either:

(i) during the "coverage period" or within sixty (60) days thereafter, or

(ii) with respect to any "suit" first served during any Extended Reporting Period we provide under **SECTION V - EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

We will have no obligation or liability under **COVERAGE B.** in the event a defense is provided or will be provided to the insured under any policy or coverage part, including **COVERAGE A.** of this coverage part, otherwise issued to the insured.

We will have no other obligation or liability to pay any sums or perform any acts or services other than as described in 1.a. and 1.b. above.

SUPPLEMENTARY PAYMENTS

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

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. 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 $750 a day because of time of from work.
4. All costs taxed against the insured in the "suit".
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we deposit in court or make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest accruing during that period of time after the deposit or offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

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

SECTION II - WHO IS AN INSURED

Throughout this coverage part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this coverage part. 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 **WHO IS AN INSURED (SECTION II)**.

Other words and phrases that appear in quotation marks have special meaning Refer to **DEFINITIONS (SECTION VI)**.

1. The entity named in Item 1 of the Declarations.
2. Your past or present school board, its trustees, directors or members, and your past or present elected or appointed official(s), but only while acting within the scope of their duties or obligations on your behalf or otherwise authorized by you.
3. Your past or present employees but only for acts within the scope of their employment by you or otherwise authorized by you.
4. Your past or present "volunteers" or student teachers but only while acting within the scope of their

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

duties or obligations on your behalf or otherwise authorized by you.

5. Any PTA, PTO or other affiliated entity but only within the scope of their duties or obligations on your behalf or otherwise authorized by you.

6. The heirs, executors and assigns of each of the above insureds in the event of death, incapacity or bankruptcy.

7. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization.

   However:

   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "coverage period", whichever is earlier; and
   b. Professional Liability Coverage does not apply to a "professional incident" that occurred before you acquired or formed the organization.
   c. No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

8. Pastors but only while acting within the scope of their duties or obligations on your behalf or otherwise authorized by you. A pastor must be a "certified counselor" and "ordained".

9. Substitute teachers but only while acting within the scope of their employment by you or otherwise authorized by you.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. "Claims" made or "suits" brought; or
   c. Persons or organizations making "claims" or bringing "suits".

2. The Professional Aggregate Limit stated in the Declarations is the most we will pay for the sum of all "damages" because of all injuries arising out of all "professional incidents" under **COVERAGE A**.

3. The Injunctive Defense Reimbursement Limit stated in the Declarations is the most we will reimburse you for "defense costs" under' **COVERAGE B**. arising out of any one "suit". The Injunctive Defense Reimbursement Aggregate Limit stated in the Declarations is the most we will reimburse you for "defense costs" under **COVERAGE B**. For purposes of the application of the limit of insurance, one "suit" means all "claims" and claimants listed under one court docket number.

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

5. Subject to all applicable terms, limitations, conditions, definitions, exclusions and other provisions of this coverage part, we shall only be liable for those "damages" and payments made under Supplementary Payments and or "defense costs" which are in excess of the "deductible "where a deductible amount is listed on the Declarations. We shall be reimbursed by the insured for any payment we make for such "damages" and expenses up to the amount of the "deductible." The "deductible" shall apply to each "claim" for a "professional incident" or reimbursement of "defense costs". Your duties in the event of a "professional incident" or when you seek reimbursement of

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

"defense costs" apply irrespective of the application of the deductible amount.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this coverage part.

2. Duties in the Event of a "Professional Incident", "Claim" or "Suit"

a. You must see to it that we are notified as soon as practicable during the "coverage period" of any specific "professional incident" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by the potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:

(1) How, when and where such "professional incident" " took place;
(2) The names and addresses of any potential claimants and witnesses; and
(3) The nature of any injury arising out of such "professional incident".

Notice of such "professional incident" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "professional incident".

b. If a "claim" or "suit" is received by any insured you must:

(1) Immediately record the specifics of the "claim" or "suit" and the date received;
(2) Notify us in writing as soon as practicable, but in any event we must receive written notice either:
   (a) During the "coverage period" or within sixty (60) days thereafter; or
   (b) With respect to any "claim" first made during any Extended Reporting Period we provide under SECTION V - EXTENDED REPORTING PERIOD, during such Extended Reporting Period,

as a condition precedent for coverage under this insurance. Such notice must provide us with the same information as is required in paragraph a. above.

c. You and any other involved insured must:

(1) Immediately send us copies of any charges, demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
(2) Authorize us to obtain records and other information;
(3) Cooperate with us in the investigation, settlement or defense of the "claim" or "suit"; and
(4) Assist us in the enforcement of any right against any person or organization which may be liable to any insured because of loss or damage to which this insurance may also apply.

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

3. Legal Action Against Us

No person or organization has a right under this coverage part:

a. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
b. To sue us on this coverage part unless it has fully complied with all of its terms.

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

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

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

4. Other Insurance

The insurance afforded by this coverage part is excess over any valid and collectible insurance available to the insured. However:

a. This insurance shall be primary to any insurance specifically arranged by you to apply in excess of this insurance; and
b. When this coverage part and any other coverage part or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all coverage parts and policies covering on the same basis.

5. Two Or More Coverage Parts/Policies Issued By Us

If this coverage part and any other coverage part or policy issued to you by us or any company affiliated with us apply to the same injury, the aggregate Limit of Insurance under all the coverage parts or policies shall not exceed the highest applicable Limit of Insurance under any one coverage part or policy This condition does not apply to any coverage part or policy issued by us or an affiliated company specifically to apply as excess insurance.

