



MUTUAL COMPANY  
NONASSESSABLE POLICY

TREY GARDENS CONDOMINIUM  
TRUST  
PO BOX 436  
N DIGHTON, MA 02764-0436

# **BUSINESSOWNERS POLICY**

**VERMONT MUTUAL INSURANCE COMPANY**

**MONTPELIER, VERMONT  
ORGANIZED 1828**

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THIS POLICY JACKET WITH THE BUSINESSOWNERS COVERAGE FORM(S), DECLARATIONS PAGE  
AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THIS POLICY.

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MUTUALS - VOTING NOTICE: The Policyholder is notified that each recorded Policyholder of the VERMONT MUTUAL INSURANCE COMPANY may attend any meeting of the Policyholders of the Company and is entitled to vote either in person or by proxy. The Annual Meeting of the Policyholders of the Company is held on the first Wednesday after the second Thursday in April at such place and time as shall be designated in the notice therefor. Appointments of proxies must be filed with the Secretary of the Company at least sixty days before the Annual Meeting.

MUTUALS - PARTICIPATION WITHOUT CONTINGENT LIABILITY: No Contingent Liability: This policy is nonassessable. Upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, the Policyholder shall participate in the distribution of dividends so fixed and determined.

In Witness Whereof, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly constituted and licensed agent of the Company. A duly constituted and licensed agent of the Company does not have to countersign this policy, however, if such countersignature is not required under state law.



Secretary



President



**VERMONT MUTUAL GROUP**  
 89 State Street, PO Box 188  
 Montpelier, VT 05601-0188

**BUSINESSOWNERS POLICY DECLARATIONS**

To report a claim call your Agent  
 or the Company at 800-435-0397

**Policy Number:** BP11034812 - RENEWAL POLICY

**Type of Billing:** DIRECT BILL TO INSURED

**Named Insured / Address**  
 TREY GARDENS CONDOMINIUM  
 TRUST  
 PO BOX 436  
 N DIGHTON, MA 02764-0436

**Agency / Address**  
 BROWN & BROWN OF MA LLC  
 980 WASHINGTON ST SUITE 325  
 DEDHAM, MA 02026-6797

(781) 455-6664

**POLICY PERIOD** From 08/22/2023 To 08/22/2024 at 12:01 A.M.\*

\*Standard Time at your mailing address shown above.

**INSURANCE PROVIDED BY:** VERMONT MUTUAL INS CO.

**TOTAL POLICY PREMIUM at inception is:** \$19,174 and at each anniversary.

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.

<b>BUSINESS DESCRIPTION</b>			
Form of Business: OTHER			
<b>DESCRIBED PREMISES</b>			
Prem. No.	Bldg. No.	Location/Occupancy	Mortgageholder Name and Address
001	001	THIRTY UNIT CONDO 19 CHURCH ST NORTH ATTLEBOROUGH, MA 02760	(See Schedule of Mortgageholder(s) - BPDEC5 - If Applicable)
<b>PROPERTY - Limits of Insurance for</b>			
<b>BUILDINGS</b>		\$ 5,103,332	
• Actual Cash Value - Buildings Option (Y/N)		N	
• Automatic Increase - Building Limit (pct.)		8%	
<b>BUSINESS PERSONAL PROPERTY</b>		\$	
<b>EARTHQUAKE DEDUCTIBLE (pct)</b>		5%	
<b>DEDUCTIBLE \$ 5,000 OPTIONAL COVERAGE/EXTERIOR BUILDING GLASS DEDUCTIBLE \$ 250</b>			
<b>OPTIONAL COVERAGES - Applicable only if an "X" is shown in the boxes below:</b>			<b>Limits of Insurance</b>
1. <input type="checkbox"/> Outdoor Signs			\$ per occurrence
2. <input type="checkbox"/> Tenant's Exterior Building Glass			\$ included
3. Interior Glass <input type="checkbox"/> Basement/ground floor level <input type="checkbox"/> All Floors			\$ 100,000 per occurrence
4. <input checked="" type="checkbox"/> Employee Dishonesty			\$ Inside the Premises
5. <input type="checkbox"/> Money & Securities (Special Form Only)			\$ Outside the Premises
<b>COVERAGE EXTENSIONS</b>			
1. Optional Higher Limits - Accounts Receivable			\$
2. Optional Higher Limits - Valuable Papers			\$
<b>ADDITIONAL COVERAGES</b> Optional Higher Limits - Forgery and Alteration			\$ 100,000
<b>LIABILITY AND MEDICAL PAYMENTS</b>			
Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Businessowners Liability Coverage Form.			
Liability and Medical Expenses	\$ 1,000,000	Limits of Insurance	
Medical Expenses	\$ 5,000	Per person	
Fire Legal Liability	\$ 50,000	Any one fire or explosion	
<b>FORMS / ENDORSEMENTS ATTACHED TO THIS POLICY: (See Schedule of Forms and Endorsements - BPDEC4)</b>			

**COUNTERSIGNED** \_\_\_\_\_  
 (DATE)

**BY** \_\_\_\_\_  
 (AUTHORIZED REPRESENTATIVE)

THESE DECLARATIONS TOGETHER WITH THE COVERAGE FORM(S), COMMON POLICY CONDITIONS, FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREFORE, COMPLETE THE ABOVE NUMBERED POLICY.

