

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

The federal Terrorism Risk Insurance Act requires notification of coverage for losses arising out of acts of terrorism. As defined in the Terrorism Risk Insurance Act, the term certified “act of terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

The summary of the Terrorism Risk Insurance Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. The portion of your annual premium attributable to coverage for certified “acts of terrorism” is shown on the declarations.

The Terrorism Risk Insurance Act gives you the right to reject this coverage, except for losses caused by fire following a certified “act of terrorism” by signing the written statement and returning it to us. By doing so, you are authorizing a terrorism exclusion for your policy and are acknowledging the fact there will be no coverage for losses arising from a certified “act of terrorism” under your policy.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
REJECTION OF TERRORISM COVERAGE**

I elect to reject Terrorism coverage, except for losses caused by fire following a certified “act of terrorism” offered pursuant to the Terrorism Risk Insurance Act. I understand a terrorism exclusion will be added to my policy and the annual premium for fire following a certified “act of terrorism” will be charged, subject to a minimum premium.

Policyholder/Applicant’s Signature

105829

Property And Business Liability Policy Number

Print Name

Date

Your signed written statement must be returned to us at the following address:

TruStage™
P.O. Box 1084
Madison, WI 53701-1084

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

QUESTIONS ABOUT YOUR INSURANCE? - If you have questions about this insurance, do not hesitate to contact CUMIS Insurance Society, Inc. or your authorized TruStage™ Representative to resolve your questions.

CUMIS Insurance Society, Inc.
Administrative Office
5910 Mineral Point Road
Madison, WI 53705
800-637-2676

Home Office:
2000 Heritage Way
Waverly, IA 50677

Administrative Office:
5910 Mineral Point Road
Madison, WI 53705

Effective Date:
01/01/2025

**PROPERTY AND BUSINESS LIABILITY POLICY
DECLARATIONS**

Policy Number:
105829

Named Insured and Mailing Address:
CU Northwest Inc
1421 N Meadowwood Ln Ste 130
Liberty Lake WA 99019 7613

Representative:
Terry, Jeffrey L

Policy Period: From: 01/01/2025 To: 01/01/2026 at 12:01 AM., Standard Time at your mailing address shown above until terminated.

REASON FOR THIS DECLARATION:

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.

	Annual Premium
PROPERTY/EXPENSE/INCOME COVERAGES	\$437.00
LIABILITY COVERAGES	\$248.00
TERRORISM RISK INSURANCE ACT COVERAGE	\$15.00
	\$700.00

FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY:*

Refer To Forms Schedule

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

Home Office:
 2000 Heritage Way
 Waverly, IA 50677

 Administrative Office:
 5910 Mineral Point Road
 Madison, WI 53705

Effective Date:
01/01/2025

**PART I
 PROPERTY/EXPENSE/INCOME COVERAGES
 DECLARATIONS**

 Policy Number:
 105829

 Representative:
 Terry, Jeffrey L

DESCRIPTION OF PREMISES:

<u>Premis. No.</u>	<u>Bldg. No.</u>	<u>Location</u>
4	1	1421 N Meadowwood Ln Ste 130 Liberty Lake WA 99019 7613

COVERAGES PROVIDED: Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

<u>Coverage</u>	<u>Limit of Insurance</u>	<u>Deductible</u>	<u>Causes of Loss Form</u>	<u>Inflation Guard (1)</u>	<u>Coinsurance</u>
Business Personal Property	\$86,585	\$1,000	Special	4%	100%
Extra Expense	\$25,000		Special		
Data Processing Equipment	\$140,000	\$1,000			100%

MORTGAGE HOLDERS:
 Refer To Mortgagee/Loss Payee Schedule.

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

(1) Automatic Increase In Limit of Insurance

Home Office:
2000 Heritage Way
Waverly, IA 50677

Administrative Office:
5910 Mineral Point Road
Madison, WI 53705

Effective Date:
01/01/2025

PART II
PROPERTY COVERAGES
DECLARATIONS

Policy Number:
105829

Representative:
Terry, Jeffrey L

For PERILS COVERED see applicable form attached.

<u>COVERAGE</u>	<u>LIMIT OF INSURANCE</u>	<u>DEDUCTIBLE</u>
Valuable Information	\$140,000	

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



Home Office:
2000 Heritage Way
Waverly, IA 50677

Administrative Office:
5910 Mineral Point Road
Madison, WI 53705

Effective Date:
01/01/2025

**PART III
LIABILITY COVERAGE
DECLARATIONS**

Policy Number:
105829

Representative:
Terry, Jeffrey L

COVERAGE

LIMITS OF INSURANCE

Business Liability	
Each Occurrence	\$1,000,000
Aggregate	\$3,000,000
Medical Payments	
Each Person	\$5,000
Employers Liability	
Excess Liability	
Each Occurrence	
Aggregate	

STATE	PREMS. NO.	CLASSIFICATION DESCRIPTION
Washington	4	Premises - occupied by employees

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

Home Office:
2000 Heritage Way
Waverly, IA 50677

Administrative Office:
5910 Mineral Point Road
Madison, WI 53705

Effective Date:
01/01/2025

LOCATIONS SCHEDULE

Policy Number:
105829

Representative:
Terry, Jeffrey L

CU Northwest Inc
1421 N Meadowwood Ln Ste 130
Liberty Lake WA 99019 7613

PREMS NO.	BLDG NO.	STREET CITY ST ZIP
4	1	1421 N Meadowwood Ln Ste 130 Liberty Lake WA 99019 7613

FORMS SCHEDULE

POLICY NUMBER: 105829

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

REFER TO DECLARATIONS FOR APPLICABLE PREMISES AND COVERAGES

<u>Form and Edition</u>	<u>Description</u>
CUPOP 01 00 08 09	PARTICIPATING CLAUSE
CUPOP 02 00 01 22	COMMON POLICY PROVISIONS
CUPOP 21 00 01 23	BUSINESS PERSONAL PROPERTY SPECIAL
CUPOP 22 00 08 09	VALUABLE INFORMATION COVERAGE
CUPOP 10 11 08 09 WA	STANDARD FIRE POLICY
CUPOP 41 00 01 22	EXTRA EXPENSE COVERAGE
CUPOP 61 00 01 22	BUSINESS LIABILITY COVERAGE
CUPOP 02 WA 10 24	CREDIT UNION PACKAGE OF PROTECTION ENDORSEMENT
CUPOP 61 15 01 15	TRIA LIABILITY EXCLUSION
CUPOP 61 16 01 15	PUNITIVE DAMAGES RELATED TO TRIA
TRIPRA 01 15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM TRIPRA
CUPOP 61 26 01 16	UNMANNED AIRCRAFT EXCLUSION ENDORSEMENT
CUPOP 10 40 01 22	CYBER INCIDENT EXCLUSION ENDORSEMENT
CUPOP 11 12 01 23	VIRUS OR BACTERIA EXCLUSION ENDORSEMENT
CUPOP 61 33 01 23	PFAS EXCLUSION ENDORSEMENT
2023 PBL REWRITE NOTICE OTHER	2023 PBL REWRITE NOTICE
CUPOP 61 32 01 23 WA	VIRAL OR BACTERIAL INFECTIONS EXCLUSION ENDORSEMENT

ADDITIONAL INSURED ENDORSEMENT (PREMISES YOU
LEASE)

**ADDITIONAL INSURED ENDORSEMENT
PREMISES YOU LEASE
PROPERTY AND BUSINESS LIABILITY POLICY**

Various provisions in this Policy restrict Coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the Business Liability Coverage.

Designation of Premises (Part You Lease):

1421 N Meadowwood Ln Ste 130
Liberty Lake WA 99019 7613

Name of Person or Organization (Additional Insured):

MSJ Investments, LLC
1421 N Meadowwood Ln Ste 200
Liberty Lake WA 99019 7613

WHO IS AN INSURED

Who Is An Insured

The following is added to the Who Is An Insured provision in the Business Liability Coverage:

The person or organization shown on this endorsement is also an insured, but only with respect to “bodily injury,” “property damage,” “personal injury” or “advertising injury” caused, in whole or in part, by you or those acting on your behalf in connection with the ownership, maintenance or use of that part of the premises designated on this endorsement, leased to you, and subject to the following Additional Exclusions:

The insurance does not apply:

1. To any “occurrence” which takes place after you cease to be a tenant in said premises; or
2. To structural alterations, new construction or demolition operations performed by or on behalf of the person or organization designated above.

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.

**ADDITIONAL INSURED ENDORSEMENT
PREMISES YOU LEASE
PROPERTY AND BUSINESS LIABILITY POLICY**

ADDITIONAL CONDITION

Limit Of Insurance

With respect to the insurance afforded to the additional insured, the following is added to the Limit Of Insurance Additional Condition in the Business Liability Coverage:

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 Policy,

whichever is less.

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

PARTICIPATING CLAUSE
PROPERTY AND BUSINESS LIABILITY POLICY

This policy is issued by a stock company having special regulations lawfully applicable to its organization, policies or contracts of insurance of which the following shall apply to and form a part of this policy.

By virtue of this policy, the policyholder shall participate in the return of unused premiums (dividends) to the extent and on the condition determined fixed and declared by the Board of Directors in accordance with the law.

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.



Assistant Secretary



President

**COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY**

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Soft Costs
Source Material
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Valid Insurance
Waste
Watercraft
Water Supply Service
Your Product
Your Work

COMMON POLICY PROVISIONS PROPERTY AND BUSINESS LIABILITY POLICY

All the Coverages in this Policy are subject to the following Provisions. They apply unless superseded by a more specific Provision in an individual Coverage's wording. 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 on the Declarations. The words "we," "us" and "our" refers to CUMIS Insurance Society, Inc.

Other words and phrases that appear in quotation marks have special meaning and are defined in the Policy.

GENERAL POLICY CONDITIONS

Audit And Inspection

1. 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.
2. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
3. 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.
4. Paragraphs 2. and 3. above apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

Bankruptcy Or Liquidation Proceeding

Your or your estate's bankruptcy, liquidation or insolvency will not relieve us of any of our obligations under this Policy.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY

GENERAL POLICY CONDITIONS

Cancellation

1. You may cancel this Policy by mailing or delivering written notice of cancellation to us.
2. If we cancel this Policy, cancellation is effective:
 - a. 10 days after we mail or deliver notice of cancellation for nonpayment of premium; or
 - b. 30 days after we mail or deliver notice of cancellation for any other reason.
3. When we cancel this Policy, we will mail or deliver to you, and to your agent, written notice of cancellation stating the effective date and the reason for cancellation. We will mail or deliver this notice to the last mailing address known to us. If this notice is mailed, proof of mailing will be sufficient proof of notice.
4. If this Policy is canceled by us or you, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The less than pro rata premium refund will equal 90% of the pro rata unearned premium.

Concealment, Misrepresentation Or Fraud

1. This entire Policy is void if whether before or after a loss you have willfully concealed or misrepresented any material fact or circumstances concerning this insurance.
2. An inadvertent error by you to disclose all hazards to us shall not invalidate coverage that is otherwise afforded under this Policy.

Conformity With Statute

Terms of this Policy which are in conflict with the statutes of the state where this Policy is issued are amended to conform to such statutes.

Control Of Property

1. Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.
2. The breach of any condition of this Policy 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.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
GENERAL POLICY CONDITIONS

Coverage Territory

1. Coverage under this Policy applies in all parts of the world unless otherwise stated in the Coverage.
2. With respect to Liability Coverages, when claim or “suit” is brought outside the United States of America (including its territories and possessions), Puerto Rico and Canada, the following applies:

We have the right, but not the duty, to investigate and settle such claims and to defend such “suits.” In any case we elect not to investigate, settle or defend, you will investigate and defend as reasonably necessary. We have the right, but not the duty, to supervise your investigation and defense. Subject to our prior authorization, you will make settlement as we deem proper. We will reimburse you for the reasonable cost of such investigation and defense. We will reimburse you for the amount of the settlement we have authorized.

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.

Liberalization

If we adopt any revision within 75 days prior to or during the Policy Period that would broaden the coverage under this Policy, without additional premium, the broadened coverage will immediately apply to this Policy.

Modification Of Policy Terms

This Policy contains all the agreements between you and us concerning the insurance afforded. This Policy’s terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

No Benefit To Bailee

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

Nonrenewal

If we do not renew this Policy, we will mail or deliver to you, and to your agent, written notice of nonrenewal stating the effective date and the reason for nonrenewal. We will mail or deliver this notice to the last mailing address known to us at least 60 days prior to the end of the Policy Period. If this notice is mailed, proof of mailing will be sufficient proof of notice.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
GENERAL POLICY CONDITIONS

Other Insurance - Property And Lending Coverages

1. You may have other insurance subject to the same plan, terms, conditions and provisions as this insurance. 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 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 paragraph 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.

Policy Period

We will pay for loss, damage or an “occurrence” that happens during the Policy Period shown on the Declarations.

Premium Audit

1. Premium shown in a Coverage 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.
2. 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.

Premiums

1. You are responsible for payment of all premiums and will be the payee for any return premiums we pay.
2. All premiums for this Policy will be computed according to our rules, rates, rating plans, premiums and minimum premiums applicable to the Coverages provided.
3. The premiums are based on conditions existing at the beginning of the Policy Period or the last anniversary date of this Policy. We may, because of undeclared exposures or change in conditions, require an additional premium according to our rates, rules and forms in effect at the time of the change.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY

GENERAL POLICY CONDITIONS

Separation Of Insureds

Except with respect to the Limits Of Insurance, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or “suit” is brought.

Titles Of Paragraphs

The titles of the various paragraphs of this Policy and endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this Policy may not be transferred without our written consent.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
LOSS CONDITIONS

Abandonment

There can be no abandonment of any property to us.

Appraisal

1. If we and you disagree on the value of the property or the amount of loss, either may make written request 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.
2. If there is an appraisal, it is not a confirmation of coverage. We still retain our right to assert any defenses or deny the claim.

Arbitration Of A Property, Expense/Income Or Lending Loss

1. If you and we disagree on whether there is any coverage under the Property, Expense/Income, or Lending Coverages, or the amount of coverage, the controversy will be settled by arbitration upon written demand of either party. Written notice must be made within 60 days after we receive proof of loss or damage. The procedure is as follows:
 - a. The arbitration will be conducted in accordance with the rules of the American Arbitration Association, unless other means of conducting the arbitration are agreed to between the parties.
 - b. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.
2. All parties agree to consider themselves bound by any award made by the arbitrators.

Legal Action Against Us

1. Property, Lending or Expense/Income Coverages:

No person or organization may bring a legal action against us under these Coverages unless:

- a. There has been full compliance with all of the terms of the Coverage and these provisions; and
- b. The action is brought within three years after the date that the loss occurred.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
LOSS CONDITIONS

Legal Action Against Us - continued

If in conflict with state statutes that allow you a certain time period for filing “suit,” this provision is amended to conform to such statutes.