6. Representations

By accepting this coverage part, you agree that the particulars and statements contained in the application are true, accurate and complete, and agree that this coverage part is issued in reliance on the truth of those representations, and that such particulars and statements, which are deemed to be incorporated into and constitute a part of this coverage part, are the basis of issuance of this coverage part and are material to acceptance of this risk. This coverage part shall not, however, be voided as to any particular insured on account of the falsity of particulars and statements contained in the application unless:

a. Such insured knew of the falsity of any particular or statement, in which event such knowledge shall be imputed only to such insured; or
b. The person(s) signing the application knew of the falsity of any particular or statement, in which event such knowledge shall be imputed to all insureds.

7. Subrogation

a. In the event of any payment under this coverage part, we shall be subrogated to all of your rights of recovery against any person or organization and you agree not to prejudice such rights and that you will execute and deliver instruments and papers and do everything necessary to secure such rights. No rights of subrogation shall accrue against any past or present employee of the insured unless such employee shall have acted with actual fraudulent or dishonest purpose and intent in relation to matters which are the subjects of the "claim" or "suit".
b. Your obligations under this **CONDITION 7.** will survive the coverage part.

8. Separation of Insureds

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

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

9. Transfer of Your Rights and Duties Under This Coverage Part.

Your rights and duties under this coverage part may not be transferred without our written consent.

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

10. Cancellation and Non-renewal

a. Cancellation by you:

You may cancel this coverage part by mailing to us advance written notice stating when the cancellation shall be effective If you cancel this coverage part, any premium returned to you will be computed on a pro rata basis. This refund will be paid to you within thirty (30) days after the effective date of cancellation.

b. Cancellation by us:

(1) Cancellation of Policies in Effect for Less Than Sixty (60) Days-

If this coverage part has been in effect less than sixty (60) days, and this coverage part is not a renewal of a policy or coverage part we issued, we may cancel this coverage part by mailing or delivering to the insured named in Item 1. of the Declarations written notice of cancellation at least thirty (30) days before the effective date of cancellation.

(2) Cancellation of Policies in Effect for Sixty (60) or More Days-

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

(a) You have made a material misrepresentation, which affects the insurability of the risk Notice of cancellation will be mailed or delivered at least fifteen (15) days before the effective date of cancellation.

(b) You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least fifteen (15) days before the effective date of cancellation.

(c) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known to us during the "coverage period". Notice of cancellation will be mailed or delivered at least sixty (60) days before the effective date of cancellation.

(d) Loss of reinsurance or substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least sixty (60) days before the effective date of cancellation.

(e) Material failure to comply with coverage part terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least sixty (60) days before the effective date of cancellation.

(f) Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least sixty (60) days before the effective date of cancellation.

This coverage part may also be canceled effective as of the date of inception upon discovery that the coverage part was obtained through fraudulent statement, or omission or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

We will mail or deliver our notice of cancellation to the insured named in Item 1. of the Declarations at the last mailing address known to us. The notice of cancellation will state the specific reasons for cancellation.

The Notice of Cancellation will state the effective date of cancellation. The "coverage period" will end on that date.

If this coverage part is canceled, we will send the insured named in Item 1. of the Declarations any premium refund due. If we cancel, the refund will be prorated and will be returned within ten (10) business days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

If notice is mailed, it will be sent by registered or first-class mail. Proof of mailing will be sufficient proof of notice.

(3) Notice of Non-renewal

If we elect not to renew this coverage part, we will mail to the insured named in Item 1. of the Declarations written notice of non-renewal. We will mail this notice to the last mailing address known to us at least sixty (60) days prior to the expiration of this coverage part.

SECTION V - EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
   a. This coverage part is canceled or not renewed; or
   b. We renew or replace this coverage part with insurance that:
      (1) Has a Retroactive Date later than the date shown in the Declarations of this coverage part; or
      (2) Does not apply on a claims-made basis.

2. Extended Reporting Periods do not extend the "coverage period" or change the scope of coverage provided. They apply only to "claims" for "professional incident(s)" or reimbursement of "defense costs" that occur after the Retroactive Date, if any, shown on the Declarations and before the end of the "coverage period". Once in effect, Extended Reporting Periods may not be canceled.

3. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.

4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "coverage period" and lasts for:
   a. Ninety (90) days with respect to "claims" because of a "professional incident" properly reported to us, during the "coverage period", in accordance with Paragraph 2.a. of SECTION IV - CONDITIONS, Duties In The Event Of a "Professional Incident" or "Claim" or "Suit"; and
   b. Sixty (60) days with respect to "claims" arising from a "professional incident" not previously reported to us during the "coverage period".

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

5. Upon expiration of the Basic Extended Reporting Period, you shall have the right, upon payment of an additional 75% of this Coverage Part's annual premium to an extension of the coverage granted by this Coverage Part for any Claim first made against the Insured during the twelve (12) months after the expiration of the Basic Extended Reporting Period.

You must give us a written request for the extension within 60 days after the end of the "coverage period". At the commencement of this Extended Reporting Period, the entire premium shall be deemed fully earned and non-refundable.

SECTION VI – DEFINITIONS

1. "Certified Counselor" means an individual certified by the American Association of Pastoral Counselors.

2. "Claim" means:
   a. Any civil proceeding in which "damages" are alleged; and
   b. Any written notice that was made to an insured's human resources department, internal legal

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

division or department, or any department that provides a human resource function, or to the Superintendent of Schools, Assistant Superintendent of Schools, Principal or Vice Principal of a school that the insured is responsible for "damages" as a result of injury arising out of a "professional incident".