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**VERMONT MUTUAL GROUP**  
 89 State Street, PO Box 188  
 Montpelier, VT 05601-0188

**BUSINESSOWNERS POLICY DECLARATIONS  
 SCHEDULE OF FORMS AND ENDORSEMENTS**

**Policy Number:** BP11034812

**Named Insured:** TREY GARDENS CONDOMINIUM

**FORMS / ENDORSEMENTS ATTACHED TO THIS POLICY:**

BCEE	(06/19)	COVERAGE ENHANCEMENT ENDT
BPEBC1	(11/99)	EQUIPMENT BREAKDOWN ENDT
BP0002	(12/99)	SPECIAL PROPERTY COVERAGE FORM
BP0006	(01/97)	LIABILITY COVERAGE FORM
BP0009	(01/97)	COMMON POLICY CONDITIONS
BP0514	(01/03)	WAR LIABILITY EXCLUSION
BP0523	(01/15)	CAP LOSSES CERT. ACTS OF TERR.
BP1003	(01/96)	EARTHQUAKE
BP1707	(01/97)	MA CONDOMINIUM ASSOCIATION COV
NO104	(04/15)	BUSINESSOWNERS POLICY JACKET
TRIADIS2	(01/21)	OFFER OF TERRORISM COV./PREM.
VB0006	(12/17)	AMEND- PERSONAL OR ADVERTISING
VB0067	(12/17)	EXCL- REC OR DISTRIB OF INFO
VB0301	(10/96)	ICE DAM-WATER DAMAGE DED
VB0577	(02/04)	FUNGI OR BACTERIA EXCLUSION
VB0698	(09/06)	MA LIMITED FUNGI OR BACTERIA
VB1400	(07/99)	CONDOMINIUM ASSOC COVERED PROP
VB1504	(12/17)	EXCL- DISCL CONF OR PERS INFO
VB2021	(09/05)	ADD'L INS'D VOLUNTEER WORKERS
VB2502	(09/04)	AGTS AS EMPLOYEES
VMAE	(06/19)	ADVANTAGE ENDORSEMENT
VM16	(01/98)	GENERAL ENDORSEMENT

**FORMS / ENDORSEMENTS APPLICABLE TO DESCRIBED PREMISES NO.: 001**

BP0404	(01/96)	HIRED & NON-OWNED AUTO LIAB
BP0419	(06/89)	LIQUOR LIAB EXCL-EXCPT SCH ACT
BP0496	(10/01)	PREMIUM AUDIT ENDORSEMENT
VB0108	(02/12)	MASSACHUSETTS CHANGES
VB0144	(01/21)	INTENTIONAL LOSS ENDORSEMENT
VB9020	(01/21)	EXCLUSION OF LOSS-COMM DISEASE

**FORMS / ENDORSEMENTS APPLICABLE TO DESCRIBED PREMISES NO.: 001 BUILDING NO.: 001**

BP0143	(11/94)	MA LEAD POISONING ENDORSEMENT
DISSBP	(11/95)	MA SUMMARY DISCLOSURE FORM
LEADQA	(07/06)	Q&A:LEAD POISON/RESID RENT
VB0446	(02/04)	ORDINANCE OR LAW COVERAGE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESSOWNERS COVERAGE ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the Businessowners Special Property Coverage Form.

### Endorsement Overview:

<b>A. Coverage Extensions</b>		<b>Limit</b>	<b>Begins On Page</b>
1.	Personal Property of Others	\$10,000	2
2.	Computer Equipment	\$10,000	2
3.	Fine Arts	\$10,000	2
4.	Guests' Property	\$2,500 per guest \$25,000 per occurrence	2
5.	Unscheduled Outbuildings	\$5,000	2
6.	Outdoor Property	\$10,000 (\$500 for any one tree, shrub or plant)	3
7.	Valuable Papers and Records	\$10,000 on premises \$2,500 off premises	3
8.	Accounts Receivable	\$15,000 on premises \$2,500 off premises	3
<b>B. Additional Coverages</b>			
1.	Water Back-up and Sump Overflow	\$25,000	3
2.	Temperature Change	\$10,000	3
3.	Interior Building Glass	\$2,500	3
4.	Arson Reward (Not applicable in New York)	\$5,000	4
5.	Fire Extinguisher Recharge Expense	\$1,000	4
6.	Lock Replacement	\$1,500	4
7.	Fire Department Service Charge	\$5,000	4
8.	Exterior Building Glass	\$2,500	4
9.	Outdoor Signs	\$5,000	4
10.	Money and Securities	\$10,000 inside premises \$2,000 outside premises	4
11.	Ordinance or Law Coverage	\$100,000 per occurrence	5
12.	Employee Dishonesty	\$10,000	7
13.	Tenant Relocation Expense	\$750	7
14.	Miscellaneous Real Property Coverage For Condominium Unit-Owners	\$10,000	8
15.	Amendment of Covered Property – Your Personal Property in Common Areas	Included in Building Limit	8
<b>C. Deductible</b>			
1.	\$250		8
2.	No deductible applies to: <ul style="list-style-type: none"> <li>• Arson Reward (Not applicable in New York)</li> <li>• Fire Extinguisher Recharge Expense</li> <li>• Fire Department Service Charge</li> <li>• Tenant Relocation Expense</li> </ul>		8

Except as otherwise stated herein, the terms and conditions of the policy apply to the insurance stated below.