2. Liability Coverages:

No person or organization has a right under these Coverages:

- a. To join us as a party or otherwise bring us into a “suit” asking for damages from you.
- b. To sue us on one of these Coverages unless all of the terms of the Coverage and these provisions 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 in a civil proceeding or arbitration or other alternative dispute resolution proceeding; but we will not be liable for damages that are not payable under the terms of one of these Coverages 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.

Loss Payment

We will adjust all losses with you. We will pay you unless some other person is named in the Policy to receive payment. Payment for loss will be made within 30 days after we reach agreement with you, entry of a final judgment, or the filing of an appraisal award with us.

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 the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit Of Insurance.

Rights To Recover From Others

If you have rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. You must do everything necessary to secure these rights. You must do nothing after a loss to impair those rights. At our request you will bring “suit” or transfer those rights to us and help us enforce them. But you may waive your rights against another party in writing prior to a loss.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
LOSS CONDITIONS

The Injured Person's Duties In The Event Of A Medical Payments Loss

At our request, the injured person must see that the following are done:

1. Give us written proof of claim, under oath if we request, as soon as practicable.
2. Give us written authorization to allow us to obtain copies of medical reports and records.
3. Submit to examination, at our expense, by physicians of our choice as often as we reasonably require.
4. Permit us to question the injured person at such times as may be reasonably required, about any matter relating to the accident and "bodily injury." If requested, the answers must be by a signed or recorded statement.
5. Cooperate with us in the investigation or settlement of the claim.

Your Duties In The Event Of A Liability Occurrence, Offense, Claim, Suit Or Lawsuit

1. You must see to it that we are notified as soon as practicable of an "occurrence," offense, negligent act, error or omission which may result in a claim. To the extent possible, notice should include:
 - a. How, when and where the "occurrence" or offense took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or damage arising out of the "occurrence" or offense.

2. If a claim is made or "suit" or "lawsuit" is brought against any insured, you must immediately record the specifics of the claim, "suit" or "lawsuit" and the date received and notify us as soon as practicable.

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

3. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim, "suit" or "lawsuit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation or settlement of the claim, or defense against the "suit" or "lawsuit"; and

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY

LOSS CONDITIONS

Your Duties In The Event Of A Liability Occurrence, Offense, Claim, Suit Or Lawsuit - continued

- d. 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.
4. 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.
5. The duty to defend does not begin until we are given notice of a "suit" or "lawsuit" and all other Conditions and duties arising under the Policy have been complied with.

Your Duties In The Event Of A Property, Lending Or Expense/Income Coverage Loss Or Damage

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved. But, failure to furnish such notice or proof of loss as soon as reasonably possible will not invalidate or reduce a claim unless our rights are jeopardized.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage. This will not increase the Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause Of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also, keep a record of your expenses, for consideration in the settlement of the claim.
5. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
6. As often as may be reasonably required, permit us to inspect the property and records proving the loss or damage and examine your books and records.

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies of your books and records.

7. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY

LOSS CONDITIONS

Your Duties In The Event Of A Property, Lending Or Expense/Income Coverage Loss Or Damage
- continued

8. Send us a signed, sworn statement 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.
9. Cooperate with us in the investigation or settlement of the claim.
10. Promptly send us any legal papers or notices received concerning the loss.
11. Make no statement that will assume any obligation or admit any liability, for any loss for which we may be liable, without our consent.
12. In case of loss to “valuable information,” make every reasonable effort to collect amounts owed to you.

Accountholder

“Accountholder” means any entity or natural person that has:

1. A deposit account with you; or
2. A loan account with you.

Accidental Breakdown

1. “Accidental breakdown” means a sudden and “accidental breakdown” of the “object” or a part of the “object.” At the time the breakdown occurs, it must manifest itself by physical damage to the “object” that necessitates repair or replacement.
2. None of the following are “accidental breakdown”:
 - a. Depletion, deterioration, corrosion or erosion;
 - b. Wear and tear;
 - c. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - d. Breakdown of any structure or foundation supporting the “object” or any of its parts;
 - e. The functioning of any safety or protective device;
 - f. Lightning;
 - g. Flood, unless an “accidental breakdown” results from a flood;
 - h. Fire;
 - i. “Accidental breakdown” caused directly or indirectly by any earth movement, earthquake, landslide, or earth sinking, rising or shifting, or volcanic eruption;
 - j. Seizure or destruction of property by order of governmental authority;
 - k. Nuclear reaction or radiation, or radioactive contamination, however caused;
 - l. War, including undeclared or civil war;
 - m. Warlike action by a military force, including action in hindering or defending against an actual or expected attack by a government, sovereign or other authority using military personnel or other agents; or

COMMON POLICY PROVISIONS
PROPERTY AND BUSINESS LIABILITY POLICY
DEFINITIONS

Accidental Breakdown - continued

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

Actual Cash Value

“Actual cash value” means the amount which it would cost to repair or replace the damaged property with one of like kind or quality, less allowance for physical deterioration and depreciation.

Advertisement

- 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.
- 2. 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 websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an “advertisement.”

Advertising Injury

“Advertising injury” means injury other than “bodily injury,” “property damage” or “personal injury” arising out of one or more of the following offenses:

- 1. Oral, electronic 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;
- 2. Oral, electronic or written publication, in any manner, of material that violates a person’s right of privacy;
- 3. The use of another’s advertising idea in your “advertisement”; or
- 4. Infringing upon another’s copyright, trade dress, symbol, service mark, collective mark, title, slogan or trademark.

Annual Aggregate Limit

“Annual aggregate limit” means the total amount that will be paid during one annual Policy Period, for all losses “discovered.”

Auto

1. “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.
2. However, “auto” does not include “mobile equipment.”

Automated Teller Machine

1. “Automated teller machine” means:
 - a. An electronic mechanical device which requires the use of an access card, personal identification number (PIN) or other electronic identification method to disburse “money” or accept deposits;
 - b. An electronic mechanical device used for the entry of loan application information by a person applying for a loan; and
 - c. A free standing kiosk or similar free standing structure used to house or protect the device, including fixtures, lights and signs, fences, machinery, and equipment constituting a permanent part of, or pertaining to the service of the device, kiosk or similar structure.
2. “Automated teller machine” does not include cash dispensing or cash recycling electronic devices whose operation requires the direct involvement of an employee or volunteer of a financial institution for each transaction.
3. “Automated teller machine” includes a “personal teller machine.”

Automatic Sprinkler System

“Automatic sprinkler system” means:

1. Any automatic fire protective or extinguishing system, including connected:
 - a. Sprinklers and discharge nozzles;
 - b. Ducts, pipes, valves and fittings;
 - c. Tanks, their component parts and supports; and
 - d. Pumps and private fire protection mains.

Automatic Sprinkler System - continued

2. When supplied from an automatic fire protective system:
 - a. Non-automatic fire protective systems; and
 - b. Hydrants, standpipes and outlets.

Bodily Injury

“Bodily injury” means physical harm, sickness, or disease that is sustained by a person during the Policy Period, including death resulting from any of these. “Bodily injury” includes emotional or mental injury only if the emotional or mental injury is the direct result of physical harm, sickness or disease.

Bonus Payments

“Bonus payments” mean a pro rata share of the cash bonus you were required to pay at the time you entered into a lease of a location shown on the Declarations. The pro rata share will be determined by allocating the cash payment to the entire term of the lease. Only that portion of the cash bonus attributable to the unexpired term of the lease at the time of a loss will be considered a “bonus payment.”

Borrower

“Borrower” means any individual or organization to whom or which you extend, agree to extend or refuse to extend, a loan, lease or extension of credit, or any individual or organization guaranteeing such a loan, lease or extension of credit.

Building Collapse

“Building Collapse” means:

1. An abrupt falling down or caving in of a building or any portion of a building with the result that the building or portion of the building cannot be occupied for its intended purposes; or
2. A building or any portion of a building that has not abruptly fallen down or caved in, but is in imminent danger of abruptly falling down or caving in, or has suffered a substantial impairment of structural integrity.

A building that is standing or any portion of a building that is standing is not considered to be in a state of “building collapse” even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion unless the building is in imminent danger of abruptly falling down or caving in or has suffered a substantial impairment of structural integrity.

Business Income

“Business income” means the:

1. Net income (net profit or loss before income taxes) excluding interest of any kind and investment income that would have been earned or incurred;
2. “Rental income”; and
3. Continuing normal operating expenses, including payroll.

By-Product Material

“By-product material” has the meaning given it in the Atomic Energy Act of 1954 or in any amendatory law thereof.

Communication Supply Service

“Communication supply service” means property supplying communication service, including telephone, internet service provider (ISP), radio, microwave or television services, to a premises described on the Declarations, such as:

1. Overhead and underground communication transmission lines and distribution lines, including fiber optic transmission lines and coaxial cables;
2. Microwave radio relays except satellites; and
3. Telephone company central office switching equipment.

Conversion

“Conversion” means transfer of legal ownership of insured property by the “borrower” via sale, trade or disposal without your consent.

Data Processing Equipment

“Data processing equipment” means an electronic programmable computer that can store, retrieve and process data by means of various software programs, including a monitor, printer, other peripheral data processing hardware that provides communication, including input and output functions, or auxiliary functions such as data transmission.

Data Processing Services

“Data processing services” means the transformation of information on “data processing equipment” from the source format into a desired form and the subsequent processing of such information.

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Dependent Business Premises

“Dependent business premises” means premises operated by others on whom you depend to deliver materials, “data processing services” or other services to you. “Dependent business premises” does not mean “communication supply service,” “power supply service,” “sewage treatment service” or “water supply service.”

Discovered

“Discovered” means the time at which you first know, or have reason to suspect a covered loss.

Electronic Data

“Electronic data” means any 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 that are used with electronically controlled equipment.

Environment

“Environment” means any person, any man-made object or feature, animals, crops or vegetation, land, bodies of water, underground water or water table supplies, air and other feature of the earth or its atmosphere, whether or not altered, developed or cultivated and whether or not owned, controlled, or occupied by the Insured; including, but not limited to any of the above.

Extra Expense

“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. This expense could include rental of temporary equipment or facilities and the cost of additional labor. “Extra expense” does not include the cost to repair or replace any property, or any loss to “valuable information.”

Flood

“Flood” means a general and temporary condition of partial or complete inundation of two or more acres of normally dry land area or two or more properties (one of which is your property) from:

1. Overflow of inland or tidal waters;
2. Unusual and rapid accumulation or runoff of surface waters from any source;
3. Mudslide or “mudflow”; or
4. Collapse or subsidence of land along the shore of a lake or similar body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels that result in a “flood” as defined in 1. above.

Foreclosed Property

“Foreclosed property” is property that you have:

1. Filed a complaint for foreclosure;
2. Perfected your right in possession;
3. Received a foreclosure judgment; or
4. Acquired through foreclosure, repossession or deed in lieu of foreclosure,

because the property was security for a loan in default that you owned or serviced.

Fungus

“Fungus” means any microorganism or by-product of a microorganism, including, but not limited to mold, mildew, fungi, mycotoxins and spores.

Green

“Green” means enhanced energy efficiency or use of environmentally preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a “Green Standards-setter.”

Green Standards-Setter

“Green Standards-setter” means an organization or governmental agency which produces and maintains guidelines related to “Green” products and practices. “Green Standards-setters” include but are not limited to:

1. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
2. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
3. Green Globes™, a program of the Green Building Initiative.

Green Upgrades

“Green Upgrades” means reasonable additional costs to repair or replace damaged parts of the Covered Property, in the event of a covered direct physical loss or damage, with materials and products that are recognized by a “Green Standards-setter” as “Green,” subject to all applicable terms and conditions.

Hazardous Properties

“Hazardous properties” include radioactive, toxic or explosive properties.

Hostile Fire

“Hostile fire” means a fire that becomes uncontrollable or breaks out from where it was intended to be.

Impaired Property

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

1. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
2. 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.

Impairment

“Impairment” means that as a result of the accidental physical loss, the value of the property is less than the “outstanding loan balance.”

Insured Contract

“Insured contract” means:

1. A contract for a lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. An elevator maintenance agreement; or
6. 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.

COMMON POLICY PROVISIONS
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Insured Contract – continued

Paragraph 6. does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- a. Preparing, approving, or failing to prepare or approve, maps, drawings, opinions, reports, surveys, field orders, change orders, designs or specifications; or
- b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

Lack Or Insufficiency Of Insurance

“Lack or insufficiency of insurance” means non-existence, inadequacy, invalidity or uncollectibility of insurance you customarily require. This includes failure of the Policy to name you as mortgagee.

Lawsuit

“Lawsuit” means a civil court action in which damages or other relief to which this insurance applies are alleged.

Leased Auto

“Leased auto” means any “auto” you lease to a lessee under a lease agreement or arrangement.

Lending

“Lending” means:

1. An agreement, refusal, grant or extension of any loan, lease or extension of credit in your favor, regardless of whether the transaction is completed;
2. The restructure, termination, transfer, collection, repossession or foreclosure of any loan, lease or extension of credit originated by you;
3. “Loan servicing”; or
4. The actual or alleged violation of:
 - a. The Automatic Stay of the Bankruptcy Code;
 - b. The Fair Debt Collection Practices Act (15 U.S.C. Sec. 1692 et seq.) or any similar state statute; or
 - c. Any federal or state unfair or deceptive practices act, statute, regulation or other law relating to an agreement, refusal, grant or extension of any loan, lease or extension of credit.

Loading Or Unloading

“Loading or unloading” means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, “watercraft” or “auto”;
2. While it is in or on an aircraft, “watercraft” or “auto”; or
3. 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.”

Loan Servicing

“Loan servicing” means:

1. The servicing of a loan, lease or extension of credit (not including financing for investment banking, or leveraged or management buyouts);
2. Record keeping;
3. Billing;
4. Disbursements of principal and interest for a loan; or
5. Credit reporting or statements of a “borrower’s” creditworthiness.

Loss To Your Data Processing Operations

“Loss to your data processing operations” means direct damage, by a Covered Cause Of Loss under this Policy, to:

1. Property covered under “data processing equipment”; or
2. The building that houses your data processing operations, that prevents you from using the “data processing equipment.”

Loss To Your Mortgageholder’s Interest

“Loss to your mortgageholder’s interest” means that:

1. The mortgagor has defaulted in payments, you have foreclosed on the mortgaged property, and applied proceeds to the mortgage balance; and

Loss To Your Mortgageholder's Interest - continued

2. The value of the mortgaged property is less than the principal plus accrued interest and attorney's fees of a valid mortgage or deed of trust including accrued interest.

Mobile Equipment

1. "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 subparagraph 1.a., 1.b., 1.c. or 1.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;
 - 2) Cherry pickers and similar devices used to raise or lower workers; or
 - f. Vehicles not described in subparagraph 1.a., 1.b., 1.c. or 1.d. above maintained primarily for purposes other than the transportation of persons or cargo.
2. 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;

Mobile Equipment – continued

- 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 and well servicing equipment.
3. 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.”