3. "Coverage Period" means the period from the coverage part Inception Date to the coverage part Expiration Date as set forth in Item 3 of the Declarations or such earlier termination date, if any.

4. "Coverage Territory" means:
   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
   b. All parts of the world if:
      (1) The injury arises out of activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
      (2) The "Insured's" responsibility to pay "damages" is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Common Law Violations" mean defamation, negligent infliction of emotional distress, invasion of privacy, misrepresentation, or other torts arising out of acts or omissions by an insured in the course of an employment relationship, or by a person for whom the insured is legally responsible in the course of an employment relationship.

6. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing. "Damages" shall include punitive or exemplary "damages" where insurable by law. "Damages" does not mean:
   a. Any civil, criminal, or administrative fines or penalties;
   b. Any non-monetary or injunctive relief; or
   c. Any "damages" that are uninsurable according to the law or public policy of the jurisdiction where the Named Insured is domiciled as stated in item 1. of the Declarations;

7. "Deductible" means the amount the insured must reimburse us for "damages" and expenses paid by us as stated on the Declarations.

8. "Defense costs" means reasonable and necessary outside attorneys fees and expenses, court costs, the cost of appeal bonds and the costs incurred as a result of a covered "suit". "Defense costs" does not include salaries of the insured's regular employees.

9. "Discrimination" means to fail or refuse to hire any individual, to discharge, to retaliate, to demote, or to otherwise take any action against any "employee" with respect to his or her compensation, benefits, terms, conditions, or privileges of employment, or to limit, segregate, or classify any "employee" in any way which would deprive, or tend to deprive, him or her of employment opportunities or otherwise adversely affect his or her status as an "employee", because of such "employee's" race, color, religion, sex, sexual orientation, gender identity, national origin, pregnancy, disability, age, veteran's status, marital status, exercise of his or her protected rights under law, regulation or public policy, or other protected category, characteristic, or right established pursuant to any applicable federal, state or local statute or ordinance or common law.

10. "Educational services" means:
    a. Education or teaching;
    b. Other educational, administrative and supervisory professional services authorized by you.

11. "Employee" means an individual whose labor or service is engaged by and directed by an insured or who is paid through the payroll of an insured or who is an applicant with the insured. This

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

includes past, present, or prospective "employees" as well as part-time, seasonal, temporary, contract and leased "employees". Individuals classified by an insured as independent contractors, or the employees of independent contractors, are not "employees" for the purposes of this definition regardless of any adjudicated employment status.

12. "Employment incident" means an act of "discrimination", "harassment", or "wrongful termination". "Employment incident" also includes "common law violations" only if such violations are committed with an act of "discrimination", "harassment", or "wrongful termination".

13. "Harassment" means conduct by an insured, or a person for whom the insured is legally responsible, towards an "employee" which is based upon a characteristic or status protected under law and which is offensive, unwelcome, and has the purpose or effect of unreasonably interfering with the "employee's" work performance or which creates an intimidating, offensive or hostile work environment.

    "Harassment" includes "Sexual Harassment", which is defined as unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature when:
    a. submission to such conduct is made either explicitly or implicitly a term and condition of employment; or
    b. submission to or rejection of such conduct by an "employee" is used as the basis for employment decisions affecting such individual; or
    c. such conduct has the purpose or effect of unreasonably interfering with an "employee's" work performance or creating an intimidating, hostile, or offensive work environment.

14. "Ordained" means an individual:
    a. Invested with ministerial or priestly authority; or
    b. Authorized as a rabbi; or
    c. Upon whom holy orders have been conferred by a religious authority.

15. "Pollutants" means any solid, liquid, gaseous, thermal or electromagnetic irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, bio-hazardous waste, biomedical waste, and other wastes. Wastes include materials to be recycled, reconditioned or reclaimed.

16. "Professional incident" means any actual or alleged act, error or omission by the insured in the rendering of or failure to render "educational services". This includes counseling services provided by a pastor. "Professional incident" does not mean or include any type of "employment incident".

17. "Suit" means a civil proceeding instituted in any state or federal court of original jurisdiction or foreign equivalent within the "coverage territory" in which "damages" because of injury to which this insurance applies are alleged. "Suit" includes:
    a. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit as mandated by law or does submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits as mandated by law or with our consent.

    A "suit" does not include any administrative proceeding(s).

18. "Volunteer," means a person performing services for the entity named in Item 1. of the Declarations, including a director, officer, trustee or director or service volunteer, who does not receive:
    a. Compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or
    b. Any other thing of value in lieu of compensation in excess of $500 per year.

19. "Wrongful termination" means the actual or constructive termination of an employment relationship

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

which is alleged to be an unlawful violation of public policy or is in breach of an implied agreement relating to employment, or is alleged to be in retaliation of the exercise of protected rights by an "employee", including allegations relating to the reporting of alleged misconduct.

(Includes copyright material of The Insurance Services Office, Inc. used with its permission)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHARTER SCHOOLS ENDORSEMENT

This endorsement modifies and is subject to the insurance provided under the following:

EDUCATORS PROTECTION PLUS

Coverage A. - Professional Educational Legal Liability, Subsection 2, Exclusions is amended by adding the following paragraphs to the end thereof:

COVERAGE A. does not apply to:

CH-1. Any "claim" or "suit" alleging, arising out of, based upon, or in connection with the grant or denial of a charter to any charter school, including, but not limited to, the maintenance, issuance, renewal or revocation of any charter; or

CH-2. Any "claim" or "suit" alleging, arising out of, based upon, or in connection with any charter school that is not established in full compliance with all applicable laws, rules or regulations or does not remain established in full compliance with all applicable laws, rules or regulations as a chartered entity of the school district or county office of education that granted such charter.