## A. COVERAGE EXTENSIONS

You may extend the insurance provided by this policy as provided below.

Each of these extensions is additional insurance.

### 1. Personal Property of Others

You may extend the insurance that applies to your Business Personal Property to apply to Personal Property of Others at each described premises.

For the purpose of this insurance, personal property of others means property usual to the occupancy of the insured but belonging in whole or in part to others.

The most we will pay for loss or damage under this extension is \$10,000 at each described premises.

### 2. Computer Equipment

You may extend the insurance that applies to your Business Personal Property to apply to:

- a. Computer equipment and related component parts, including your legal liability for such property belonging to others;
- b. Instructional material and prepackaged software programs purchased for use with your computer system; and
- c. Blank electronic or magnetic media.

The most we will pay for loss or damage under this extension is \$10,000 at each described premises.

### 3. Fine Arts

You may extend the insurance that applies to your Business Personal Property to apply to your "Fine Arts". The value of "Fine Arts" will be the Market Value at the time of loss or damage.

As used in the extension, "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.

The most we will pay for loss or damage under this extension is \$10,000 at each described premises.

## 4. Guests' Property

- a. If this policy covers a risk classified as a Hotel/Motel, you may extend the insurance that applies to your Covered Property to apply to "Guests' Property".
- b. We will pay those sums that you become legally obligated to pay as damages because of loss or destruction of, or damage to "Guests' Property".
- c. As used in this extension, "Guests' Property" means any property, other than that specified as Property Not Covered, belonging to your guests while the property is in:
  - (1) The interior portion of any building at a location shown in the Declarations that you occupy in conducting your business;
  - (2) Your Possession.
- d. Property Not Covered includes:
  - (1) Samples, Articles for Sale: Samples or articles carried or held for sale or for delivery after sale;
  - (2) Vehicles: any vehicle including:
    - (a) Its equipment and accessories; and
    - (b) Any property contained in or on a vehicle.
- e. The most we will pay for loss or damage under this extension is \$2,500 per guest, \$25,000 per occurrence.
- f. Our payment for loss of or damage to Guests' Property will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

## 5. Unscheduled Outbuildings

You may extend the insurance that applies to Buildings to include unscheduled outbuildings at any premises described in the Declarations. The most that we will pay for any Covered Cause of Loss to an unscheduled outbuilding is \$5,000.

## 6. Outdoor Property

Coverage Extension **A.6.c.**, Outdoor Property is deleted and replaced by the following:

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

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

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant.

## 7. "Valuable Papers and Records"

Coverage Extension **A.6.e.**, "Valuable Papers and Records" is amended by replacing paragraph (3) with the following:

The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

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

## 8. Accounts Receivable

Coverage Extension **A.6.f.**, Accounts Receivable is amended by replacing paragraph (2) with the following:

The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$15,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

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

## B. ADDITIONAL COVERAGES

### 1. Water Back-up and Sump Overflow

Exclusion **1.g.** Water (3) under the Businessowners Special Property Coverage Form is deleted.

We will pay for the loss or damage caused by or resulting from water that backs up from a sewer or drain or overflows from a sump.

Backup means a reverse flow of effluent water through an unobstructed plumbing system.

Overflow occurs when there is a localized clog or obstruction in your plumbing line. Effluent water that continues to enter the system is unable to drain, and there is an overflow at the nearest source.

The most we will pay for loss or damage in any one occurrence is \$25,000.

The limit of insurance that applies to coverage under this endorsement also applies to the Business Income and Extra Expense Additional Coverages, but is not in addition to the limit of insurance stated above.

### 2. Temperature Change

We will pay for loss of or damage to stock at the premises described in the policy Declarations caused by or resulting from:

- a. Mechanical or electrical breakdown of heating, or cooling control equipment which is owned or used by you; or
- b. A power failure beyond your control which causes a change in temperature.

We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating or cooling control equipment in proper operating condition.

The most we will pay for loss or damage in any one occurrence is \$10,000.

### 3. Interior Building Glass

Limitation **A.4.b.** is deleted and replaced by the following:

Loss of or damage to glass (other than glass building blocks) that is part of the interior of a building or structure is covered only up to \$2,500 in any one occurrence.

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

#### 4. Arson Reward (Not applicable in New York)

We will pay up to \$5,000 as a reward for information which leads to a conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, the limit of our liability under this Additional Coverage shall not be increased.

#### 5. Fire Extinguisher Recharge Expense

We will pay up to \$1,000 of the cost of recharging your fire extinguishing systems (including hydraulic testing if needed) or replacing the fire extinguishers or fire extinguishing systems because they are discharged as a result of fighting a fire on or within 100 feet of the described premises.

#### 6. Lock Replacement

We will pay up to \$1,500 in one occurrence of the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys.

#### 7. Fire Department Service Charge

Additional Coverage **A.5.c.**, Fire Department Service Charge is deleted and replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

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

#### 8. Exterior Building Glass

Additional Coverage **A.5.m.**, Exterior Building Glass is amended by replacing paragraph (4) with the following:

- (4) The most we pay under this Additional Coverage is the Building Limit of Insurance Shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, the most we will pay under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

#### 9. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

- (1) Owned by you; or
- (2) Owned by others but in your care custody or control.

b. Paragraph **A.3.**, **Covered Causes of Loss**, and Section **B.**, **Exclusions**, do not apply to this coverage, except for:

- (1) Paragraph **B.1.c.**, Governmental Action;
- (2) Paragraph **B.1.d.**, Nuclear Hazard; and
- (3) Paragraph **B.1.f.**, War and Military Action.

c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is \$5,000.