Money

“Money” means currency, coins, bank notes and Federal Reserve notes, checks, drafts and share drafts.

Mudflow

“Mudflow” means a river of liquid and flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water. Other earth movements, such as landslide, slope failure or a saturated soil mass moving by liquidity down a slope, are not mudflows.

Non-Negotiable Securities

“Non-negotiable securities” means “securities” that cannot be negotiated or converted to cash by unauthorized persons without resort to forgery.

Nuclear Facility

“Nuclear facility” means:

- 1. Any “nuclear reactor”;
- 2. Any equipment or device designed or used for:
 - a. Separating the isotopes of uranium or plutonium;
 - b. Processing or utilizing “spent fuel”; or
 - c. Handling, processing or packaging “waste”;
- 3. Any equipment or device used for 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; or

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Nuclear Facility – continued

4. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “waste,”

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

Nuclear Material

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

Nuclear Reactor

“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.

Object

“Object” means any permanently installed building machinery and equipment except:

1. A steam heating boiler or vessel and a condensate return tank associated with the boiler or vessel;
2. An electrical, reciprocating or rotating apparatus within or forming a part of the steam heating boiler or vessel;
3. “Data processing equipment” unless used only to control or operate an “object”;
4. An “automated teller machine”;
5. “Electronic data”;
6. Drainage, waste or sewer piping, underground piping, including a lawn sprinkler system;
7. Piping, valves or fittings forming a part of a sprinkler or fire suppression sprinkler system; or
8. Piping or a vessel buried or encased in the earth, concrete or other material, whether above or below ground, or in an enclosure which does not allow access for inspection or repair.

Occurrence

“Occurrence” means an event or series of causally related events that contribute concurrently or consecutively to loss or damage.

Outstanding Loan Balance

1. “Outstanding loan balance” means the balance due you on the date of loss less:
 - a. Payments which are more than 180 days past due on the date of loss;
 - b. Unearned interest, finance or carrying charges; and
 - c. Penalties or other charges which may have been added to the balance after the inception date of the loan.
2. If two or more items of property secure the same loan, the “outstanding loan balance” is the proportionate part of the unpaid balance that the damaged property represents.

Period Of Restoration

“Period of restoration” means the period of time beginning with the date of damage and ending when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality. The expiration date of this Policy will not cut short the “period of restoration.”

Personal Injury

“Personal injury” means injury, other than “bodily injury,” “property damage” or “advertising injury” arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of you, its owner, landlord or lessor;
4. Oral, electronic 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;
5. Oral, electronic or written publication, in any manner, of material that violates a person’s right of privacy; or
6. Discrimination, except for any discrimination related to “lending.”

Personal Teller Machine

“Personal teller machine” means an electronic and mechanical device used by an “accountholder” to remotely communicate and interact with an employee or volunteer of a financial institution through video and audio links, whereby the employee or volunteer manipulates the device to distribute “money” or accept deposits.

Pollutants

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and “waste.”

Pollution Or Contamination

“Pollution or contamination” means any unclean, unsafe, damaging, injurious or unhealthful conditions arising out of the presence of “pollutants,” whether permanent or transient in any “environment.”

Power Supply Service

“Power supply service” means property supplying electricity, steam or gas to a premises described on the Declarations, such as:

1. Utility generating plants;
2. Switching stations and substations;
3. Transformers and overhead or underground transmission lines, including distribution lines; and
4. Pipes and pumping stations.

Prepaid Rent

“Prepaid rent” means a pro rata share of the rent you were required to advance at the time you entered into a lease of a location shown on the Declarations. The pro rata share will be determined by allocating the amount of the rent advanced to the entire term of the lease. Only that portion of the advance rent attributable to the unexpired term of the lease at the time of loss will be considered “prepaid rent.”

Products-Completed Operations Hazard

1. “Products-completed operations hazard” 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:
 - a. Products that are still in your physical possession; or
 - b. Work that has not yet been completed or abandoned.

Products-Completed Operations Hazard - continued

2. “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 site has been completed if your contract calls for work at more than one site; or
 - 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.

3. This hazard does not include “bodily injury” or “property damage” arising out of:
 - a. 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;
 - b. The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - c. Products or operations for which the classification in this insurance or in our manual or rules includes products or completed operations.

Professional Service

“Professional service” includes but is not limited to:

1. Accounting, auditing or tax services for a fee;
2. Advising, inspecting, reporting, selling, brokering, or recommending in the insured’s capacity as a travel agent, insurance company, insurance consultant, insurance broker, insurance agent, financial planner or representative thereof, for fee or commission;
3. Advising, recommending, selling or brokering stocks, bonds, mutual funds or other investment instruments for a fee or commission;
4. Architect, engineer, inspection, appraisal, or investigation services for a fee;
5. Day care or child care service for a fee;
6. Health care service for a fee;
7. Legal services for a fee;

Professional Service - continued

8. "Data processing services" for a fee; or
9. Selecting, obtaining or maintaining insurance, suretyship, or bonds.

Profit On A Sub-Lease

"Profit on a sub-lease" means a pro rata share of the net profit you would receive on a sub-lease of a location shown on the Declarations. The pro rata share will be determined by allocating the total amount of net profit to the entire term of the lease or sub-lease, whichever is shorter. Only that portion of the profit attributable to the unexpired term will be considered "profit on a sub-lease."

Property Damage

"Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property; or
2. Loss of use of tangible property that is not physically injured.

Real Estate

"Real estate" means:

1. Land and anything a part of or attached to the land such as a building; or
2. Mobile trailer homes only if intended for use as a permanent, private residence and situated on a foundation or blocks, with wheels removed so as to be rendered immobile at the time of loss.

Real Property

"Real property" means buildings or structures that are attached to or erected on land. "Real property" includes a mobile trailer home intended for use as a permanent, private residence and situated on a foundation or blocks with wheels removed so as to be rendered immobile at time of loss.

Rental Income

1. "Rental income" means the sum of:
 - a. The total gross income you expect to receive from your tenant of the described premises as furnished and equipped by you; and
 - b. The amount of continuing charges you incur which otherwise were the legal obligation of and would be paid by your tenant.

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Rental Income - continued

2. In determining the amount of loss we will consider the rental experience before the date of damage and the probable experience thereafter had no loss occurred.

Reposessed

“Reposessed” means that you or someone on your behalf has physical care, custody and control of the property used as collateral on a loan.

Securities

“Securities” means original mortgages, documents of title, evidences of debt, security agreements, money orders, certificates of deposit, stock or bond certificates, instruction to or statement of uncertificated security of a Federal Reserve Bank, and certificated security.

Sewage Treatment Service

“Sewage treatment service” means property used to transport sewage, waste water and waste from a premises described on the Declarations, such as:

1. Pumping stations including holding treatment disposal facilities; and
2. Sewer mains, sewage and waste pipes.

Soft Costs

“Soft costs” means expenses you incur that are over and above the expenses which you would have incurred if there had been no direct physical loss or damage to Covered Property during construction. “Soft costs” include: extra construction expenses incurred in order to continue the construction and meet deadlines under construction contracts; interest on construction loans from the date of loss to the date construction is completed; “real estate” taxes or construction assessments that are attributable to the period from the date of loss to the date construction is completed; architect, engineering and consultant fees; legal and accounting fees; insurance premiums; advertising and promotional expenses; and costs and commissions attributable to the renegotiation of leases.

Source Material

“Source material” has the meaning given it in the Atomic Energy Act of 1954 or in any amendatory law thereof.

Special Nuclear Material

“Special nuclear material” has the meaning given it in the Atomic Energy Act of 1954 or any amendatory law thereof.

Spent Fuel

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

Suit

1. “Suit” means a civil proceeding in which damages because of “bodily injury,” “property damage,” “personal injury” or “advertising injury” to which this insurance applies are alleged.
2. “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.

Tenant’s Lease Interest

“Tenant’s lease interest” means the difference between the appraised rental value and the rent you would have been required to pay for the unexpired term of the lease following cancellation; or the difference between the rent you would have been required to pay for the unexpired term of the lease and the rent you are required to pay under a new lease covering the same term, whichever is less.

Tenant’s Interest In Undamaged Improvements And Betterments

“Tenant’s interest in undamaged improvements and betterments” means the appraised value, on the date of cancellation of the lease, of fixtures, alterations, installations or additions you made to the interior of leased premises which have not been damaged and which cannot be removed.

Valuable Information

“Valuable information” means:

1. Mortgage or loan documents;
2. Accounts receivable records;
3. Converted data, programs, or instructions used in your data processing operations, including the materials on which the data is recorded;
4. Inscribed, microfilmed, printed or written documents, papers, ledgers, or journals;
5. Manuscripts or records, including abstracts, books, deeds, drawings, films and maps; or

Valuable Information - continued

6. Data or a virtual document stored on an optical disk or other storage media.

Valid Insurance

“Valid insurance” means a valid policy, or other evidence of insurance.

Waste

1. “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.”
2. “Waste” includes materials to be disposed of, recycled, reconditioned or reclaimed.

Watercraft

“Watercraft” means watercraft of any type, and their trailers, motors, parts and watercraft equipment, including electronic equipment permanently installed.

Water Supply Service

“Water supply service” means property supplying water to a premises described on the Declarations, such as:

1. Pumping stations; and
2. Water mains.

Your Product

“Your product”:

1. Means:
 - a. Any goods or products, other than “real property,” manufactured, sold, handled, distributed or disposed of by:
 - 1) You;

COMMON POLICY PROVISIONS
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DEFINITIONS

Your Product - continued

- 2) Others trading under your name; or
 - 3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
2. Includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of any of the items included in paragraph 1. above; and
 - b. The providing of or failure to provide warnings or instructions.
3. Does not include vending machines or other property rented to or located for the use of others but not sold.

Your Work

“Your work”:

1. 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.
2. Includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of any of the items included in paragraph 1. above; and
 - b. The providing of or failure to provide warnings or instructions.

BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict Coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this Coverage.

Words and phrases that appear in quotation marks have special meaning and are defined in the Policy.

COVERED PROPERTY

Business Personal Property

This Policy covers business personal property you own or lease for which you are legally liable. The property must be located in the building described on the Declarations with a Limit Of Insurance shown or in the open (or in a vehicle) within 2000 feet of the described premises or within 2000 feet of the building the business personal property is located in, whichever distance is greater. Covered Property consists of the following:

1. Furniture and fixtures;
2. Machinery and equipment;
3. Signs and light fixtures;
4. Supplies;
5. All other personal property owned by you and used in your business;
6. Your interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations installations or additions:
 - a. Made a part of the building or structure occupied but not owned by you; and
 - b. Acquired or made at your expense but cannot legally be removed.
7. Building glass, including all lettering, ornamentation, security alarm tape and bullet resistant glass under your care, custody, or control for which you are legally liable; and
8. Your interest as a condominium unit owner in fixtures, improvements, and alterations making up part of the building and owned by the insured as a condominium unit owner.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

PROPERTY NOT COVERED

The following property is not covered under Business Personal Property Coverage - Special:

1. Growing crops, lawns, trees, shrubs and plants (other than lawns, trees, shrubs and plants which are part of a vegetated roof), except as provided in the Flexible \$1,000,000 Blanket Extensions Of Coverage;
2. Water;
3. Aircraft, "autos" (except for detached trailers you do not own to the extent they are covered under the Flexible Extensions Of Coverage), "watercraft," all-terrain vehicles, snowmobiles and agricultural or construction equipment;
4. "Money" or "securities";
5. Property that is covered under another coverage 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;
6. The cost to research, replace or restore "valuable information" including that which exists on electronic or magnetic media, except as provided in the Extensions Of Coverage;
7. Property of others in any storage container that is intended to be accessed by others, including, but not limited to: safe deposit boxes, single key boxes, and lobby boxes; or
8. "Automated teller machines".

ADDITIONAL COVERAGES

Payments under the Additional Coverages are subject to the applicable Limit Of Insurance shown on the Declarations, unless otherwise specified.

Accidental Breakdown Of Objects

1. We will pay for direct physical loss or damage to Covered Property caused by an "accidental breakdown" to an "object." The "object" must be:
 - a. Owned by you or in your care, custody or control; and
 - b. At the premises described on the Declarations.
2. We will not pay for "accidental breakdown" to any "object" while being tested.
3. Whenever we determine that an "object" is exposed to a dangerous condition, we may immediately suspend the insurance against loss from "accidental breakdown" by delivering or mailing to you a written notice that coverage has been suspended.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

ADDITIONAL COVERAGES

Accidental Breakdown Of Objects - continued

4. The Concurrent Policy Exclusions and Other Policy Exclusions do not apply to this Additional Coverage.

Burglary Damage To A Building You Do Not Own

We will pay amounts you are contractually obligated to pay for direct physical loss or damage caused by a burglary or attempted burglary to a building you occupy, but do not own.

Condominium Assessments

1. We will pay your share of an assessment charged to all unit-owners by the Condominium Association when the assessment is:
 - a. Made during the Policy Period;
 - b. Attributed to a condominium described on the Declarations;
 - c. The result of a direct physical loss or damage caused by a Covered Cause Of Loss to property in which each unit-owner has a common undivided interest.
2. This Additional Coverage applies only as excess insurance over any deductible, self-insurance or any other insurance purchased by or for the Condominium Association.
3. This Additional Coverage does not apply:
 - a. If at the time of loss, the Condominium Association is either intentionally or unintentionally self-insured for all loss and damage by the peril causing the loss; or
 - b. To newly acquired property.

Debris Removal

1. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause Of Loss that occurs during the Policy Period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - a. The date of direct physical loss or damage; or
 - b. The end of the Policy Period.
2. The most we will pay under this Additional Coverage is 25% of:
 - a. The amount we pay for the direct physical loss of or damage to Covered Property; plus

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

ADDITIONAL COVERAGES

Debris Removal - continued

b. The Deductible in this Policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in paragraph 3. below.

3. If:

a. The sum of direct physical loss or damage and debris removal expenses exceeds the Limit Of Insurance applicable to the Covered Property that has sustained loss or damage; or

b. The actual debris removal expense exceeds the amount payable under the 25% limitation in paragraph 2. above,

however, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$10,000 at each described premises.

4. We will pay up to an additional \$100,000 for debris removal not subject to the Limit Of Insurance for each described premises due to any one "occurrence" of physical loss or damage under this Additional Coverage, if one of both of the following circumstances apply:

a. The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit Of Insurance on the Covered Property that has sustained loss or damage.

b. The actual debris removal expense exceeds 25% of the sum of the Deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if subparagraph 4.a. or 4.b. above applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit Of Insurance on the Covered Property that has sustained loss or damage, plus \$100,000.

5. This Additional Coverage does not apply to costs to:

a. Remove debris of property owned by or leased to a landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this Policy;

b. Remove any property that is Property Not Covered;

c. Remove deposits of mud or earth from the grounds of the described premises;

d. Extract "pollutants" from land or water; or

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

ADDITIONAL COVERAGES

Debris Removal - continued

- e. Remove, restore or replace polluted land or water.