All other terms and conditions of this Policy remain unchanged.

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

BINDING ARBITRATION

Wherever, used in this endorsement: 1) "we", "us", "our", and "insurer' mean the insurance company which issued this policy; and 2) "you", "your", "named insured", "first named insured", and "insured" mean the Named Corporation, the Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "other insured(s)" means all other persons or entities afforded coverage under this policy.

This endorsement modifies coverage provided under the Coverage Part to which it is attached.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

All other terms of the policy remain unchanged.

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY

A. Any provision to the contrary within Subsection **10. Cancellation and Non-Renewal** of Section **IV - CONDITIONS** is deleted and replaced with the following:

Cancellation

1. The 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 Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the 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 Insured any premium refund due. If we cancel, the refund will be pro rata. If the 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. Cancellation of policies in effect for 60 days or more:
   If this Policy has been in effect for 60 days or more, or if this Policy is a renewal of a Policy we issued, we may cancel this Policy only for one or more of the following reasons:
   a. Nonpayment of premium;
   b. Your conviction of a crime arising out of acts increasing the hazard insured against;
   c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this Policy, in continuing this Policy or in presenting a claim under this Policy;
   d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;
   e. Substantial breach of contractual duties or conditions;
   f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer;
   g. Determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or
   h. Acts or omissions by you or your representative which materially increase the hazard insured against.

   If we cancel this Policy based on one or more of the above reasons, we will mail by certified mail to you, and to the agent, if any, written notice of cancellation stating the reasons for cancellation. We will mail this notice to the last mailing addresses known to us, at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
   b. 60 days before the effective date of cancellation if we cancel for any of the other reasons.

Non-renewal

1. If we elect not to renew this Policy, we will mail by certified mail to the Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 60 days prior to the expiration of this Policy.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
   a. We or a company within the same insurance group has offered to issue a renewal Policy; or
   b. You have obtained replacement coverage or agreed in writing to do so.

B. The Execution Clause shown below is added to form PI-EPP-02 (06/05):

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THIS POLICY TO BE SIGNED BY THE PRESIDENT AND SECRETARY OF THE COMPANY. THIS POLICY SHALL BE SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE COMPANY; HOWEVER, FAILURE BY OUR AUTHORIZED REPRESENTATIVE TO COUNTERSIGN THIS POLICY WILL NOT INVALIDATE THIS POLICY.

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

BINDING ARBITRATION

Wherever, used in this endorsement: 1) "we", "us", "our", and "insurer' mean the insurance company which issued this policy; and 2) "you", "your", "named insured", "first named insured", and "insured" mean the Named Corporation, the Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "other insured(s)" means all other persons or entities afforded coverage under this policy.

This endorsement modifies coverage provided under the Coverage Part to which it is attached.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

All other terms of the policy remain unchanged.

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS ADMINISTRATION ERRORS AND OMISSIONS INSURANCE

IMPORTANT NOTE: THIS INSURANCE PROVIDES LIMITED COVERAGE FOR LIABILITY WHICH ARISES OUT OF THE ADMINISTRATION OF YOUR EMPLOYEE BENEFITS PROGRAM. IN PARTICULAR, IT DOES NOT FULLY PROTECT YOU OR ANY OTHER INSURED AGAINST LIABILITY CREATED BY THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, OR ITS AMENDMENTS, OR ANY SIMILAR LAW.

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

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

The word "insured" means any person or organization qualifying as such under **Section II – Who is an Insured** of this Coverage Form.

Other words and phrases that appear in boldface have special meaning. Refer to **Section VI – Definitions**.

Section I – Coverages

A. Insuring Agreement

1. We will pay those sums that you become legally obligated to pay as damages because of a negligent act, error or omission in the **administration** of **your employee benefits program**. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments of this coverage Form.

   We will have the right and duty to defend any **suit** seeking those damages. But:

   a. The amount we will pay for all damages is limited as described in **Section III – Limits of Insurance** of this Coverage Form.

   b. We may, at our discretion, investigate and settle any claim or **suit**.

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

2. This insurance applies to a negligent act, error or omission only if:

   a. the negligent act, error or omission is caused by an occurrence that takes place in the **Coverage Territory**;

   b. the negligent act, error or omission did not occur before the retroactive date, if any, shown in the Declarations or after the end of the Policy Period; and

   c. the insured had no prior knowledge or could not reasonably have foreseen any circumstances which might result in a claim or **suit**; and

   d. the claim is first made or **suit** is brought during the policy period or any Extended Reporting Period we provide under Extended Reporting Period Section V.

3. This insurance applies only to negligent acts, errors or omissions:

a. which occur within the **Coverage Territory**; and

b. for which the claim is made or **suit** is brought within the **Coverage Territory**.