#### 10. Money and Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;



- (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
- (1) \$10,000 for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) \$2,000 for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
- (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;
- is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

## 11. Ordinance or Law Coverage

- a. We will not pay for:
- (1) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or
  - (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of:
    - (a) "pollutants";
    - (b) "fungi", wet or dry rot or bacteria.

Paragraphs **a.(1)** and **a.(2)(b)** above are not applicable in New York.

## b. Coverage

### (1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building

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

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

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

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

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

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

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

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

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

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

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

### c. Loss Payment

The most we will pay, for the total of all covered losses for Coverage for Loss to the Undamaged Portion of the Building, Demolition Cost and Increased Cost of Construction is \$100,000 in any one occurrence. The following loss payment provisions apply:

(1) With respect to the Loss to the Undamaged Portion of the Building, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

(a) If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

(i) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(ii) \$100,000.

(b) If the property is **not** repaired or replaced, we will not pay more than the lesser of:

(i) The actual cash value of the building at the time of loss; or

(ii) \$100,000.

(2) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

(3) With respect to the Increased Cost of Construction:

(a) We will not pay for the increased cost of construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

(4) Under this coverage, we will not pay for loss due to any ordinance or law that:

(a) You were required to comply with before the loss, even if the building was undamaged; and

(b) You failed to comply with.

(5) The following is added to Paragraph **H.** Property Definitions:

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

This definition is not applicable in New York.

## 12. Employee Dishonesty

Optional Coverage **G.4. Employee Dishonesty** is amended as follows:

- a. Paragraph c. is deleted and replaced with the following:

We will pay \$10,000 for loss or damage in any one occurrence. If a Limit of Insurance is shown in the Declarations for Employee Dishonesty, the limit shown above is in addition to the limit shown in the Declarations.

- b. If this policy covers a risk classified as a condominium, cooperative or homeowners association, employee shall be deemed to include:

(1) Your directors or trustees, who are not compensated, when performing acts coming within the scope of the usual duties of an officer or employee or member of any committee duly elected or appointed to examine or audit or have custody of your property;

(2) Each natural person, partnership or corporation you appoint in writing to act as your property manager while acting on your behalf or while in possession of your Business Personal Property, including Money and Securities. These natural persons, partnerships or corporations are not covered for faithful performance of duty. Each such property manager and the partners, officers, and employees of that property manager are considered to be, collectively, one employee for the purpose of this insurance.

## 13. Tenant Relocation Expense

Relocation expense benefits are provided as follows:

### a. Relocation Expense

When a "rented living quarters" in a building covered by this policy is made uninhabitable as a result of a loss by fire, this policy covers "relocation expense" incurred by the tenant or lawful occupant to relocate to other living quarters in the shortest possible time.

## b. Definitions

(1) "Relocation expense" means documented, reasonable and necessary costs and living expenses, including:

- (a) Costs of packing, insuring, storing and carting household goods;
- (b) Costs of securing new utility services less refunds from discontinued services at the damaged premises;
- (c) Costs of searching for other quarters;
- (d) Costs of disconnecting and reconnecting household appliances;
- (e) Additional living expenses while searching for or awaiting possession of other quarters or the restoration of existing quarters, including costs of hotel room rental;
- (f) Security deposit and first month's rent for a new rental unit, unless the security deposit or last month's rent is already due and owing from the landlord to the tenant;
- (g) Costs of replacing furniture or clothing; commencing with the date of damage to the covered building and not limited by the expiration date of this policy.

"Relocation expense" does not mean loss caused by the termination of a lease or other agreement; or down payments, legal fees and closing costs incidental to the purchase of other quarters.

(2) "Rented living quarters" means:

- (a) a room, suite of rooms or apartment rented as a single residential unit by one or more persons, or
- (b) one or more rooms occupied by one or more persons as roomers in a hotel or motel.

**c. Limit Of Liability**

The liability for "relocation expense" under this policy is limited to not more than \$750 for a "rented living quarters".

**d. Other Insurance**

(1) If at the time of loss, the tenant or lawful occupant has other insurance that covers "relocation expense", we shall not be liable for any loss under this coverage until the liability of such other insurance has been exhausted.

(2) If you have other insurance that covers "relocation expense", payment under this policy will be prorated with such insurance for the smaller of the incurred "relocation expense" or \$750 all after application of the other insurance of the tenant or lawful occupant.

**e. Loss Settlement**

The claims for all persons occupying the "rented living quarters" will be settled with and payment made to the tenant or lawful occupant renting the quarters from the building owners, or lessor.

**14. Miscellaneous Real Property Coverage for Condominium Unit-Owners**

The following coverage applies only to condominium units described in the Declarations:

**a. The following is added to Covered Property:**

Miscellaneous Real Property, meaning condominium property that:

(1) Is not included under Business Personal Property; and

(2) (a) Pertains to your condominium unit only; or

(b) You have a duty to insure according to the Condominium Association agreement.