Elevator Collision

We will pay for direct loss or damage to Covered Property caused by an elevator collision.

Fungus, Wet Rot, Dry Rot And Bacteria Clean Up And Removal

1. We will pay the costs you incur to clean up, remove, restore or replace Covered Property because of direct physical loss or damage caused by the presence of “fungus,” wet or dry rot or bacteria at a premises described on the Declarations.
2. This Additional Coverage does not apply to any cost incurred to test for or detect the presence of “fungus,” wet or dry rot or bacteria unless this cost is incurred after completion of clean up, removal, restoration or replacement of Covered Property to confirm that “fungus,” wet or dry rot or bacteria is no longer present.
3. The most we will pay under this Additional Coverage is \$25,000 for Covered Property at a premises described on the Declarations.
4. This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
5. The Additional Coverage applies only under the Policy in effect at the time “fungus,” wet or dry rot or bacteria is first “discovered” at a premises described on the Declarations. The renewal of this Policy will not increase the total amount of coverage.

Interruption Of Services

We will pay for loss of or damage to Covered Property caused by an interruption of service to the building located at the premises described on the Declarations. This interruption must result from a direct physical loss or damage by a Covered Cause Of Loss to “communication supply service,” power supply service,” “sewage treatment service” or “water supply service.”

Loss Prevention Expense

We will pay the necessary and reasonable costs you incur to protect Covered Property at a leased location described on the Declarations from imminent direct physical loss or damage caused by a Covered Cause Of Loss.

The most we will pay under this Additional Coverage is \$75,000 at each leased location in any one “occurrence.”

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

ADDITIONAL COVERAGES

Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause Of Loss, we will pay for direct physical loss of or damage to that property while it is being moved or while temporarily stored at another location.

FLEXIBLE \$1,000,000 BLANKET EXTENSIONS OF COVERAGE

The \$1,000,000 limit applicable to the Flexible Blanket Extensions Of Coverage is in addition to the Business Personal Property Coverage - Special Limits Of Insurance shown on the Declarations. At the time of loss, you may elect to apportion this Flexible \$1,000,000 Blanket Limit Of Insurance to any one or any combination of the Extensions Of Coverage: Business Personal Property At Your Employee's Home, Business Personal Property Off Premises, In Transit-Worldwide, Detached Trailers You Do Not Own, Fine Arts And Antiques, Fire Extinguisher Recharge, Key Replacement/Lock Repair, Leasehold Interests, Personal Effects Of Employees - Business Travel, Personal Effects Of Employees - On Premises, Personal Property Of Others, Public Safety Service Charge, Trees, Shrubs, Lawn And Plants and Unexpired Warranties, Maintenance Contracts Or Service Contracts. However, the most we will pay under the Flexible Blanket Extensions Of Coverage is \$1,000,000 for all loss arising out of any one "occurrence."

Business Personal Property At Your Employee's Home

Coverage is extended to apply to your Covered Property while located at your director's, volunteer's or employee's (including leased employee's) home.

This Extension Of Coverage does not apply to property owned by your director, volunteer or employee.

A \$500 Deductible applies to this Extension Of Coverage.

Business Personal Property Off Premises, In Transit - Worldwide

Coverage is extended to apply to your Covered Property while in transit or temporarily at a location you do not own, lease or operate anywhere in the world. This extension includes your Covered Property while located at a fair, exhibition or trade show.

A \$500 Deductible applies to this Extension Of Coverage.

Detached Trailers You Do Not Own

Coverage is extended to costs you are contractually obligated to pay as the result of the direct physical loss or damage to detached trailers you do not own, provided the trailer is:

1. Not attached to any motor vehicle; and
2. In your care, custody and control or at the premises described on the Declarations.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

FLEXIBLE \$1,000,000 BLANKET EXTENSIONS OF COVERAGE

Fine Arts And Antiques

Coverage is extended to apply to fine arts and antiques you own, or for which you are legally liable to others, at a premises described on the Declarations, or while in transit to or from a premises described on the Declarations.

The value of fine arts and antiques will be determined by the market value at the time of the loss.

Fire Extinguisher Recharge

Coverage is extended to costs you incur to recharge a portable fire extinguisher at a premises described on the Declarations, when it has been used to combat a fire at a premises described on the Declarations.

No Deductible applies to this Extension Of Coverage.

Key Replacement/Lock Repair

Coverage is extended to costs you incur to replace stolen keys that secure a premises described on the Declarations. This Extension Of Coverage includes costs you incur to replace or re-key the locks resulting from the theft.

Leasehold Interests

Coverage is extended to loss you incur as the direct result of the cancellation by the lessor of a written lease of a premise described on the Declarations that results from direct physical loss or damage to that premise caused by a Covered Cause Of Loss. The coverage provided under this extension applies only to: “bonus payment”; “prepaid rent”; “profit on a sub-lease”; a “tenant’s lease interest”; or the value of your lease at the date of cancellation of a “tenant’s interest in undamaged improvements or betterments.”

Personal Effects Of Employees - Business Travel

Coverage is extended to loss of personal effects (except “money,” “securities” or “autos”) owned by your directors, volunteers or employees (including leased employees) and taken along on business travel. This Extension Of Coverage will only apply when your directors, volunteers or employees (including, leased employees) are traveling on business for you away from the described premises. We will not pay for losses covered by other insurance, but we will cover losses that are not paid due to a restriction or deductible on the other insurance policy.

No Deductible applies to this Extension Of Coverage.

Personal Effects Of Employees - On Premises

Coverage is extended to loss of personal effects (except “money,” “securities” or “autos”) owned by your directors, volunteers or employees (including leased employees). These personal effects must be at a premises described on the Declarations. We will not pay for losses covered by other insurance, but we will cover losses that are not paid due to a restriction or deductible on the other insurance policy.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

FLEXIBLE \$1,000,000 BLANKET EXTENSIONS OF COVERAGE

Personal Effects Of Employees - On Premises - continued

No Deductible applies to this Extension Of Coverage.

Personal Property Of Others

Coverage is extended to loss of personal property of others in your care, custody or control that you do not lease.

We will not pay for personal property that was inadvertently “repossessed” at the same time a vehicle was “repossessed.”

Public Safety Service Charge

When a public safety service agency is called to save or protect Covered Property from direct physical loss or damage by a Covered Cause Of Loss, coverage is extended to the resulting service charge:

1. Assumed by contract or agreement made prior to the loss; or
2. Required by local ordinance.

No Deductible applies to this Extension Of Coverage.

Trees, Shrubs, Lawn And Plants

1. Coverage is extended to pay for reasonable expenses incurred by you for your trees, shrubs, lawn and plants at a premises described on the Declarations for direct physical loss or damage, only if caused by:
 - a. Fire and lightning;
 - b. Explosion;
 - c. Riot, civil commotion;
 - d. Aircraft;
 - e. Vandalism;
 - f. Vehicles; or
 - g. Theft,including expense incurred for removing debris.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

FLEXIBLE \$1,000,000 BLANKET EXTENSIONS OF COVERAGE

Trees, Shrubs, Lawn And Plants - continued

2. We will also pay for reasonable expenses incurred by you in removing a fallen tree from a premises described on the Declarations if:
 - a. The tree damaged the building you own or are responsible under your lease to insure; and
 - b. The falling of the tree was caused by windstorm.

Unexpired Warranties, Maintenance Contracts Or Service Contracts

We will reimburse you on a pro-rata basis for the amount you paid to purchase non-refundable extended warranties, maintenance contracts or service contracts which are no longer valid due to direct physical loss of or damage to Covered Property that you repair or replace. The amount we pay will be based on the pro-rata allocation of the original cost of the warranty, maintenance contract or service contract for the time remaining under the contract on the date of loss.

EXTENSIONS OF COVERAGE

The limits applicable to the Extensions Of Coverage in this section are in addition to the Limits Of Insurance shown on the Declarations.

The Coinsurance Condition does not apply to the Extensions Of Coverage.

Arson, Theft Or Vandalism Reward

Coverage is extended to provide a reward for information that leads to a conviction in connection with a fire, theft or vandalism loss covered under this Policy. You must obtain prior written approval from us concerning the terms and amount of the reward.

The most we will pay under this Extension Of Coverage for loss is \$50,000 for any one "occurrence."

Business Personal Property At Newly Acquired Locations

Coverage is extended to apply to property at any newly acquired location other than the premises described on the Declarations.

Insurance under this Extension Of Coverage for each newly acquired or constructed property will end when any of the following first occurs:

1. This Policy expires;
2. 180 days after you acquire or begin to construct the property; or
3. You report the value of the business personal property at the newly acquired location to us.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

EXTENSIONS OF COVERAGE

Business Personal Property At Newly Acquired Locations - continued

We will charge you additional premium for values reported from the acquisition date through the end of the Policy Period.

This Extension Of Coverage applies separately to each location you acquire. The most we will pay under this Extension Of Coverage is \$2,000,000 for loss or damage caused by any one “occurrence.”

Extra Expense

1. We will pay for the actual and necessary “extra expenses” you incur to avoid or minimize the suspension of business and to continue your business activities. Coverage applies when you sustain a direct physical loss or damage to property at the premises described on the Declarations, caused by or resulting from any Covered Cause Of Loss.
2. We will also pay the actual and necessary “extra expense” caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause Of Loss to a: “communication supply service,” “water supply service,” “power supply service” or “sewage treatment service” which provide service for a fee or charge to the premises described on the Declarations. Only the “extra expense” you incur after the service has been interrupted for 12 hours will be covered.
3. This Extension Of Coverage applies separately to each premises described on the Declarations to which this insurance applies. The most we will pay under this Extension Of Coverage is \$10,000 in any one “occurrence.”

Green Upgrades – Increased Cost

1. If direct physical loss or damage by a Covered Cause of Loss occurs to Covered Property, we will pay for:
 - a. The reasonable additional cost you incur to repair or replace the damaged Covered Property using products or materials that:
 - (1) Are “Green” alternatives to the products or materials of the damaged property, in accordance with a documented “Green Standards-setter”; and
 - (2) Are otherwise of comparable quality and function to the damaged property; and
 - b. The reasonable additional cost you incur to employ “Green” methods or processes of construction, disposal or recycling in the course of the repair or replacement of the damaged property, in accordance with the documented standards of a “Green Standards-setter.”
2. The insurance provided under this Extension Of Coverage applies only if replacement cost valuation applies to the damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

EXTENSIONS OF COVERAGE

Green Upgrades – Increased Cost - continued

3. The most we will pay for the additional cost incurred with respect to business personal property at each location in any one occurrence under this Extension Of Coverage is determined by multiplying:
 - a. A factor of 25%; times
 - b. The lesser of:
 - (1) The amount we would otherwise pay for direct physical loss of or damage to the property, prior to application of any applicable deductible; or
 - (2) The value you reported to us for the property, as stated on the Declarations, the latest Statement of Values or other documentation on file with us prior to the loss or damage.

This resultant amount is subject to a per “occurrence” maximum amount of insurance of \$100,000 for each location.

Newly Acquired Business Personal Property At A Covered Location

1. Coverage is extended to your newly acquired business personal property at a premises described on the Declarations.
2. Insurance under this Extension Of Coverage for Newly Acquired Business Personal Property At A Covered Location will end at the time any of the following first occurs:
 - a. This Policy expires;
 - b. 180 days after you acquire the property; or
 - c. The date you report the value of the newly acquired property to us.

We will charge you additional premium based on the values reported from the date the property is acquired through the end of the Policy Period.

This Extension Of Coverage applies separately to each insured location you acquire. The most we will pay under this Extension Of Coverage is \$250,000 for loss or damage caused by any one “occurrence.”

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

EXTENSIONS OF COVERAGE

Valuable Information Cost Of Research

Coverage is extended to apply to your costs to research, replace or restore “valuable information,” including that which exists on electronic or magnetic media, for which duplicates do not exist.

We will not pay for loss caused by error in machine programming or instruction to machine.

This Extension Of Coverage applies separately to each described premises to which this insurance applies. The most we will pay under this Extension Of Coverage is \$25,000 for loss or damage in any one “occurrence.”

COVERED CAUSES OF LOSS

This Coverage insures against direct physical loss to the Covered Property unless the loss is excluded or limited in this Policy.

CONCURRENT POLICY EXCLUSIONS

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

Building Ordinance

The enforcement of or compliance with any ordinance or law:

1. Regulating the construction, use or repair of any property; or
2. Requiring the tearing down of any property, including the cost of removing its debris.

This Exclusion applies whether the loss results from:

1. An ordinance or law that is enforced or complied with even if the property has not been damaged; or
2. The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

Consequential Losses

Delay, loss of use or loss of market.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONCURRENT POLICY EXCLUSIONS

Earth Movement

1. Any earth movement (other than sinkhole collapse), such as an earthquake (including tremors and aftershocks), landslide, mine subsidence (meaning subsidence of a man-made mine whether or not mining activities have ceased) or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
2. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

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

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

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

This Exclusion applies regardless of whether any of the above in paragraph 1. and 2. is caused by an act of nature or is otherwise caused.

Fungus, Wet Rot, Dry Rot And Bacteria

The presence or existence of “fungus,” wet or dry rot or bacteria. This Exclusion does not apply to the extent:

1. The presence or existence of the “fungus,” wet or dry rot or bacteria is attributable to explosion, fire, water resulting from fire suppression efforts, leaking from fire protection equipment, lightning, or;
2. Coverage is afforded under the Fungus, Wet Rot, Dry Rot And Bacteria Clean Up And Removal Additional Coverage.

Governmental Action

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

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONCURRENT POLICY EXCLUSIONS

Nuclear Hazard

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

Steam Apparatus Explosion

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

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.

Water

1. "Flood," surface water, waves (including tidal waves and tsunamis), tides, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or "mudflow"; or
3. 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:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the water supply if the heat is not maintained.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONCURRENT POLICY EXCLUSIONS

Water - continued

But if water, as described in paragraphs 1. through 3. above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This Exclusion applies regardless of whether any of the above, in paragraphs 1. through 3., is caused by an act of nature or is otherwise caused.

OTHER POLICY EXCLUSIONS

We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause Of Loss results, we will pay for only the resulting loss or damage from the Covered Cause Of Loss.

Disappearance

Property that is missing, but there is no physical evidence to show what happened to it; or a shortage disclosed on taking inventory.

Electrical Apparatus

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

Maintenance Types Of Loss

1. Wear and tear;
2. Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
3. Smog;
4. Settling, cracking, shrinking or expansion, except for building glass;
5. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals; or
6. Except as provided in the Elevator Collision Additional Coverage and the Accidental Breakdown Of Objects Additional Coverage, mechanical breakdown, including rupture or bursting caused by centrifugal force.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

OTHER POLICY EXCLUSIONS

Negligent Work

1. Acts or decisions, including, the failure to act or decide, of any person, group, organization or governmental body;
2. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance,of part or all of any property on or off the described premises.