B. Exclusions

This insurance does not apply to:

1. **bodily injury**, **property damage** or **personal injury**;

2. claims for injury or damage arising out of:

   a. a dishonest, fraudulent, criminal or malicious act, error or omission done by or at the direction of any Insured;

   b. an insurer's failure to perform its contract;

   c. failure of any plan to meet its obligations due to insufficient funds;

   d. failure of any investment to perform as represented by any insured.

   e. advice given by an insured to any person on whether or not to participate in any plan included in **your employee benefits program**;

   f. your failure to meet the requirement of any law concerning Workers' Compensation, unemployment insurance, social security, disability benefits or the Fair Labor Standards Act of 1938 and its amendments, or any similar laws;

   g. any insured's liability as a fiduciary under:

      (1) EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 and its amendments, or

      (2) INTERNAL REVENUE CODE OF 1986 (including the INTERNAL REVENUE CODE OF 1954) and its amendments;

   h. any claims for injury or damage to a person or organization arising from:

      (1) refusal to employ that person;

      (2) termination of that person's employment;

      (3) **employment-related discrimination** or employment-related practices, policies, acts or omissions, such as coercion, demotion, failure to promote, evaluation, criticism, reassignment, discipline, defamation, self-defamation, harassment, humiliation directed at that person or organization;

      (4) consequential injury or damage as a result of (1) through (3) above.

   i. the act of terminating or altering any of **your employee benefits program**.

C. Supplementary Payments

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

1. all expenses we incur.

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

3. 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.

4. all costs taxed against the insured in the **suit**.

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

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

These payments will not reduce the limits of insurance.

Section II – Who is an Insured

1. We cover each of the following as insureds under this Coverage Form:

   a. you; and

   b. your **employees**, but only with respect to the **administration** of **your employee benefits program**; and

   c. any other person or organization authorized to perform the **administration** of **your employee benefits program**.

2. In addition, if you are designated in the Declarations as:

   a. an individual;

      i. your spouse is an insured, but only with respect to the **administration of your employee benefits program**; and

      ii. your legal representatives are insureds if you die, but only with respect to duties in the **administration of your employee benefits program**. That representative will have all your rights and duties under this endorsement.

   b. a partnership or joint venture:

      i. your partners or your members are insureds, but only with respect to the **administration** of **your employee benefits program**; and

      ii. the spouses of your partners or your members are also insureds, but only with respect to the **administration** of **your employee benefits program**.

   c. a limited liability company:

      i. your members are insureds, but only with respect to the **administration** of **your employee benefits program**; and

      ii. your managers are insureds, but only with respect to the **administration** of **your employee benefits program**.

   d. a corporation:

      i. your **executive officers** and directors are insureds, but only with respect to the **administration** of **your employee benefits program**; and

      ii. your stockholders are also insureds, but only with respect to their liability as stockholders and only with respect to the **administration** of **your employee benefits program**.

Any organization which you newly acquire or form, other than a partnership or joint venture, and over which you maintain a primary and controlling interest will be considered an insured if there is no similar insurance available to that organization. However, coverage under this provision is afforded only until the end of the policy period.

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

Section III – Limits of Insurance

1. The Limits of Insurance stated in the Declarations of this Coverage Form and the rules below fix the most we will pay regardless of the number of:

   a. insureds;

   b. negligent acts, errors or omissions causing injury or damage;

   c. claims made or **suits** brought;

   d. persons or organizations making claims or bringing **suits**; or

e. plans included in **your employee benefits program**.

2. The Aggregate Limit is the most we will pay for all damages because of negligent acts, errors or omissions in the **administration** of **your employee benefits program**, covered by this policy.

3. Subject to 2. above, the Each Employee Limit is the most we will pay for the sum of all damages incurred because of damages sustained, covered by this policy, by:

   a. any one **employee**, and

   b. that **employee's** dependents or stated beneficiaries.

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

Section IV – Conditions

1. Bankruptcy

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

2. Duties in the Event of a Negligent Act, Error, Omission, Claim or **Suit**:

   a. You must see to it that we are notified as soon as practicable of an alleged negligent act, error, omission, claim or **suit** which may result in a claim. To the extent possible, notice should include:

      (1) how, when and where the alleged negligent act, error, or omission took place;

      (2) the names and addresses of the persons or their representatives alleging the negligent act, error or omission;

      (3) the nature of any injury or damage arising out of the negligent act, error or omission.

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

      (1) immediately record the specifics of the claim or **suit** and the date received; and

      (2) notify us as soon as practicable.

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

   c. You and any other involved insured must:

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

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

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

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

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

3. Legal Action Against Us

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

   a. to join us as a party or otherwise bring us into a **suit** asking for damages from an insured; or

b. to sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

This insurance is excess over any other valid and collectible similar insurance or insurance expressly purchased to provide this coverage, available to the insured.

5. Representation

By accepting this policy, you agree:

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

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

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

6. Separation of Insureds

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

a. as if each Named Insured were the only Named Insured; and

b. separately to each insured against whom claim is made or **suit** is brought.

7. Transfer of Rights of Recovery Against Others to Us

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

8. When We Do Not Renew

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

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

9. Application of Insurance Services Office Endorsements Attached to This Coverage Part

In the event that an Insurance Services Office Endorsement is attached to this Coverage Part, it shall apply to this insurance even if the Insurance Services Office endorsement does not include Employee Benefits Administration Errors and Omissions Insurance within the introductory language of the endorsement.

Section V – Extended Reporting Period

1. We will provide one or more Extended Reporting Periods, as described below, if:

a. This Coverage Part is canceled or not renewed; or

b. We renew or replace this Coverage Part with insurance that:

(1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or

(2) Does not apply to a negligent act or error and omission on a claims-made basis.

2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for a negligent act, error or omission that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:

a. Five years with respect to claims because of a negligent act, error or omission arising out of an occurrence reported to us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV - Condition;

b. Sixty days with respect to claims arising from occurrences not previously reported to us.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.