**b.** The Condominium Association may have other insurance covering the same property as this insurance. If it does, we will only pay the excess over what should have been received from that other property insurance. We will pay the excess whether the other insurance can be collected or not.

The most we will pay for loss or damage in any one occurrence is \$10,000.

**15. Amendment of Covered Property - Your Personal Property in Common Areas**

Under Section **A. Coverage**, paragraph **1.a.(4)** is deleted and replaced by the following:

(4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

**C. DEDUCTIBLES**

1. We will not pay for loss or damage in any one occurrence covered by this endorsement until the loss or damage exceeds the Deductible, including the Optional Coverages/Exterior Building Glass Deductible shown in the Declarations, or \$250, whichever is less. We will then pay the amount of loss or damage in excess of the deductible up to the applicable limit of insurance.

The deductible under this endorsement will not increase the deductible shown in the Declarations, including the Optional Coverages/Exterior Building Glass Deductible. This deductible will be used to satisfy the requirements of the deductible in the Declarations.

2. No deductible applies to the following Additional Coverages:

**a.** Arson Reward (Not applicable in New York);

**b.** Fire Extinguisher Recharge Expense;

**c.** Fire Department Service Charge; and

**d.** Tenant Relocation Expense.

## EQUIPMENT BREAKDOWN ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following is added to **5. Additional Coverages of the Businessowners Special Property Coverage Form** or **4. Additional Coverages of the Businessowners Standard Property Coverage Form**, whichever applies:

### Equipment Breakdown

- (1) We will pay for loss caused by or resulting from an "Accident" to "covered equipment". As used in this Additional Coverage, an "Accident" means direct physical loss as follows:
- (a) mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - (b) artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - (c) explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
  - (d) 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; or
  - (e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "Accident" causes other "Accidents", all will be considered one "Accident". All "Accidents" that are the result of the same event will be considered one "Accident".

"Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

- (2) The following coverages also apply to loss caused by or resulting from an "Accident" to "covered equipment". These coverages do not provide additional amounts of insurance.
- (a) **Expediting Expenses**  
With respect to your damaged Covered Property, we will pay, up to \$25,000, the reasonable extra cost to:
    - (i) make temporary repairs; and
    - (ii) expedite permanent repairs or replacement.
  - (b) **Hazardous Substances**  
We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property. "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.  
Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.  
The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Perishable Goods coverage, is \$25,000.
  - (c) **Perishable Goods**
    - (i) We will pay for your loss of "perishable goods" due to spoilage.
    - (ii) We will also pay for your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.
    - (iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "Accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.
- (v) Additional Definition. For the purpose of this coverage, "perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

The most we will pay for loss or damage under this coverage is \$25,000.

(d) Computer Equipment

We will pay for loss or damage caused by or resulting from an "Accident" to "computer equipment".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and Electronic Media and Records as defined in Property Loss Conditions, Limitation -- Electronic Media and Records.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$25,000.

(e) CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Perishable Goods coverage, is \$25,000.

(f) Service Interruption

The insurance provided for Business Income, Extra Expense and Perishable Goods is extended to apply to loss caused by or resulting from an "Accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

(3) Exclusions

(a) All exclusions and limitations apply except:

- (i) In the Special Property Coverage Form, Exclusions **B.2.a.**, **B.2.d.** and **B.2.k.(6)**;
- (ii) In the Standard Property Coverage Form, Exclusions **B.2.a.**, **B.2.d.** and **B.2.e**; and
- (iii) In the Special Property Coverage Form, Limitations **A.4.a.(1)** and **A.4.a.(2)**.

(b) The exclusions are modified as follows:

(i) The following is added to Exclusion **B.1.g.(1)** of the Special Property Coverage Form and the Standard Property Coverage Form:

However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(ii) As respects this endorsement only, the last paragraph of Exclusion **B.2.k.** in the Special Property Coverage Form is deleted and replaced with the following:

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

(c) None of the following is "covered equipment":

- (i) structure, foundation, cabinet, compartment or air supported structure or building;
- (ii) insulating or refractory material;
- (iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;

- (iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (v) vehicle, dragline, excavation or construction equipment; or
  - (vi) equipment manufactured by you for sale.
- (d) We will not pay under this endorsement for loss or damage caused by or resulting from:
- (i) your failure to use all reasonable means to protect the "perishable goods" from damage following an "Accident";
  - (ii) any defect, virus, loss of data or other situation within Electronic Media and Records. But if loss or damage from an "Accident" results, we will pay for that resulting loss or damage;
  - (iii) any of the following tests:
    - a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
    - an insulation breakdown test of any type of electrical equipment; or
  - (iv) if the Standard Property Coverage Form applies, depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an "Accident" results, we will pay for that resulting loss or damage.
- (e) With respect to Service Interruption coverage and Perishable Goods coverage, we will also not pay for loss or damage caused by or resulting from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.
- (4) Conditions
- (a) Suspension  
When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "Accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.
  - (b) Jurisdictional Inspections  
If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

The most we will pay for loss or damage under this endorsement is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.





## BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H - Property Definitions.

### A. Coverage

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

#### 1. Covered Property

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

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Your personal property in apartments or rooms furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;

- (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
- (a) Additions under construction, alterations and repairs to the buildings or structures;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **E.6.d.(3)(b)**;
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**.