Pollution

1. The “pollution or contamination” of any “environment” by “pollutants” or seepage of “pollutants” that are introduced at any time, anywhere, in any way or arising out of the actual, alleged or threatened discharge, dispersal, release or escape of “pollutants.”
2. The cleaning up, testing, monitoring, containing, treating, detoxifying, and neutralizing of “pollutants” even if caused by a governmental direction or request.

This Exclusion does not apply to:

1. Direct physical loss of or damage to Covered Property caused by:
 - a. Fire;
 - b. Lightning;
 - c. Smoke;
 - d. An accident involving an aircraft or vehicle;
 - e. Windstorm or hail;
 - f. An explosion;
 - g. A falling object entering the roof or outside wall of a building;
 - h. A leak from fire extinguishing equipment;

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

OTHER POLICY EXCLUSIONS

Pollution - continued

- i. A collapse caused by weight of snow;
 - j. Ice or sleet;
 - k. Riot or civil commotion;
 - l. An accidental discharge or leak of water or steam as the direct result of a crack or break in a plumbing, heating or air conditioning system or appliance (other than a sump pump) located on premises described on the Declarations;
 - m. Volcanic activity; or
 - n. Sinkhole collapse meaning the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.
2. Debris Removal; and
 3. Fungus, Wet Rot, Dry Rot And Bacteria Clean Up And Removal Additional Coverage.

Theft, Dishonesty Or Fraud

1. Theft, dishonest or criminal act by you, any of your directors, any of your partners, officers, managers, volunteers, employees (including temporary employees and leased employees), trustees, authorized representatives or anyone to whom the property is entrusted for any purpose:
 - a. Acting alone or in collusion with others; or
 - b. Whether or not occurring during the hours of employment.

This Exclusion does not apply to acts of destruction by your volunteers, employees (including temporary employees and leased employees) or authorized representatives.

2. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
3. Theft of building materials and supplies that are not attached to a building.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONDITIONS

In addition to the Conditions in the Common Policy Provisions, the following Conditions also apply to this Coverage.

Coinsurance

If a Coinsurance Percentage is shown on the Declarations, the following Condition applies:

We will not pay the full amount of any loss if the replacement cost of Covered Property at the time of loss multiplied by the Coinsurance Percentage shown on the Declarations is greater than the Limit Of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the replacement cost 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.

This Coinsurance Condition does not apply to a covered loss of \$100,000 or less.

Deductible

We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds the Deductible shown on the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit Of Insurance, after any deduction required by the Coinsurance Condition.

When the "occurrence" involves loss to more than one item of Covered Property and more than one Limit Of Insurance applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of the Limit Of Insurance applicable to that item plus the Deductible.

In the event a loss is covered under both Building Coverage - Special and Business Personal Property Coverage - Special, the Deductible will not be applied more than once.

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONDITIONS

Inflation Guard

The Limit Of Insurance for Business Personal Property Coverage - Special will automatically increase by the annual percentage shown on the Declarations.

The amount of increase will be:

- (1) The Limit Of Insurance that applied on the most recent of the Policy inception date, the Policy anniversary date, or any other policy change amending the Limit Of Insurance, times
- (2) The percentage of annual increase shown on the Declarations, expressed as a decimal (example 4% is .04), times
- (3) The number of days since the beginning of the current Policy year or the effective date of the most recent Policy change amending the Limit Of Insurance, divided by 365.

Limit Of Insurance

The most we will pay for loss or damage in any one “occurrence” is the applicable Limit Of Insurance shown on the Declarations.

Valuation Of Covered Property

1. We will determine the value of Covered Property at replacement cost (without deduction for depreciation) for purposes of the Coinsurance Condition. The value of glass includes the cost of glass replaced with safety glazing material if required by law.

However, the value of Covered Property for purposes of a loss determination is the lesser of the:

- a. Replacement cost (without deduction for depreciation); or
- b. Repair cost (without deduction for depreciation).

The value of Covered Property for purposes of a loss determination of your improvements and betterments is nothing if others pay for repairs or replacement.

2. The cost of repair or replacement does not include any cost incurred to regain a pre-loss level of “Green” certification from a “Green Standards-setter,” except as specifically provided in the Green Upgrades – Increased Cost Extension Of Coverage.
3. If you do not repair or replace the Covered Property, we will pay you on an “actual cash value” basis.
4. We will not pay on a replacement cost basis for any loss or damage:
 - a. Until the lost or damaged property is actually repaired or replaced; and

**BUSINESS PERSONAL PROPERTY COVERAGE - SPECIAL
PROPERTY AND BUSINESS LIABILITY POLICY**

CONDITIONS

Valuation Of Covered Property - continued

- b. Unless the repair or replacement is made and you commence the repair or replacement within 24 months from the date of loss or damage.

We will pay you the difference between the “actual cash value” previously paid up to the cost to replace or repair, subject to Limit Of Insurance.

VALUABLE INFORMATION COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY

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Money
Securities
Valuable Information

**VALUABLE INFORMATION COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this Coverage.

Words and phrases that appear in quotation marks have special meaning and are defined in the Policy.

PROPERTY COVERED

This Policy covers “valuable information” wherever located, that is owned by you, or “valuable information” of others in your care, custody or control.

PROPERTY NOT COVERED

The following property is not covered under Valuable Information Coverage:

1. “Money.”
2. Money orders, certificates of deposit, stock or bond certificates, instruction to or statement of uncertificated security of a Federal Reserve Bank and certificated security.
3. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue.
4. Property of others in a safe deposit box.

AMOUNT OF LOSS

1. The amount of loss due to a Covered Cause Of Loss to Covered Property is:
 - a. Reasonable expenses that you incur to re-establish your “valuable information”; and
 - b. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
 - c. All amounts represented by the damaged “valuable information” due from your accountholders or customers that you are unable to collect. This amount will be reduced for bad debts that you are normally unable to collect; and
 - d. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts.
2. The following will be deducted from the total amount of accounts receivable and loans however that amount is established:
 - a. The amount of the accounts for which there is no loss; and

- b. The amount of the accounts that you are able to re-establish, or collect; and
- c. An amount to allow for bad debts that you are normally unable to collect; and
- d. All unearned interest and service charges.

ADDITIONAL COVERAGE

Payments under the Additional Coverage will not increase the applicable Limit Of Insurance shown in the Declarations.

Equipment And Supplies

This Policy covers up to \$1,000 of office equipment and supplies that are owned by you or owned by others and in your care, custody or control by loss due to a Covered Cause Of Loss. Office equipment and supplies does not mean “valuable information,” “money,” and “securities.” We will not pay for the Deductible part of any loss otherwise covered by any insurance.

COVERED CAUSES OF LOSS

This Coverage insures against risks of direct accidental physical loss to Covered Property subject to all Exclusions in the Policy.

CONCURRENT POLICY EXCLUSIONS

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

Consequential Losses

Delay, loss of use or loss of market.

Governmental Action

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

Nuclear Hazard

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

War And Military Action

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

OTHER POLICY EXCLUSIONS

We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause Of Loss results, we will pay for only the resulting loss or damage from the Covered Cause Of Loss.

Audit Expense

Any expense for auditing to prove the existence of a loss.

Bookkeeping Error

Bookkeeping, accounting or billing errors or omissions.

Dishonesty Or Fraud

1. Theft, dishonest, or criminal act by any director, volunteer, employee (including leased employees), trustee, authorized representative or anyone to whom the property is entrusted for any purpose:
 - a. Acting alone or in collusion with others; or
 - b. Whether or not occurring during the hours of employment.

This Exclusion does not apply to acts of destruction by your directors, volunteers, employees (including leased employees), trustees or authorized representatives.

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

Maintenance Types Of Loss

1. Wear and tear; or
2. Deterioration or any quality in property that causes it to damage or destroy itself.

Mysterious Disappearance

Property that is missing, but there is no physical evidence to show what happened to it; or A shortage disclosed on taking inventory; or Property misplaced or mislaid.

Programming Errors

Errors or omissions in programming or instructions to machines.

Work Upon Covered Property

Processing or actual work upon Covered Property, but we will pay for direct loss caused by resulting fire or explosion.

CONDITIONS

In addition to the Conditions in the Common Policy Provisions, the following Conditions also apply to this Coverage.

Determination Of Receivables And Loans

1. If you cannot accurately establish the amount of accounts receivable and loans 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 and loans for the 12 months immediately preceding the month in which the loss occurs; and
 - b. Adjust that total for any normal fluctuations in the amount of accounts receivable and loans for the month in which the loss occurred or for any demonstrated variance from the average for that month.

Limit Of Insurance

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

Newly Acquired Organizations

The words “you” and “your” also include any organization (other than a partnership or joint venture) that you acquire or form and over which you maintain ownership or sole interest if there is no other similar insurance available to that organization.

This Coverage Extension ends:

- a. 90 days after you acquire or form the organization; or
 - b. At the end of the Policy Period shown in the Declarations,
- whichever is earlier.

When you merge with another entity, and you are the surviving entity, the 90 day limitation in a. above does not apply.

This Coverage Extension does not apply to losses that occurred before the date you acquired the organization or before the date of merger.

Recoveries

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.

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. If so, your loss will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

DEFINITIONS

Money

“Money” means currency, coins, banknotes and Federal Reserve notes, checks, drafts and share drafts.

Securities

“Securities” means original mortgages, documents of title, evidences of debt, security agreements, “money” orders, certificates of deposit, stock or bond certificates, instruction to or statement of uncertificated security of a Federal Reserve Bank, and certificated security.

Valuable Information

“Valuable information” means:

- a. Mortgage or loan documents; or
- b. Accounts receivable records; or
- c. Converted data, programs, or instructions used in your data processing operations, including the materials on which the data is recorded; or
- d. Inscribed, microfilmed, printed or written documents, papers, ledgers or journals; or
- e. Manuscripts or records, including abstracts, books, deeds, drawings, films, maps; or
- f. Data or a virtual document stored on an optical disk or other storage media.

**WASHINGTON
STANDARD FIRE POLICY ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

Notwithstanding anything to the contrary contained herein, it is understood and agreed that, as respects property insured hereunder which is subject to the Standard Fire Policy law the coverage provided by this policy against the perils of fire and lightning shall be subject to the provisions of the Standard Fire Policy as set forth in the following. However, to the extent that coverage provided otherwise under this policy is broader than that under the said Standard Fire Policy such broader coverage shall apply.

All other terms, conditions and limits of this policy remain unchanged.

Standard Fire Policy

In Consideration of the Provisions and Stipulations herein or added hereto and of the Premium specified in the Declarations (or in endorsement attached hereto), this Company for the term specified in the Declarations from inception date shown in the Declarations (at 12:01 A.M., Standard Time) to expiration date shown in the Declarations (at 12:01 A.M., Standard Time) at location of property involved, to an amount not exceeding the Limit Of Insurance specified in the Declarations, does insure the insured named in the Declarations and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

To the extent coverage contained in this policy replaces coverage in another policy terminating at a different hour on the effective date of this policy, this policy shall be effective at the same hour as the termination of the other policy.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

Concealment, fraud.

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property.

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.

This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other insurance.

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance.

Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects.

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions.

The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination provided for herein.

Cancellation of policy.

1. The insured may cancel this policy by mailing or delivering to this Company advance written notice of cancellation. 2. If this policy has been in effect for less than 60 days and is not a renewal with this Company, this Company may cancel by notifying the insured at least: (a) 10 days before the date cancellation takes effect if cancellation is due to nonpayment of premium; or (b) 45 days before the date cancellation takes effect if cancellation is due to any other reason. 3. If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy this Company issued, this Company may cancel this policy only for one or more of the following reasons: (a) nonpayment of premium; or (b) substantial change in the risk assumed, except to the extent that this Company should have reasonably foreseen the change or contemplated the risk in writing the contract; or (c) substantial breach of contractual duties or conditions; or (d.) loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by reinsurer or reinsurers of this Company; or (e) determination by the insurance department of the state where this policy is written that the continuation of the policy would place this Company in violation of the state's insurance laws or would jeopardize the solvency of this Company; or (f) acts or omissions by the insured or representatives of the insured that materially increase the hazard insured against. If this Company cancels this policy based on one or more of the above reasons, this Company will deliver or mail to the insured, the mortgagee, pledgee and other person shown by the policy, written notice of cancellation stating the reasons for cancellation. This Company will deliver or mail this notice to the last mailing address known to the Company, at least: (a) 10 days before the effective date of cancellation if this Company cancels for nonpayment of premium; or (b) 45 days before the effective date of cancellation if this Company cancels for any of the other reasons. Written notice of cancellation will be provided to the agent within five working days. 4. If this policy is written for a period longer than one year, this Company may cancel at the end of the policy period by notifying the insured at least 60 days before the date cancellation takes effect. 5. Notice of cancellation will state the effective date of cancellation. The policy will end on that date. 6. If this policy is canceled by this Company or the insured, this Company will send the insured any premium refund due. If this Company cancels, the refund will be pro rata. If the insured cancels, the refund will be less than pro rata. The less than pro rata unearned premium refund will equal 90% of the pro rata unearned premium.

Nonrenewal.

1. If this Company elects not to renew this policy, this Company will mail to the insured, written notice of nonrenewal stating the reasons for nonrenewal. This Company will mail this notice to the last mailing address known to the Company at least 45 days prior to the end of the policy period. Written notice of nonrenewal will be provided to the agent within five working days. 2. If notice is mailed, proof of mailing will be sufficient proof of notice. 3. If either one of the following occurs, this Company is not required to provide written notice of nonrenewal: (a) this Company has offered to issue a renewal policy; or (b) the insured has obtained replacement coverage.

Pro rata liability.

This Company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs.

The insured shall give immediate written notice to this Company of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; **and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss**, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal.

In case the insured and this Company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company's options.

It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the receipt of the proof of loss herein required.

Abandonment.

There can be no abandonment to this Company of any property.

When loss payable.

The amount of loss for which this Company may be liable shall be payable thirty days after proof of loss, as herein provided, is received by this Company and ascertainment of the loss is made either by agreement between the insured and this Company expressed in writing or by the filing with this Company of an award as herein provided.

Suit.

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twelve months next after inception of the loss.

Subrogation.

This Company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this Company.

EXTRA EXPENSE COVERAGE PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict Coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this Coverage.

Words and phrases that appear in quotation marks have special meaning and are defined in the Policy.

COVERAGE

Extra Expense

1. We will pay the actual and necessary “extra expense” you incur to avoid or minimize the suspension of business and to continue your business activities. Coverage applies when you sustain a direct physical loss or damage to property at the premises described on the Declarations and for which an Extra Expense Coverage Limit Of Insurance is shown on the Declarations, caused by or resulting from any Covered Cause Of Loss.
2. We will also pay the actual and necessary “extra expense” caused by the interruption of service to the premises described on the Declarations and for which an Extra Expense Coverage Limit Of Insurance is shown on the Declarations. The interruption must result from direct physical loss or damage by a Covered Cause Of Loss to: “dependent business premises,” “communication supply service,” “water supply service,” “power supply service” or “sewage treatment service” which provide service for a fee or charge to the premises described on the Declarations and for which an Extra Expense Coverage Limit Of Insurance is shown on the Declarations. Only the “extra expense” you incur after the service has been interrupted for 12 hours will be covered.