5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

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

a. The exposures insured;

b. Previous types and amounts of insurance;

c. Limits of Insurance available under this Coverage Part for future payment of damages; and

d. Other related factors.

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

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. If the Supplemental Extended Reporting Period is in effect, we will provide the supplemental aggregate limits of insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for Employees Benefits Administration Errors and Omissions Insurance.

Section VI – Definitions

With respect to coverage provided by this Coverage Form, the following definitions apply:

1. **Administration** means performance of the ministerial functions of **your employee benefits program** and could include:

   a. applying the program rules to determine who is eligible to participate in benefits;

   b. calculating service and compensation credits of **employees**;

   c. preparing messages to tell **employees** about their benefits.

   d. maintaining service and employment records of those employees participating in **your employee benefits program**;

e. preparing reports required by government agencies;

f. calculating benefits;

g. informing new **employees** about **your employee benefit program**;

h. implementing enrollment instructions from your employees in **your employee benefits program**.

i. advising, other than legal advice, **employees** who are participating in **your employee benefits program** of their rights and options.

j. collecting contributions and applying them as called for under the rules of **your employee benefits program**.

k. preparing benefits reports for your employees participating in **your employee benefits program**.

l. processing claims.

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

3. **Coverage territory** means:

   a. the United States of America (including its territories and possessions), Puerto Rico and Canada; or

   b. all parts of the world if the insured's responsibility to pay damages is determined in a **suit** on the merits in the territory described in a. above or in a settlement to which we agree.

4. **Employee** means your **executive officers** or any persons who have been employed and compensated by you, whether actively employed, formerly employed, disabled or retired, and includes **leased workers** and **temporary workers** if they are subject to **your employee benefits program**.

5. **Employment-related discrimination** means the actual or alleged treatment of a person or group of persons based upon their race, color, nationality, ethnic origin, religion, gender, marital status, reproductive status, age, sexual orientation, sexual preference, physical disability, mental disability or on any basis which is prohibited by federal, state or local law.

6. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

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

8. **Personal injury** means injury, other than **bodily injury**, arising out of one or more of the following offenses:

   a. false arrest, detention or imprisonment;

   b. malicious prosecution;

   c. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;

   d. oral or written publication of material that slanders, or libels a person or organization, or disparages a person's or organization's goods, products or services; or

   e. oral or written publication of material that violates a person's right of privacy.

9. **Property Damage** means:

   a. physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

   b. loss of use of tangible property that is not physically injured. All such loss of use

shall be deemed to occur at the time of the occurrence that caused it.

10. **Suit** means a civil proceeding in which damages because of a negligent act, error or omission to which this insurance applies are alleged. Suit includes:

    a. an arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;

    b. any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

11. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions. **Temporary worker** does not mean a **leased worker**.

12. **Your employee benefits program** means a type of insurance or other plan you maintain solely for the benefit of your **employees** and could include one or more of the following types:

    a. group life insurance, group accident, dismemberment, dental, health insurance, health care and dependent care spending plans, legal advice plans, or educational tuition reimbursement plans;

    b. profit sharing plans; savings plans including 401K and 403B plans; pension plans and stock subscription plans;

    c. unemployment insurance, social security benefits: workers' compensation and disability benefits insurance.

APPLICATION ADDENDUM

This addendum modifies the supplemental application PI-EBL-APP provided under the following:

Employees Benefits Administration Errors and Omissions Insurance

1. The word "warrant", as it appears in the application, is deleted and replaced with "declare".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA - CHANGES

This endorsement modifies insurance provided under the following:

Employees Benefits Administration Errors and Omissions Insurance

I. Section IV - Conditions 8. When We Do Not Renew is deleted and replaced with the following:

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

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

3. 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 canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be pro rata multiplied by .90. 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. Cancellation of Policies in Effect for 60 Days or More
   If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

   a. Nonpayment of premium;

   b. Your conviction of a crime arising out of acts increasing the hazard insured against;

   c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this policy, in continuing this policy or in presenting a claim under this policy;

   d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;

   e. Substantial breach of contractual duties or conditions;

   f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

or facultative reinsurance initiated by our reinsurer or reinsurer;

g. Determination by the Director of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or

h. Acts or omissions by you or your representative which materially increase the hazard insured against.

If we cancel this policy based on one or more of the above reasons, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of cancellation stating the reasons for cancellation. We will mail this notice to the last mailing addresses known to us, at least:

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

b. 60 days before the effective date of cancellation if we cancel for any of the other reasons.

B. Nonrenewal

1. If we elect not to renew this policy, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 60 days prior to the expiration of this policy.

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

3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:

a. We or a company within the same insurance group has offered to issue a renewal policy; or

b. You have obtained replacement coverage or agreed in writing to do so.

C. Renewal

1. If we elect to renew this Policy and the renewal is subject to any of the following:

a. Increase in premium;

b. Change in Deductible;

c. Reduction in limits of insurance; or

d. Substantial reduction in coverage;

we will mail or deliver written notice of the change(s) to the first Named Insueds, at the last mailing address known to us, at least 60 days before the anniversary or expiration date of the Policy.