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
  - (1) Money and Securities Optional Coverage; or
  - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat.

## 3. Covered Causes Of Loss

Risks Of Direct Physical Loss unless the loss is:

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

## 4. Limitations

- a. We will not pay for loss of or damage to:
  - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

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

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

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

- (1) Glass that is part of the interior of a building or structure;

- (2) Containers of property held for sale; or

- (3) Photographic or scientific instrument lenses.

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

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.

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

## 5. Additional Coverages

### a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
  - (a) The date of direct physical loss or damage; or
  - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in Paragraph (4) below.
- (3) This Additional Coverage does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (4) If:
  - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in Paragraph (2) above;

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

### b. Preservation Of Property

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

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

### c. Fire Department Service Charge

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

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

### d. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this policy, if the collapse is caused by one or more of the following:
  - (a) The "specified cause of loss" or breakage of building glass, all only as insured against in this policy;
  - (b) Hidden decay;
  - (c) Hidden insect or vermin damage;
  - (d) Weight of people or personal property;
  - (e) Weight of rain that collects on a roof;
  - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in d.(1)(a) through d.(1)(e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

(2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

- (a) The personal property which collapses is inside a building insured under this policy; and
- (b) The collapse was caused by a cause of loss listed in **d.(1)(a)** through **d.(1)(f)** above.

(3) With respect to the following property:

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

if the collapse is caused by a cause of loss listed in **d.(1)(b)** through **d.(1)(f)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

(4) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

**e. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

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

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

**f. Business Income**

**(1) Business Income**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage.

Business Income means the:

- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
- (ii) Continuing normal operating expenses incurred, including payroll.

Ordinary payroll expenses mean payroll expenses for all your employees except:

- (a) Officers;
- (b) Executives;
- (c) Department Managers;
- (d) Employees under contract; and
- (e) Additional Exemptions shown in the Declarations as:
  - (i) Job Classifications; or
  - (ii) Employees.

Ordinary payroll expenses include:

- (a) Payroll;
- (b) Employee benefits, if directly related to payroll;
- (c) FICA payments you pay;
- (d) Union dues you pay; and
- (e) Workers' compensation premiums.

**(2) Extended Business Income**

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

This Additional Coverage is not subject to the Limits of Insurance.

**g. Extra Expense**

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
  - (i) At the described premises; or
  - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

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

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

#### **h. Pollutant Clean Up And Removal**

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

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

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

#### **i. Civil Authority**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 3 consecutive weeks after the time of that action; or
  - (2) When your Business Income coverage ends;
- whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

#### **j. Money Orders And Counterfeit Paper Currency**

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

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

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

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

#### **k. Forgery And Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

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

- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

#### **l. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **I.(3)** through **I.(9)** of this Additional Coverage.
  - (3) The ordinance or law referred to in **I.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
  - (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
    - (a) You were required to comply with before the loss, even when the building was undamaged; and
    - (b) You failed to comply with.
  - (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
  - (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$5,000.  
The amount payable under this Additional Coverage is additional insurance.
  - (7) With respect to this Additional Coverage:
    - (a) We will not pay for the Increased Cost of Construction:
      - (i) Until the property is actually repaired or replaced, at the same or another premises; and
      - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
    - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
    - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
  - (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
  - (9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **I.(6)** of this Additional Coverage, is not subject to such limitation.
- m. Exterior Building Glass**
- (1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
    - (a) Expenses incurred to put up temporary plates or board up openings;
    - (b) Repair or replacement of encasing frames; and
    - (c) Expenses incurred to remove or replace obstructions.
  - (2) Paragraph **A.3.**, **Covered Causes Of Loss** and Section **B.**, **Exclusions** do not apply to this Additional Coverage, except for:
    - (a) Paragraph **B.1.b.**, Earth Movement;
    - (b) Paragraph **B.1.c.**, Governmental Action;
    - (c) Paragraph **B.1.d.**, Nuclear Hazard;
    - (d) Paragraph **B.1.f.**, War And Military Action; and
    - (e) Paragraph **B.1.g.**, Water.

(3) We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear;
- (b) Hidden or latent defect;
- (c) Corrosion; or
- (d) Rust.

(4) The most we pay under this Additional Coverage is the Building Limit of Insurance shown in the Declarations.

However, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property, the most we will pay under this Additional Coverage is the Tenant's Exterior Building Glass Limit of Insurance shown in the Declarations.

## 6. Coverage Extensions

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

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, unless a higher Limit of Insurance is shown in the Declarations.

### a. Personal Property At Newly Acquired Premises

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

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

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

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

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

### b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$5,000.

### c. Outdoor Property

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

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

The most we will pay for loss or damage under this Extension is \$2,500, but not more than \$500 for any one tree, shrub or plant.

### d. Personal Effects

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

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

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

### e. "Valuable Papers And Records"

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.



(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale;
- (b) Property in storage away from the premises shown in the Declarations.

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

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

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

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

#### f. Accounts Receivable

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

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

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

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

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

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

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

#### B. Exclusions

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

##### a. Ordinance Or Law

The enforcement of any ordinance or law:

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

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced 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.