ADDITIONAL COVERAGES

Payments under the Additional Coverages are subject to the applicable Limit Of Insurance shown on the Declarations.

Alterations And New Buildings

We will pay for the actual and necessary “extra expense” you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause Of Loss to:

1. New buildings or structures, whether complete or under construction;
2. Alterations or additions to existing buildings or structures; and
3. Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

**EXTRA EXPENSE COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
ADDITIONAL COVERAGES**

Alterations And New Buildings - continued

- a. Used in the construction, alterations or additions; or
- b. Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of your business activities, the “period of restoration” will begin on the date your business activities would have begun if the direct physical loss or damage had not occurred.

Civil Authority

We will pay for the actual and necessary “extra expense” you incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss or damage to property, other than at the described premises, caused by or resulting from any Covered Cause Of Loss.

Fairs, Exhibitions And Trade Shows

We will pay for the actual and necessary “extra expense” you incur during the “period of restoration” due to direct physical loss or damage to covered:

1. Personal property; or
2. Fine arts,

while in transit to a fair, exhibition, or trade show caused by a Covered Cause Of Loss.

Loss Of Ingress And Egress

We will pay for the actual and necessary “extra expense” you incur that results from loss of ingress or egress to a premises described on the Declarations that is caused by direct physical loss or damage to adjacent property from a Covered Cause Of Loss. Without regard to any other term or condition of this Policy, for the purposes of this Additional Coverage, Covered Cause Of Loss does not include earthquake or the action of any civil authority. The most we will pay for this Additional Coverage is \$75,000 or the limit shown on the Declarations for Extra Expense Coverage, whichever is less.

EXTENSION OF COVERAGE

The limits applicable to the Extension Of Coverage are in addition to the Limits Of Insurance shown on the Declarations.

Newly Acquired Locations

You may extend the insurance provided by this Coverage to newly acquired property at newly acquired locations.

**EXTRA EXPENSE COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
EXTENSION OF COVERAGE**

Newly Acquired Locations - continued

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

1. This Policy expires;
2. 180 days expire after you acquire the property; or
3. You notify us of how you want this Coverage to apply to that location.

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

This Extension Of Coverage applies separately to each location. The most we will pay under this Extension Of Coverage is \$1,000,000 for loss in any one “occurrence.”

COVERED CAUSES OF LOSS

For the purpose of this Coverage, Covered Causes Of Loss will mean the coverages, as defined and limited, applicable under this Policy to either the Business Personal Property Coverage - Special or the Building Coverage - Special at the described premises.

EXCLUSIONS

In addition to the Exclusions that apply to the Business Personal Property Coverage - Special or Building Coverage - Special for the described premises, the following Exclusions apply.

Coverage does not apply to:

1. Loss of income;
2. Any “extra expense” caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the “period of restoration”;
3. The cost to repair or replace any property;
4. Any loss caused by loss to “valuable information”; or
5. Any other consequential loss.

The Fungus, Wet Rot, Dry Rot And Bacteria Concurrent Policy Exclusions found in the Business Personal Property Coverage - Special and Building Coverage - Special do not apply to the actual and necessary “extra expense” you incur during the 45 day period after you first discover the “fungus,” wet or dry rot or bacteria.

**EXTRA EXPENSE COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
CONDITIONS**

In addition to the Conditions in the Common Policy Provisions, the following Conditions also apply to this Coverage.

Limit Of Insurance

The most we will pay for loss in any one “occurrence” is the applicable Limit Of Insurance shown on the Declarations.

Loss Determination

The amount of “extra expense” will be determined based on:

1. All expenses that exceed the normal operating expenses that would have been incurred by your business activities during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - a. The salvage value that remains of any property bought for temporary use during the “period of restoration,” once your business activities are resumed; and
 - b. Any “extra expense” that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
2. All necessary expenses that reduce the “extra expense” loss that otherwise would have been incurred.

Resumption Of Operations

We will reduce the amount of “extra expense” loss to the extent you can return your business activities to normal and discontinue such “extra expense.”

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PROPERTY AND BUSINESS LIABILITY POLICY**

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**BUSINESS LIABILITY COVERAGE
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BUSINESS LIABILITY COVERAGE PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict Coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this Coverage.

The words “this insurance” mean the business liability insurance provided under this Coverage.

The word “insured” means any person or organization qualifying as such under Who Is An Insured.

Throughout this Policy the words “you” and “your” refer to the Named Insured shown on the Declarations. The words “we,” “us,” and “our” refer to CUMIS Insurance Society, Inc.

Other words and phrases that appear in quotation marks have special meaning and are defined in the Policy.

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Insuring Agreement

1. 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. This insurance applies only to “bodily injury” and “property damage” that occurs during the Policy Period. The “bodily injury” or “property damage” must be caused by an “occurrence.” The “occurrence” must take place in the Coverage Territory. We will have the right and duty, using attorneys of our own choice, to defend any “suit” seeking those damages. However:
 - a. The amount we will pay for damages is limited as described in the Limit Of Insurance Additional Condition;
 - b. We may investigate and settle any claim or “suit” at our discretion; and
 - c. 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.
2. 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.”
3. “Property damage” that is loss of use of tangible property that is not physically injured will be deemed to occur at the time of the “occurrence” that caused the loss of use.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

This insurance does not apply to:

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. and 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.

Aircraft, Auto Or Watercraft

1. "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.
2. This Exclusion does not apply to:
 - a. A "watercraft" you do not own that is less than 75 feet long;
 - b. A "watercraft" while ashore on premises you own or rent;
 - c. Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
 - d. "Bodily injury" or "property damage" arising out of the operation of:

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Aircraft, Auto Or Watercraft - continued

- 1) 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
 - 2) Any cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; or
 - 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment;
- e. Aircraft chartered with a pilot and crew; or
- f. Liability assumed under any “insured contract” for the ownership, maintenance or use of aircraft or “watercraft.”

Alcohol

1. “Bodily injury” or “property damage” for which any insured may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. 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 subparagraph 1.a., 1.b. or 1.c. above.

2. However, this Exclusion applies only if you are in the business of manufacturing, distributing, selling, servicing 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.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Compensation Plans

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

Contracts

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

Damage To Property In Your Control

1. "Property damage" to:
 - a. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason;
 - b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
 - c. Property loaned to you;
 - d. Personal property in your care, custody or control;
 - e. 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

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Damage To Property In Your Control - continued

- f. That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Subparagraphs 1.c., 1.d., 1.e. and 1.f. of this Exclusion do not apply to liability assumed under a sidetrack agreement.

2. This Exclusion does not apply to “property damage” to premises rented to you.

Damage To Your Product Or Work

1. “Property damage” to “your product” arising out of it or any part of it.
2. “Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard.”
3. 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.

Employment Liability

1. “Bodily injury” to:
 - a. An employee of the insured arising out of and in the course of employment by the insured; or
 - b. The spouse, child, parent, brother or sister of that employee or any other person as a consequence of subparagraph 1.a. above.
2. This Exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.
3. This Exclusion does not apply to liability assumed by the insured under an “insured contract.”

Employment Related Practices

1. “Bodily injury” to:
 - a. A person arising out of any:
 - 1) Refusal to hire or promote that person;

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Employment Related Practices - continued

- 2) Termination of that person's employment; or
 - 3) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person.
- b. The spouse, child, parent, brother or sister of that person or any other person as a consequence of "bodily injury" to that person at whom any of the employment related practices described in subparagraph 1.a. above is directed.
2. This Exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.
 3. This Exclusion does not apply to liability assumed by the insured under an "insured contract."

Intentional 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.

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.

Nuclear Energy

1. "Bodily injury" or "property damage," including all forms of radioactive contamination of property:
 - a. 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

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Nuclear Energy - continued

- b. Resulting from the “hazardous properties” of “nuclear material” and with respect to which:
 - 1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendatory law thereof; or
 - 2) The insured is, or had this insurance 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.
- 2. 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.
- 3. “Bodily injury” or “property damage” resulting from the “hazardous properties” of “nuclear material,” if:
 - a. The “nuclear material”:
 - 1) Is at any “nuclear facility” owned by, or operated by or on behalf of, an insured; or
 - 2) Has been discharged or dispersed there from;
 - b. 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
 - c. 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, then this Exclusion applies only to radioactive contamination to such “nuclear facility” and any property at such “nuclear facility.”

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 1.a. does not apply to “bodily injury”:
 - 1) 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;

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Pollution - continued

- 2) 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
- 3) 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 any:
 - 1) Insured; or
 - 2) Person or organization for whom you may be legally responsible;
- 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 1.d. does not apply to “bodily injury” or “property damage”:
 - 1) 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;
 - 2) 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
 - 3) Arising out of heat, smoke or fumes from a “hostile fire”;

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

Pollution - continued

- 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"; or
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 2. 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.

Product Recall

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.

Professional Services

"Bodily injury" and "property damage" due to your rendering or failure to render any "professional service."

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSIONS**

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; or
3. Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 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.

War

“Bodily injury” or “property damage” due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This Exclusion applies only to liability assumed under a contract or agreement.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

**COVERAGE B
PERSONAL INJURY AND ADVERTISING INJURY LIABILITY**

Insuring Agreement

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of “personal injury” or “advertising injury” to which this insurance applies. We will have the right and duty, using attorneys of our own choice, to defend the insured against any “suit” seeking those damages. We may, at our discretion, investigate any offense and settle any claim or “suit” that may result. However:
 - a. The amount we will pay for damages is limited as described in Limit Of Insurance; and
 - b. 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 Coverage D.

2. This insurance applies to “personal injury” or “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.

COVERAGE B EXCLUSIONS

This insurance does not apply to:

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

“Personal injury” or “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.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE B EXCLUSIONS**

Advertising Injury

“Advertising injury” arising out of:

1. Breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”;
2. The failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”; or
3. The wrong description of the price of goods, products or services stated in your “advertisement.”

Employment Related Practices

1. “Personal injury” or “advertising injury” to:
 - a. A person arising out of any:
 - 1) Refusal to hire or promote that person;
 - 2) Termination of that person’s employment; or
 - 3) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person.
 - b. The spouse, child, parent, brother or sister of that person or any other person as a consequence of “personal injury” to that person at whom any of the employment related practices described in subparagraph 1.a. above is directed.
2. This Exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

Media Type Businesses

1. “Personal injury” or “advertising injury” committed by an insured whose business is:
 - a. Advertising, broadcasting, publishing, telecasting;
 - b. Designing or determining content of websites for others; or
 - c. An Internet search, access, content or service provider.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE B EXCLUSIONS**

Media Type Businesses - continued

2. However, this Exclusion does not apply to “personal injury” caused by any of these offenses: false arrest, detention or imprisonment; malicious prosecution; or the wrongful eviction from, wrongful entry into, or invasion of the rights of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of you, its owner, landlord or lessor.
3. For 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.

Personal Injury And Advertising Injury

“Personal injury” or “advertising injury”:

1. Arising out of oral, electronic or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
2. Arising out of oral, electronic or written publication, in any manner, of material whose first publication took place before the beginning of the Policy Period;
3. Arising out of a criminal act committed by or at the direction of the insured;
4. Caused by or at the direction of the insured with knowledge that the act would violate the rights of another and would inflict “personal injury” or “advertising injury”;
5. For which the insured has assumed liability in a contract or agreement. This paragraph 5. does not apply to liability for damages that the insured would have in the absence of the contract or agreement or assumed in a written contract or agreement that is an “insured contract,” provided the “personal injury” or “advertising injury” to which this insurance applies, is caused by an offense first committed after the execution of such contract or agreement;
6. 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;
7. Due to rendering or failure to render any “professional service”; or
8. Arising out of any electronic social networking services, blogs or other forums the insured hosts, owns, or over which the insured exercises control.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE B EXCLUSIONS**

Pollution

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

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, clear 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.”

Recording And Distribution Of Material Or Information In Violation Of Law

“Personal injury” or “advertising injury” arising directly or indirectly out of any act 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; or
3. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Insuring Agreement

1. We will pay medical expenses as described below for “bodily injury” caused by an accident:
 - a. On premises you own or rent;
 - b. On ways next to premises you own or rent; or
 - c. 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 two years 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.
2. We will make these payments regardless of fault. These payments will not exceed the applicable Limit Of Insurance. We will pay reasonable expenses for:
 - a. First aid administered at the time of an accident;
 - b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - c. Necessary ambulance, hospital, professional nursing and funeral services.
3. Sublimit of \$5,000
 - a. We will pay medical expenses as described below for emotional or mental injury that are not a direct result of physical harm, sickness or disease 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:
 - 1) The accident takes place in the Coverage Territory and during the Policy Period;

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

**COVERAGE C
MEDICAL PAYMENTS**

Insuring Agreement - continued

- 2) The expenses are incurred and reported to us within two years of the date of the accident; and
 - 3) 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. We will pay reasonable expenses for emotional or mental injury. Payments will be over and above any other collectable benefits available to the injured party.
- c. This sublimit is included within, and not in addition to, the applicable Limit Of Insurance for Coverage C Medical Payments.

COVERAGE C EXCLUSIONS

We will not pay expenses for “bodily injury”:

1. To any insured, except a volunteer worker;
2. To a person hired to do work for or on behalf of any insured or a tenant of any insured;
3. To a person injured on that part of premises you own or rent that the person normally occupies;
4. 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;
5. Included within the “products-completed operations hazard”; or
6. Excluded under Coverage A.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

**COVERAGE D
SUPPLEMENTARY PAYMENTS**

Insuring Agreement

1. We will pay, with respect to any claim we investigate or settle, or any “suit” against an insured we defend under Coverages A or B:
 - a. All expenses we incur;
 - b. The cost of bail bonds or bonds required to release attachments or appeal judgments, but only for bond amounts within the applicable Limit Of Insurance. We do not have to furnish these bonds;
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit,” including actual loss of earnings up to \$500 a day because of time off from work;
 - d. All costs taxed against the insured in the “suit.” However, these payments do not include attorney fees or attorney expenses taxed against the insured;
 - e. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer; and
 - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

2. These payments will not reduce the Limit Of Insurance.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

WHO IS AN INSURED

Who Is An Insured

1. If the Named Insured shown on the Declarations is:
 - 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 “executive officers” or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your 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 and your volunteer workers only with respect to their liability for your activities or activities they perform on your behalf.
 - b. However, none of these employees or volunteer workers are insureds for:
 - 1) “Bodily injury,” “personal injury” or “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 subpart 2.b.1)a) above; or
 - c) Arising out of his or her providing or failing to provide professional health care services.
 - 2) “Property damage” to property:

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

WHO IS AN INSURED

Who Is An Insured - continued

- a) Owned or occupied by; or
- b) 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).