2. If renewal is subject to any condition described in 1.a. through 1.d. above, and we fail to provide notice 60 days before the anniversary or expiration date of this Policy, the following procedures apply:

a. The present Policy will remain in effect until the earlier of the following:

(i) 60 days after the date of mailing or delivery of notice; or

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

(ii) the effective date of replacement coverage obtained by the Named Insured.

b. If the Named Insured elects not to renew, any earned premium for the period of extension of the terminated Policy will be calculated pro rata at the lower of the following rates:

(i) The rates applicable to the terminated Policy; or

(ii) The rates presently in effect.

c. If the Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this Policy's anniversary or expiration date.

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIOR/PENDING LITIGATION AND KNOWN CIRCUMSTANCES EXCLUSION (CLAIMS MADE)

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS ADMINISTRATION ERRORS AND OMISSIONS INSURANCE
CLAIMS MADE COVERAGE.

In consideration of the premium paid for this policy, it is agreed that the Insurer shall not be liable to make any payment for "damages" in connection with any claim arising out of, based upon or attributable to:

i) any "professional incident", "bodily injury" or "property damage", committed on or before 08/22/2009 if the insured knew or could have reasonably foreseen that such "professional incident", "bodily injury" or "property damage" could give rise to a claim;

ii) any pending or prior litigation made as of 08/22/2009 or any claims alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation;

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

BINDING ARBITRATION

Wherever, used in this endorsement: 1) "we", "us", "our", and "insurer' mean the insurance company which issued this policy; and 2) "you", "your", "named insured", "first named insured", and "insured" mean the Named Corporation, the Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "other insured(s)" means all other persons or entities afforded coverage under this policy.

This endorsement modifies coverage provided under the Coverage Part to which it is attached.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

All other terms of the policy remain unchanged.

Includes copyright material of the Insurance Services Office, Inc. used with its permission.

SEXUAL OR PHYSICAL ABUSE OR MOLESTATION VICARIOUS LIABILITY COVERAGE FORM OCCURRENCE

PLEASE READ THE ENTIRE FORM CAREFULLY.

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

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

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

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

SECTION I - COVERAGE
SEXUAL OR PHYSICAL ABUSE OR MOLESTATION VICARIOUS LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured is legally obligated to pay as "damages" because of "bodily injury" to which this insurance applies, if the insured is alleged to be liable for another person's "abusive conduct", by reason of :

(1) the negligent:
(a) employment;
(b) selection;
(c) investigation;
(d) supervision;
(e) reporting to the proper authorities, or failure to so report; or
(f) retention;
of any "employee", volunteer or any other person or persons for whom the insured is or ever was legally responsible; or

(2) the negligent:
(a) design;
(b) control;
(c) maintenance;
(d) supervision;
(e) inspection; or
(f) investigation of prospective tenants; of your premises, premises in your control or premises you have leased to another; or

(3) the negligent failure to provide professional services or neglect of the therapeutic needs of a client, patient or other person because of the "abusive conduct".

Subject to the above provisions, we have the right and duty to defend any "suit" seeking "damages" because of another person's "abusive conduct". However, we have no duty to defend the insured against any "suit" seeking "damages" to which this insurance does not apply. We may at our discretion, investigate any "abusive conduct" and settle any claim or "suit" that may result. But

(a) The amount we will pay for "damages" as described in (Section III) LIMIT OF INSURANCE; and

(b) Our right and duty to defend end when we have used up our applicable limit of insurance in the payment of "damages".

We will pay, with respect to any claim or "suit" we defend, any "defense costs" we incur. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in ADDITIONAL POLICY BENEFITS.

b. This insurance applies to "damages" because of "bodily injury" only if:

(1) The "bodily injury" is caused by "abusive conduct that takes place in the "coverage territory";

(2) The "bodily injury" occurs during the policy period.

2. Exclusions

This insurance does not apply to:

a. liability assumed by the insured under any contract or agreement;

b. any obligation for which an insured, or any insurance carrier of the insured, may be held liable under a workers compensation, disability benefits or unemployment compensation law or any similar law;

c. any claim arising out of matters which may be deemed uninsurable;

d. any claim made against an insured by another insured except a claim made by an insured who is an "employee", subject to exclusion (e.) below;

e. any claim made by or on behalf of your "employee" except in the limited instance where that "employee" is also your client and receiving services falling within the official scope of the services which you provide and the claim arises out of the provision of these services;

f. to criminal defense costs associated with a criminal trial including appeals;

g. to the molestation of any person by the named insured or family member of the named insured which predates the inception of this policy and continues into the policy period;

ADDITIONAL POLICY BENEFITS

EMPLOYEE INDEMNIFICATION DEFENSE COVERAGE

We will also pay on your behalf "defense costs" for an "employee" who is alleged to be directly involved in "abusive conduct" if you have entered into a written agreement with such "employee" where you agree to indemnify the "employee" for such "defense costs" provided the agreement includes a provision for repayment of defense costs in the event of an adverse judgment.

The most we will pay for any "employee" who is alleged to be directly involved in "abusive conduct" is $25,000 regardless of the number of employees, claims or "suits" brought or persons or organizations making claims or bringing "suits."

SECTION II - WHO IS AN INSURED

1. You are an insured.

2. Each of the following is also an insured:

   a. your directors, but only for liability arising from their duties as your directors;

   b. your "employees", but only for liability arising within the scope of their employment duties for you;

   c. your volunteers, but only for liability arising within the scope of their volunteer duties related to the conduct of your organization; and

   d. students in training, but only for liability arising within the scope of their duties related to the conduct of your organization.