**b. Earth Movement**

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

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

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

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

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

**c. 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 policy.

**d. 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.

**e. Power Failure**

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

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

**f. War And Military Action**

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

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (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.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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

**a. Electrical Apparatus**

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

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

**e. Frozen Plumbing**

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**f. Dishonesty**

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

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

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

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

**g. False Pretense**

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

**h. Exposed Property**

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

**i. Collapse**

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**j. Pollution**

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

**k. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

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

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

**a. Weather Conditions**

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

**b. Acts Or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

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

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

**4. Business Income And Extra Expense Exclusions**

We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
  - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- b. Any other consequential loss.

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

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

- a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
  - (a) Programming errors or faulty machine instructions;
  - (b) Faulty installation or maintenance of data processing equipment or component parts;

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

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

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

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

c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.  
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

**C. Limits Of Insurance**

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

**4. Building Limit - Automatic Increase**

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

- (3) The number of days since the beginning of the current policy year of the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

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

The amount of increase is  
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200.$

**5. Business Personal Property Limit - Seasonal Increase**

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
  - (1) The 12 months immediately preceding the date the loss or damage occurs; or
  - (2) The period of time you have been in business as of the date the loss or damage occurs.

**D. Deductibles**

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

- c. Interior Glass; and
- d. Outdoor Signs.

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

- 3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Business Income;
  - c. Extra Expense; and
  - d. Civil Authority.

## E. Property Loss Conditions

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

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

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

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

- a. You must see that the following are done in the event of loss or damage to Covered Property:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

(9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Legal Action Against Us

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

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

#### 5. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

##### Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

##### Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

#### 6. Loss Payment

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

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

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
    - (i) The actual cash value of the lost or damaged property; or
    - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
  - (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (d) We will not pay on a replacement cost basis for any loss or damage:
    - (i) Until the lost or damaged property is actually repaired or replaced; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
  - (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
- (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts;
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.



- (6) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (a) Blank materials for reproducing the records; and
  - (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.

- (7) Applicable only to the Optional Coverages:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (8) Applicable only to Accounts Receivable:
  - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to re-establish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
- (iv) All unearned interest and service charges.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

#### 7. Recovered Property

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

#### 8. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

## 9. Vacancy

### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

(i) Is not rented; or

(ii) Is not used to conduct customary operations.

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

### b. Vacancy Provisions

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

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

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

## F. Property General Conditions

### 1. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### 2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

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

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

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

### 3. No Benefit To Bailee

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

### 4. Policy Period, Coverage Territory

Under this form:

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

### G. Optional Coverages

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

### 1. Outdoor Signs

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

### 2. Interior Glass

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:
  - (1) Described in the Declarations as covered under this Optional Coverage; and
  - (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
  - (3) Owned by you, or owned by others but in your care, custody or control.

- b. We will also pay for necessary:
  - (1) Expenses incurred to put up temporary plates or board up openings;
  - (2) Repair or replacement of encasing frames; and
  - (3) Expenses incurred to remove or replace obstructions.
- c. Paragraph **A.3., Covered Causes Of Loss**, and Section **B., Exclusions**, do not apply to this Optional Coverage, except for:
  - (1) Paragraph **B.1.c.**, Governmental Action;
  - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
  - (3) Paragraph **B.1.f.**, War And Military Action.
- d. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Corrosion; or
  - (4) Rust.
- e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

### 3. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or

- (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

### 4. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (1) Cause you to sustain loss or damage; and also
  - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (a) Any employee; or
    - (b) Any other person or organization.
- b. We will not pay for loss or damage:
  - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.

- (2) The only proof of which as to its existence or amount is:
  - (a) An inventory computation; or
  - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage does not apply to any employee immediately upon discovery by:
  - (1) You; or
  - (2) Any of your partners, officers or directors not in collusion with the employee; of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
  - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

- i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
  - (1) This Optional Coverage as of its effective date; or
  - (2) The prior insurance had it remained in effect.

## 5. Mechanical Breakdown

- a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:
  - (1) Owned by you or in your care, custody or control; and
  - (2) At the described premises.
- b. Accident 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.
- c. None of the following is an Accident:
  - (1) Depletion, deterioration, corrosion or erosion;
  - (2) Wear and tear;
  - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (4) Breakdown of any vacuum tube, gas tube or brush;
  - (5) Breakdown of any electronic computer or electronic data processing equipment;
  - (6) Breakdown of any structure or foundation supporting the Object or any of its parts;
  - (7) The functioning of any safety or protective device; or
  - (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.
- d. Object means any of the following equipment:
  - (1) Boiler and Pressure Vessels:
    - (a) Steam heating boilers and condensate return tanks used with them;

- (b) Hot water heating boilers and expansion tanks used with them;
  - (c) Hot water supply boilers;
  - (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;
  - (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:
    - (i) Are on your premises or between parts of your premises;
    - (ii) Contain steam or condensate of steam; and
    - (iii) Are not part of any other vessel or apparatus;
  - (f) Feed water piping between any steam boiler and a feed pump or injector.
  - (2) Air Conditioning Units - Any air conditioning unit that has a capacity of 60,000 Btu or more, including:
    - (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
    - (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
    - (c) Vessels heated directly or indirectly that:
      - (i) Form part of an absorption type system; and
      - (ii) Function as a generator, regenerator or concentrator;
    - (d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and
    - (e) Control equipment used solely with the system.
- e. Object does not mean:
- (1) As Boiler and Pressure Vessels:
    - (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
    - (b) Boiler settings;
    - (c) Insulating or refractory material; or
    - (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.
  - (2) As Air Conditioning Units, any:
    - (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
    - (b) Wiring or piping leading to or from the unit.
- f. We will not pay for an Accident to any Object while being tested.
- g. Suspension**
- Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:
- (1) Your last known address; or
  - (2) The address where the Object is located.
- If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.
- H. Property Definitions**
- 1. "Money" means:
    - a. Currency, coins and bank notes in current use and having a face value; and
    - b. Travelers checks, register checks and money orders held for sale to the public.
  - 2. "Operations" means your business activities occurring at the described premises.
  - 3. "Period of restoration" means the period of time that:
    - a. Begins:
      - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
      - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
- caused by or resulting from any Covered Cause of Loss at the described premises; and