This limitation does not apply to “property damage” to premises while rented to you or temporarily occupied by you with permission of the owner.

- 3. Any person (other than your employee), or any organization while acting as your “real estate” manager.
- 4. A person who is one of your Board of Directors or on one of your committees, while acting within the scope of their duties as such on your behalf.
- 5. Any organization you newly acquire or form and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the Policy Period, whichever is earlier;
 - b. Coverage 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 injury” or “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, except to the extent provided under any organization you newly acquire or form, that is not shown as a Named Insured on the Declarations.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
ADDITIONAL CONDITIONS**

Limit Of Insurance

1. The Limits Of Insurance shown on 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 Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A;
 - b. Damages under Coverage B; and
 - c. Medical expenses under Coverage C,because of all “bodily injury,” “property damage,” “personal injury” and “advertising injury” arising out of any one “occurrence.”

3. The Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A;
 - b. Damages under Coverage B; and
 - c. Medical expenses under Coverage C,because of all “bodily injury,” “property damage,” “personal injury” and “advertising injury” arising during the Policy Period. The Aggregate Limit applies separately to each consecutive Policy Period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown on 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 the purposes of determining the Limit Of Insurance.

4. The Medical Payments Limit is the most we will pay under Coverage C for all medical expenses because of “bodily injury” sustained by any one person in any one “occurrence.”

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
ADDITIONAL CONDITIONS**

Other Insurance

1. If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A, B or C, our obligations are limited as follows:
 - a. Primary Insurance - This insurance is primary except when subparagraph 1.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 4. below.
 - 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 insurance that applies to "property damage" to 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, "auto" or "watercraft" to the extent not subject to Coverage A Exclusions.

Any other primary insurance available to you covering liability for damages arising out of the premises or operation, 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 Coverage 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 your 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. 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.
5. 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.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY
ADDITIONAL CONDITIONS**

Other Insurance - continued

6. We will share the remaining loss, if any, with any other insurance that is not described in this Additional Condition and was not bought specifically to apply in excess of the Limits Of Insurance shown on the Declarations.
7. This insurance is primary and will not seek contribution from any other insurance available to an additional insured under your Policy provided that:
 - a. The additional insured is a Named Insured under such other insurance; and
 - b. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

This supersedes any provision to the contrary.

Unintentional Failure To Disclose All Hazards

Your unintentional failure to disclose all hazards or prior “occurrences” existing as of the inception date of this Policy shall not prejudice the Coverage afforded by this Policy.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

DEFINITIONS

If any of the Definitions in this insurance are contrary to Definitions contained in the Common Policy Provisions, then the Definitions contained in this insurance apply.

Executive Officer

“Executive officer” means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

Member

1. “Member” means one of the persons or entities constituting a partnership, joint venture or limited liability company.
2. For purposes of this insurance, “member” does not mean a person who is a member of a natural person credit union.

Occurrence

“Occurrence” means:

1. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in “bodily injury” or “property damage.”

All damages that arise from continuous or repeated exposure to substantially the same general conditions are considered to arise from one “occurrence.”

2. An offense that results in “personal injury.”

All damages that arise from exposure to the same act, publication or general conditions are considered to arise from one “occurrence.”

3. An offense that results in “advertising injury.”

All damages that arise from exposure to the same publication, misappropriation, infringement, harmful material or act are considered to arise from one “occurrence” regardless of:

- a. The frequency of repetition;
- b. The number, kind or type of media used; or
- c. The number of claimants.

**BUSINESS LIABILITY COVERAGE
PROPERTY AND BUSINESS LIABILITY POLICY**

DEFINITIONS

Property Damage

1. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will be deemed to occur at the time of the "occurrence" that caused it.
2. For the purposes of this insurance, "electronic data" is not tangible property.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

This endorsement is subject to the Declarations and Common Policy Provisions, except as modified in this endorsement.

Actual Cash Value

The Actual Cash Value Definition in the Property And Business Liability Policy is replaced with the following:

“Actual cash value” means the amount which it would cost to repair or replace the damaged property with new property of like kind or quality, less allowance for physical deterioration and depreciation.

Appraisal

The Appraisal Loss Condition in the:

Common Policy Provisions
Foreclosed Building Coverage

is replaced with the following:

If we and you disagree on the value of the property or the amount of loss, either may make written request 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:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

Arbitration Of A Property, Expense/Income Or Lending Loss

The Arbitration Of A Property, Expense/Income Or Lending Loss Loss Condition in the Common Policy Provision is replaced with the following:

1. If you and we disagree on whether there is any coverage under the Property, Expense/Income, or Lending Coverages, or the amount of coverage, then both parties may, by mutual consent, agree in writing to arbitration of the disagreement. Written notice must be made within 60 days after we receive proof of loss or damage. The procedure is as follows:
 - a. The arbitration will be conducted in accordance with the rules of the American Arbitration Association, unless other means of conducting the arbitration are agreed to between the parties.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Arbitration Of A Property, Expense/Income Or Lending Loss - continued

- b. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.
2. All parties agree to consider themselves bound by any award made by the arbitrators.

Arbitration Of A Property Loss

The Arbitration Of A Property Loss Loss Condition in the Foreclosed Building Coverage is replaced with the following:

1. If you and we disagree on whether there is any coverage under the Foreclosed Building Coverage, or the amount of coverage, then both parties may, by mutual consent, agree in writing to arbitration of the disagreement. Written notice must be made within 60 days after we receive proof of loss or damage. The procedure is as follows:
 - a. The arbitration will be conducted in accordance with the rules of the American Arbitration Association, unless other means of conducting the arbitration are agreed to between the parties.
 - b. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.
2. All parties agree to consider themselves bound by any award made by the arbitrators.

Audit And Inspection

The Audit And Inspection General Policy Condition in the:

Common Policy Provisions
Foreclosed Building Coverage

is replaced with the following:

1. 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.
2. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Audit And Inspection - continued

3. 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.
4. Paragraphs 2. and 3. above apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
5. Paragraph 3. above 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.

Cancellation

The Cancellation Condition in the:

Common Policy Provisions
Foreclosed Building Coverage

is replaced with the following:

1. You may cancel this Policy by notifying us, or your agent, in one of the following ways:
 - a. Written notice by mail, fax or e-mail;
 - b. Surrender of this Policy or binder; or
 - c. Verbal notice.

Upon receipt of such notice, we will cancel this Policy or any binder issued as evidence of coverage, effective on the later of the following:

- a. The date on which notice is received or the Policy or binder is surrendered; or
 - b. The date of cancellation requested by you.
2. If we cancel this Policy, cancellation is effective:
 - a. 10 days after we mail or deliver notice of cancellation for nonpayment of premium; or
 - b. 60 days after we mail or deliver notice of cancellation for any other reason.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Cancellation - continued

3. When we cancel this Policy, we will mail or deliver to you, any mortgagee, pledgee or other person shown by this Policy to have an interest in any loss that may occur under this Policy, written notice of cancellation stating the effective date and the reason for cancellation. We will mail or deliver this notice to the last mailing address known to us. If this notice is mailed, proof of mailing will be sufficient proof of notice. A copy of the notice of cancellation will be provided to the agent within five working days. The copy to the agent may be provided electronically.
4. If this Policy is canceled by us or you, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund will be less than pro rata. The less than pro rata premium refund will equal 90% of the pro rata unearned premium.

Concealment, Misrepresentation Or Fraud

The Concealment, Misrepresentation Or Fraud General Policy Condition in the Common Policy Provisions is replaced with the following:

1. This entire Policy is void if whether before or after a loss you have concealed or misrepresented any material fact or circumstances concerning this insurance with the intent to deceive.
2. An inadvertent error by you to disclose all hazards to us shall not invalidate coverage that is otherwise afforded under this Policy.

Concealment, Misrepresentation Or Fraud

The Concealment, Misrepresentation Or Fraud General Policy Condition in the Foreclosed Building Coverage is replaced with the following:

This entire Policy is void if whether before or after a loss you have concealed or misrepresented any material fact or circumstances concerning this insurance with the intent to deceive.

Concurrent Policy Exclusions

The Concurrent Policy Exclusions introductory paragraph in the Property And Business Liability Policy and second paragraph in the Real Estate Mortgage Operations Coverage is replaced with the following:

We will not pay for loss or damage caused by any of the excluded events described below. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event:

- a. Directly and solely results in loss or damage; or
- b. Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Covered Causes Of Loss

The Volcanic Action, item 10, Covered Cause Of Loss in the Real Estate Mortgage Operations Coverage Foreclosed Property And Property Owned Or Held In Trust is replaced with the following:

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

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

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

Removal. Direct loss includes the cost to:

- a. Remove the ash, dust or particulate matter from the interior and exterior surfaces of the covered building; and
- b. Clean equipment and stock. If stock cannot be returned to its state before the volcanic eruption, the measure of loss will be the reduction in actual cash value.

Payment for removal applies only to the initial deposit of ash, dust or particulate matter following a volcanic eruption. Subsequent deposits arising from the movement of volcanic dust or ash by wind or other means are not covered.

Earth Movement

The Earth Movement Concurrent Policy Exclusion in the:

Builder's Risk Completed Value Coverage

is replaced with the following:

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

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

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Earth Movement - continued

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

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

Removal. Direct loss includes the cost to:

- a. Remove the ash, dust or particulate matter from the interior and exterior surfaces of the covered building; and
- b. Clean equipment and stock. If stock cannot be returned to its state before the volcanic eruption, the measure of loss will be the reduction in actual cash value.

Payment for removal applies only to the initial deposit of ash, dust or particulate matter following a volcanic eruption. Subsequent deposits arising from the movement of volcanic dust or ash by wind or other means are not covered.

Earth Movement

The Earth Movement Concurrent Policy Exclusion in the:

Building Coverage Special
Business Personal Property Coverage - Special

is replaced with the following:

1. Any earth movement (other than sinkhole collapse), such as an earthquake (including tremors and aftershocks), landslide, mine subsidence (meaning subsidence of a man-made mine whether or not mining activities have ceased) or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
2. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

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

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Earth Movement - continued

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

Removal. Direct loss includes the cost to:

- a. Remove the ash, dust or particulate matter from the interior and exterior surfaces of the covered building; and
- b. Clean equipment and stock. If stock cannot be returned to its state before the volcanic eruption, the measure of loss will be the reduction in actual cash value.

Payment for removal applies only to the initial deposit of ash, dust or particulate matter following a volcanic eruption. Subsequent deposits arising from the movement of volcanic dust or ash by wind or other means are not covered.

This Exclusion applies if any of the above, in paragraphs 1. and 2.:

- (a) Occurs independently;
- (b) Is caused by an act of nature; or
- (c) Is caused by an act or omission of humans or animals.

Earth Movement

The Earth Movement Concurrent Policy Exclusion in the Foreclosed Building Coverage is replaced with the following:

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

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

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

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

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Earth Movement - continued

Removal. Direct loss includes the cost to:

- a. Remove the ash, dust or particulate matter from the interior and exterior surfaces of the covered building; and
- b. Clean equipment and stock. If stock cannot be returned to its state before the volcanic eruption, the measure of loss will be the reduction in actual cash value.

Payment for removal applies only to the initial deposit of ash, dust or particulate matter following a volcanic eruption. Subsequent deposits arising from the movement of volcanic dust or ash by wind or other means are not covered.

Federal Mortgage Agency Loss Payee

The Federal Mortgage Agency Loss Payee Additional Condition in the Real Estate Mortgage Operations Coverage is replaced with the following:

1. We will make any payment in satisfaction of loss covered under this Coverage involving property in which a “federal mortgage agency” has an interest by a check made payable jointly to you and the “federal mortgage agency,” as joint loss payees, provided that you request in writing that we do so, or that the “federal mortgage agency” sends us written notice of its interest in the property, before we issue our check. In the event of a loss affecting the interest of the Government National Mortgage Association, the Government National Mortgage Association, its successors and assigns shall be named on the loss payable draft as their interest may appear.
2. If you request that this Coverage be canceled or be reduced, then we will endeavor to give written notice of such request within 10 days thereafter to any “federal mortgage agency” that you have previously identified to us in writing. However, our failure to do so will not impair or delay the effectiveness of any such cancellation or reduction, and we will not be held liable to the “federal mortgage agency,” to you or to any other party for failure to provide such notice.
3. Should we cancel, reduce, nonrenew or restrictively modify this Coverage, we will endeavor to give written notice of such action 45 days in advance of the effective date of such action, if practicable in the circumstances, to any “federal mortgage agency” that you have previously identified to us in writing. However, our failure to do so will not impair or delay the effectiveness of any such cancellation, reduction, nonrenewal or restrictive modification, and we will not be held liable to the “federal mortgage agency,” to you or to any other party for failure to provide such notice.
4. Should you fail to assert a claim under this Coverage for a covered loss, then a “federal mortgage agency” having an interest in property which is the subject of your loss may file claim under this Coverage, on your behalf, provided that:
 - a. The “federal mortgage agency” submits proof of its interest in the property that is the subject of your loss;

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Federal Mortgage Agency Loss Payee - continued

- b. The “federal mortgage agency” submits proof at least 30 days prior to its first sending any notice or claim to us, it informed you in writing of its intention to file and pursue such claim if you failed to do so;
- c. If the notice required in subparagraph 4.b. above is sent to you prior to the expiration of the time for making a claim under this Coverage but the 30 day notice period expires after the time for making a claim under this Coverage, then the “federal mortgage agency” will have 10 days from the expiration of said 30 day period in which to make such claim;
- d. All other conditions to coverage that would apply were the claim made by you must be satisfied;
- e. All other notices, proofs of loss and other things that this Coverage would require to be done by you are done by the “federal mortgage agency” within the time periods provided by this Coverage;
- f. All limits of liability, deductibles and other restrictions upon and terms of coverage shown on the applicable Declarations will apply to the claim made by the “federal mortgage agency” as if the claim were made by you;
- g. The “federal mortgage agency” will be deemed your agent for all purposes in connection with such claim and loss, you will no longer have any right to separately make claim for such loss, and the “federal mortgage agency” will be deemed empowered to negotiate, settle, and release such claim, and to release all of our liability under this Coverage with respect to such claim and loss on its own behalf and on your behalf; and
- h. Any loss payment will be made by check made payable jointly to the “federal mortgage agency” and to you, and will be delivered to the “federal mortgage agency.”

Notwithstanding the foregoing, no “federal mortgage agency” is an insured under this Coverage or will have any other rights beyond those set forth above, and this Coverage is for your sole and exclusive use and benefit.

Limit Of Insurance

The Limit Of Insurance Condition in the Real Estate Mortgage Operations Coverage Foreclosed Property And Property Owned Or Held In Trust is replaced with the following:

Under Foreclosed Property And Property Owned Or Held In Trust, the most we will pay is the lesser of:

- 1. The “actual cash value” of Covered Property at the time of loss or damage; or
- 2. The Limit Of Insurance stated on the Declarations.