SECTION III - LIMIT OF INSURANCE

1. The limit of insurance shown in the Declarations and the rules below fix the most we will pay "damages" regardless of the number of:

   a. Insureds;

   b. claims made or "suits" brought; or

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

2. The limit of insurance shown in the Declarations for each "abusive conduct" is the most we will pay for all "damages" incurred as the result of any claim of "abusive conduct". Two or more claims for "damages" because of the same incident or interrelated incidents of "abusive conduct" shall be:

   a. considered a single claim.; and

   b. such claims, whenever made, shall be assigned to only one policy (whether issued by us or any other insurer) and if that is this policy, only one limit of insurance shall apply.

3. The aggregate limit shown in the Declaration is, subject to paragraph 2. of this Section, the total limit of our liability for all "damages" to which this insurance applies.

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

SECTION IV - SEXUAL OR PHYSICAL ABUSE OR MOLESTATION VICARIOUS LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties In the Event of an Incident, Claim or Suit

a. If a claim is made or "suit" is brought against any insured, you must see to it that we receive written notice of the claim or "suit" as soon as practicable, but no later than 60 days after the claim is made or "suit" is brought.

b. You and any other involved insured must:

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

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

(3) Cooperate with us in the investigation, settlement or defense of the claim or "suit" including the release of any personnel records of the person(s) allegedly involved in the abusive conduct; and

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

c. No insureds will, except at their own cost, and without recourse to this policy, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

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

a. to join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or

b. to sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover as a result of 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 Part or that are in excess of the applicable limit of insurance.

4. Other Insurance

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

a. **Primary Insurance**

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

b. **Excess Insurance**

If any insured has other insurance providing coverage similar to this policy, then this insurance shall be excess over and above that other insurance except where such insurance is specifically designated as excess to this policy.

When this insurance is excess, we will have no duty 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.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision.

c. **Method of Sharing**

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

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

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. 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 term is greater than the earned premium, we will return the excess to the first Named Insured.

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

6. Representations

By accepting this policy, the insured agrees:

a. the statements in the Declarations, and in the application for insurance are accurate and complete;

b. those statements are based upon representations made by the insureds; and

c. we have issued this policy in reliance upon those representations.

7. Transfer or Rights of Recovery Against Others To Us

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

8. Two Or More Coverage Parts Or Policies Issued By Us

It is our stated intention that the various coverage parts or policy issued to you by us, or any company affiliated with us, do not provide any duplication or overlap of coverage for the same claim or "suit". We have exercised diligence to draft our coverage parts or policies to reflect this intention, but should the circumstances of any claim or "suit" give rise to such duplication or overlap of coverage then, notwithstanding the other insurance provision, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same "abusive conduct" professional incident, occurrence, offense, wrongful act, accident or loss, the maximum limit of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limit of insurance under any one coverage part or policy.

This condition does not apply to any Excess or Umbrella policy issued by us specifically to apply as excess insurance over this policy.

9. When We Do Not Renew

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

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

SECTION V - DEFINITIONS

1. "Agreed settlement" means a settlement and release of liability signed by the insured and the claimant or the claimant's legal representative and approved by us.

2. "Abusive conduct" means each, every and all actual, threatened or alleged acts of physical abuse, sexual abuse,

sexual molestation or sexual misconduct performed by one person or two or more people acting together. Each, every and all actual, threatened or alleged acts of physical abuse, sexual abuse, sexual molestation or sexual misconduct committed by, participated in by, directed by, instigated by or knowingly allowed to happen by one or more persons shall be considered to be one "abusive conduct" regardless of:

a. the number of injured parties;

b. the period of time over which the acts of physical abuse, sexual abuse, sexual molestation or sexual misconduct took place; and

c. the number of such acts or encounters.

"Abusive conduct" consisting of or comprising more than one act of physical abuse, sexual abuse, sexual molestation or sexual misconduct shall be deemed to take place, for all purposes within the scope of this policy, at the time of the first such act or encounter.

3. "Bodily Injury" means bodily injury, sickness or disease including emotional distress or anguish including death resulting therefrom.

4. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

5. "Damages" means a monetary:

   a. judgment;
   b. award; or
   c. settlement,

   but does not include fines, sanctions, penalties, punitive or exemplary damages or the multiple portion of any damages.

6. "Defense Costs" - Costs to defend any claim or "suit" seeking "damages." These costs are outside the limit of insurance.

7. "Employee" includes a "leased worker" or a "temporary worker."

8. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.

9. "Suit" means a civil proceeding in which "damages" are sought for "abusive conduct" to which this insurance applies are alleged. "Suit" also includes:

   a. an arbitration proceeding in which such "damages" are claimed and to which you must submit or do submit with our consent; or

   b. any other alternative dispute resolution proceeding in which such "damages" are claimed and to which you submit with our consent.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EMPLOYEE DEFENSE COVERAGE

This endorsement modifies insurance provided under the following:

SEXUAL OR PHYSICAL ABUSE OR MOLESTATION VICARIOUS LIABILITY COVERAGE FORM OCCURRENCE

SEXUAL OR PHYSICAL ABUSE OR MOLESTATION VICARIOUS LIABILITY COVERAGE FORM CLAIMS-MADE COVERAGE

The section **EMPLOYEE INDEMNIFICATION DEFENSE COVERAGE** under **SECTION I – COVERAGE, ADDITIONAL POLICY BENEFITS** is deleted and replaced with the following:

EMPLOYEE DEFENSE COVERAGE

We will also pay on your behalf "defense costs" for an "employee" who is alleged to be directly involved in "abusive conduct" until such time as that individual is adjudicated to be a wrongdoer or enters a plea of no-contest.