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Limit Of Insurance - continued

The Limit Of Insurance stated on the Declarations is not increased if more than one of the Coverages (Mortgageholder's Interest, Foreclosed Property And Property Owned Or Held In Trust, Mortgageholder's Liability, Real Estate Tax Liability and Mortgageholder's Interest In Mortgage Guarantee Insurance) apply to one loss.

Loss Settlement

The Loss Settlement Loss Condition in the Foreclosed Building Coverage is replaced with the following:

The value of Covered Property for purposes of the loss settlement will be based on the following:

1. If you repair or rebuild the "foreclosed" building at the same location, we will pay the lesser of:
 - a. The cost to repair or rebuild with new property of like kind and quality; or
 - b. The Limit Of Insurance shown on the Declarations.
2. If you do not repair or rebuild the "foreclosed" building at the same location, we will pay the lesser of the following:
 - a. The cost to repair or rebuild with new property of like kind and quality, minus depreciation; or
 - b. The Limit Of Insurance shown on the Declarations.

The cost to repair or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except glass will be replaced with safety glazing material if required by ordinance or law.

Mortgageholders

The Mortgageholders Condition in the:

Building Coverage - Special
Builder's Risk Completed Value Coverage

is deleted.

Nonrenewal

The Nonrenewal General Policy Condition in the:

Common Policy Provisions
Foreclosed Building Coverage

is replaced with the following:

If we do not renew this Policy, we will mail or deliver to you written notice of nonrenewal stating the effective date and the reason for nonrenewal. We will mail or deliver this notice to the last mailing address known to us at least 60 days prior to the end of the Policy Period. If this notice is mailed, proof of mailing will be sufficient proof of notice. A copy of the notice of nonrenewal will be provided to the agent within five working days. The copy to the agent may be provided electronically.

Replacement Cost

Whenever the term replacement cost is used in this Policy, it means the cost to repair or replace with new property of like kind and quality.

Rights To Recover From Others

The Rights To Recover From Others Loss Condition in the:

Common Policy Provisions
Foreclosed Building Coverage

is replaced with the following:

If you have rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. You must do everything necessary to secure these rights. You must do nothing after a loss to impair those rights. At our request you will bring "suit" or transfer those rights to us and help us enforce them. But you may waive your rights against another party in writing prior to a loss.

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

Terrorism Exclusion Amendment

The Terrorism Exclusions Amendment modifies insurance provided under the following:

Automated Teller Machine Coverage
Builder's Risk Completed Value Coverage
Building Coverage - Special
Business Income Coverage
Business Personal Property Coverage - Special
Data Processing Operations Coverage
Extra Expense Coverage
Loss Of Rental Income Coverage
Mail Coverage
Scheduled Articles Coverage
Valuable Information Coverage

If this Policy (or an endorsement to this Policy) excludes loss or damage caused by a "certified act of terrorism" or "terrorism," the following paragraph is added to such exclusion(s) and supersedes any provision to the contrary:

Loss or damage will be considered to have been caused by such excluded event if the occurrence of that event:

1. Directly and solely results in loss or damage; or
2. Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.

Water

The Water Concurrent Policy Exclusion in the Builder's Risk Completed Value Coverage is replaced with the following:

1. "Flood," surface water, waves (including tidal waves and tsunamis), tides, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or "mudflow";
3. Water, 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:
 - a. You do your best to maintain heat in the building or structure;
 - b. You drain the equipment and shut off the water supply if the heat is not maintained; or
4. Water under the ground surface pressing on, or flowing or seeping through:

**WASHINGTON ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

Water – continued

- a. Foundations, walls, floors or paved surfaces;
- b. Basements, whether paved or not; or
- c. Doors, windows or other openings.

But if water, as described in paragraphs 1. through 4. above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This Exclusion applies if any of the above, in paragraphs 1. through 4.:

- a) Occurs independently;
- b) Is caused by an act of nature;
- c) Is caused by an act or omission of humans or animals; or
- d) Is attributable to the failure, in whole or in part, of a dam, levee, seawall or other boundary or containment system.

Water

The Water Concurrent Policy Exclusion in the:

Business Coverage - Special
Business Personal Property Coverage - Special

is replaced with the following:

- 1. "Flood," surface water, waves (including tidal waves and tsunamis), tides, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- 2. Mudslide or "mudflow"; or
- 3. 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:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the water supply if the heat is not maintained.

But if water, as described in paragraphs 1. through 3. above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

This Exclusion applies if any of the above, in paragraphs 1. through 3.:

WASHINGTON ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Water - continued

- a) Occurs independently;
- b) Is caused by an act of nature;
- c) Is caused by an act or omission of humans or animals; or
- d) Is attributable to the failure, in whole or in part, of a dam, levee, seawall or other boundary or containment system.

Water

The Water Concurrent Policy Exclusion in the Foreclosed Building Coverage is replaced with the following:

1. "Flood," surface water, waves (including tidal waves and tsunamis), tides, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or "mudflow";
3. Water that backs up from a sewer or drain or sump;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings;
5. Rain, snow, sleet, sand or dust that damages the interior of a building unless the direct force of wind or hail causes an opening in a roof or wall, and rain, snow, sleet, sand or dust enters through this opening; or
6. Continuous or repeated seepage or leakage of water or steam, or the presence or condensation of humidity, moisture or vapor that occurs over a period of time from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within an appliance.

But if water, as described in paragraphs 1. through 6. above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

This Exclusion applies if any of the above, in paragraphs 1. through 6.:

- a) Occurs independently;
- b) Is caused by an act of nature;

**WASHINGTON ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

Water - continued

- c) Is caused by an act or omission of humans or animals; or
- d) Is attributable to the failure, in whole or in part, of a dam, levee, seawall or other boundary or containment system.

CERTIFIED ACTS OF TERRORISM EXCLUSION PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions and provisions of the Coverages listed below apply to this endorsement. This endorsement modifies coverage provided under the following:

Business Liability Coverage
Employer's Liability Endorsement
Excess Liability Coverage

ADDITIONAL EXCLUSION

Certified Act Of Terrorism

This insurance does not apply to:

1. "Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism."
2. 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 the applicable Coverage.

ADDITIONAL DEFINITIONS

Any Injury Or Damage

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

Certified Act Of Terrorism

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security 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:

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

**PUNITIVE DAMAGES RELATED TO
CERTIFIED ACTS OF TERRORISM EXCLUSION
PROPERTY AND BUSINESS LIABILITY POLICY**

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions and provisions of the Coverages listed below apply to this endorsement. This endorsement modifies coverage provided under the following:

Business Liability Coverage
Employer's Liability Endorsement
Excess Liability Coverage

ADDITIONAL EXCLUSION

Certified Act Of Terrorism

This insurance does not apply to damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

ADDITIONAL DEFINITION

Certified Act Of Terrorism

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security 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:

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

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This endorsement is subject to the Declarations, Coverages, Definitions, Exclusions, and Conditions contained in the Policy, except as modified in this endorsement.

ADDITIONAL EXCLUSION

Cap On Certified Terrorism Losses

1. If aggregate insured losses attributable to “certified acts of terrorism” under the Terrorism Risk Insurance Act exceed \$100 billion in any one calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we will 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.
2. 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 Policy.

ADDITIONAL DEFINITION

Certified Act Of Terrorism

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security 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:

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

UNMANNED AIRCRAFT EXCLUSION ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict Coverage. Read the entire Policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the Business Liability Coverage.

COVERAGE A EXCLUSION

Aircraft, Auto Or Watercraft

The Aircraft, Auto Or Watercraft Exclusion in Coverage A Bodily Injury And Property Damage Liability is replaced with the following:

1. “Bodily injury” or “property damage” arising out of the ownership, maintenance, use or entrustment to others of any aircraft including “unmanned 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 including “unmanned aircraft,” “auto” or “watercraft” that is owned or operated by or rented or loaned to any insured.
2. This Exclusion does not apply to:
 - a. A “watercraft” you do not own that is less than 75 feet long;
 - b. A “watercraft” while ashore on premises you own or rent;
 - c. Parking an “auto” on, or on the ways next to, premises you own or rent, provided the “auto” is not owned by or rented or loaned to you or the insured;
 - d. “Bodily injury” or “property damage” arising out of the operation of:
 - 1) 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
 - 2) Any cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; or
 - 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment;

**UNMANNED AIRCRAFT EXCLUSION ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY
COVERAGE A EXCLUSION**

- e. Aircraft chartered with a pilot and crew; or
- f. Liability assumed under any “insured contract” for the ownership, maintenance or use of aircraft or “watercraft.”

ADDITIONAL COVERAGE B EXCLUSION

Unmanned Aircraft

The Unmanned Aircraft Exclusion is added to Coverage B Personal Injury And Advertising Injury Liability as follows:

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

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

This exclusion does not apply to:

- 1. The use of another’s advertising idea in your “advertisement”; or
- 2. Infringing upon another’s copyright, trade dress or slogan in your “advertisement.”

DEFINITION

Unmanned Aircraft

“Unmanned aircraft” means an aircraft that is not:

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

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

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

CYBER INCIDENT EXCLUSION ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the:

Building Coverage - Special
Business Personal Property Coverage-Special
Data Processing Operations Coverage
Valuable Information Coverage
Automated Teller Machine Coverage
Foreclosed Building Coverage
Builder's Risk Completed Value Coverage

A. The following exclusion is added:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents, or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation

But if a cyber incident results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

B. Vandalism

The following is added to vandalism, if vandalism coverage is not otherwise excluded under the Policy and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph A..

VIRUS OR BACTERIA EXCLUSION ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the:

Building Coverage - Special
Business Personal Property Coverage - Special
Data Processing Operations Coverage
Valuable Information Coverage
Automated Teller Machine Coverage
Foreclosed Building Coverage
Builder's Risk Completed Value Coverage

CONCURRENT POLICY EXCLUSIONS

The Virus Or Bacteria Exclusion is added to the Concurrent Policy Exclusions.

Virus Or Bacteria

1. 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, where applicable, is addressed in a separate exclusion within the above Coverages or Policy.

- a. This exclusion applies to all coverage under all forms and endorsements that comprise the above Coverages 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, loss of rental income or action of civil authority.
 - b. With respect to any loss or damage subject to this exclusion, such exclusion supersedes any exclusion relating to "pollutants".
2. The following provisions, where applicable, in the above Coverages or Policy are hereby amended to remove reference to bacteria:
 - a. Additional Coverages – Fungus, Wet Rot, Dry Rot And Bacteria Clean Up And Removal, including any endorsement increasing the scope or amount of coverage.
 - b. Concurrent Policy Exclusions - Fungus, Wet Rot, Dry Rot And Bacteria; and

**VIRUS OR BACTERIA EXCLUSION ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

Virus Or Bacteria - continued

3. The terms of this exclusion, 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 the Coverage or Policy.

PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) EXCLUSION ENDORSEMENT PROPERTY AND BUSINESS LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the:

Business Liability Coverage

COVERAGE A EXCLUSIONS

The Perfluoroalkyl And Polyfluoroalkyl Substances Exclusion is added to Coverage A Exclusions:

Perfluoroalkyl And Polyfluoroalkyl Substances

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

COVERAGE B EXCLUSIONS

The Perfluoroalkyl And Polyfluoroalkyl Substances Exclusion is added to Coverage B Exclusions:

Perfluoroalkyl And Polyfluoroalkyl Substances

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

**PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES
(PFAS) EXCLUSION ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

DEFINITIONS

The Perfluoroalkyl Or Polyfluoroalkyl Substances definition is added to Definitions:

Perfluoroalkyl Or Polyfluoroalkyl Substances

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

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



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2023 Property and Business Liability Policy Update

At TruStage™, our number one priority is to provide your credit union with the highest quality and most meaningful coverage and loss prevention services. We closely monitor industry trends, review credit union data, and assess our policies to make relevant changes to our Business Protection Solutions coverage and risk management services.

Refinements to the 2023 Property and Business Liability (PBL) policy are dependent upon your specific policy coverages and the selections you make. These modifications are effective upon your next renewal.

Property and Business Liability (PBL) Policy: Summary of Changes

Building Coverage - Special:

- Automated Teller Machines were added to "Property Not Covered"

Business Personal Property Coverage – Special:

- Automated Teller Machines were added to "Property Not Covered"

ATM Coverage:

- Coverage was removed for machines that are covered by another entity's insurance or insurance company.
- "Valuation of Covered Property" Condition was clarified on how losses are paid.

Virus or Bacteria Exclusion Endorsement:

- New exclusion form clarifies the Policy's intent to not cover a loss due to viral or bacterial infections.

PFAS Exclusion Endorsement:

- New exclusion form clarifies the Policy's intent to not cover a loss due to Perfluoroalkyl or Polyfluoroalkyl substances.

For questions or to obtain additional information about the 2023 PBL updates, please contact your TruStage account executive at 800.356.2644.

Important: This Summary is not a contract and no coverage is provided by this document. It does not replace any insurance policy provision or bond. Please read the actual policy for specific coverage, terms, conditions, and exclusions.

TruStage™ Insurance Products offered to financial institutions and their affiliates are underwritten by CUMIS Insurance Society, Inc. or CUMIS Specialty Insurance Company, Inc., members of TruStage Financial Group, Inc. Some coverages may not be available in all states. If a coverage is not available from one of our member companies, CUNA Mutual Insurance Agency, Inc., our insurance producer affiliate, may assist us in placing coverage with other insurance carriers in order to serve our customers' needs. CUMIS Specialty Insurance Company, Inc., our excess and surplus lines carrier, underwrites coverages that are not available in the admitted market.

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**VIRAL OR BACTERIAL INFECTIONS EXCLUSION ENDORSEMENT
PROPERTY AND BUSINESS LIABILITY POLICY**

Various provisions in this Policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Common Policy Provisions apply to this endorsement. This endorsement modifies the:

Business Liability Coverage

SCHEDULE

Description Of Infection:
Description Of Ongoing Operations Or Your Product:

Viral Or Bacterial Infection

1. The following exclusion is added to the Coverage A Exclusions and the Coverage B Exclusions:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of any of the following:

- a. A viral or bacterial infection that is transmitted through aerosol particles or respiratory droplets; or
- b. A viral or bacterial infection that is transmitted through any individual or animal (including insects) by any means, other than through aerosol particles or respiratory droplets, including but not limited to viral or bacterial infections that are sexually transmitted.

However, this exclusion does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any infection, ongoing operations or "your product" described in the Schedule of this endorsement.

2. Unless otherwise listed in the Schedule of this endorsement, Paragraph A. applies even if the claims against any insured allege negligence or other wrongdoing in the:
 - a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread the viral or bacterial infection;
 - b. Testing for the viral or bacterial infection;
 - c. Failure to prevent the spread of the viral or bacterial infection; or
 - d. Failure to report the viral or bacterial infection to authorities.