**b. Ends on the earlier of:**

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

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

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

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

- 4.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 5.** "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".
- 6.** "Specified Causes of Loss" means the following:

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

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

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

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

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

**c.** Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

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

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

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

But "valuable papers and records" does not mean:

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





# BUSINESSOWNERS LIABILITY COVERAGE FORM

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

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - Liability And Medical Expenses Definitions.

## A. Coverages

### 1. Business Liability

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

- (1) The amount we will pay for damages is limited as described in Section D - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (b) The "bodily injury" or "property damage" occurs during the policy period.

- (2) To:

- (a) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (b) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

- c. 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".

### d. Coverage Extension - Supplementary Payments

In addition to the Limit of Insurance we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur.
- (2) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

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

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

- (1) Agrees in writing to:
  - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
  - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
  - (c) Notify any other insurer whose coverage is available to the indemnitee; and
  - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
  - (a) Obtain records and other information related to the "suit"; and
  - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** of Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above are no longer met.

**2. Medical Expenses**

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

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

provided that:

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

b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:

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

**B. Exclusions**

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**a. Expected Or Intended Injury**

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

**b. Contractual Liability**

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable 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.

**c. Liquor Liability**

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

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

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

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily Injury" to:

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

This exclusion applies:

- (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.

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

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
  - (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 insured or any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

- (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- (ii) 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.

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

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

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or

- (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.

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

**g. Aircraft, Auto Or Watercraft**

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
  - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**h. Mobile Equipment**

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

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

**i. War**

"Bodily injury" or "property damage" 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.

**j. Professional Services**

"Bodily injury", "property damage", "personal injury" or "advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Body piercing services; and
- (9) Services in the practice of pharmacy; but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

**l. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

**n. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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

**o. Recall Of Products, Work Or Impaired Property**

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

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

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

**p. Personal Or Advertising Injury**

"Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;

- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
- (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (6) With respect to any loss, cost or expense arising out of any:
  - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollutants; or
  - (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.

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

**q. Advertising Injury**

"Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **D., Limits of Insurance.**

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products - completed operations hazard".
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
- (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (b) Has been discharged or dispersed therefrom;
  - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

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

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for:
  - (1) Separating the isotopes of uranium or plutonium;
  - (2) Processing or utilizing "spent fuel"; or
  - (3) Handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

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

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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



"Waste" means any waste material:

- (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

### C. Who Is An Insured

#### 1. If you are designated in the Declarations as:

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

#### 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. However, none of these "employees" is an insured for:

- (1) "Bodily injury" or "personal 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraphs (1)(a) or (1)(b); or

- (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or

#### (2) "Property damage" to property:

- (a) Owned, occupied or used by,

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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

#### **D. Liability And Medical Expenses Limits Of Insurance**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "Personal injury" and "advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire or explosion is the Fire Legal Liability limit shown in the Declarations.

#### **4. Aggregate Limits**

The most we will pay for:

- a. Injury or damage under the "products - completed operations hazard" arising from all "occurrences" during the policy period is the Liability and Medical Expenses limit; and
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

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

#### **E. Liability And Medical Expenses General Conditions**

##### **1. Bankruptcy**

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

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

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

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

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

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

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

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

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

### **3. Financial Responsibility Laws**

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

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

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy 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.

### **5. Separation Of Insureds**

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

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

### **F. Liability And Medical Expenses Definitions**

- 1. "Advertising injury" means injury arising out of one or more of the following offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - (2) Your fulfilling the terms of the contract or agreement.
8. "Insured contract" means:
    - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
    - b. A sidetrack agreement;
    - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
    - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
    - e. An elevator maintenance agreement;
    - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.  
Paragraph f. does not include that part of any contract or agreement:
      - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
      - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
        - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, 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; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.
- 9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 10. "Loading or unloading" means the handling of property:
  - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
- 11. "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, on which are permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
 

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

  - (1) Equipment designed primarily for:
    - (a) Snow removal;
    - (b) Road maintenance, but not construction or resurfacing; or
    - (c) Street cleaning;
  - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- 12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 13. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

**14. "Products - completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at the job site has been put to its intended use by any other 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.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

**15. "Property damage" means:**

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

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

- 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.

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

**18. "Your product" means:**

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

"Your product" includes:

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

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**19. "Your work" means:**

- a.** Work or operations performed by you or on your behalf; and
- b.** Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

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





## BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a covered cause of loss, permanent repairs to the building:
      - (a) Have not started, and
      - (b) Have not been contracted for, within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

### (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
  - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
  4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

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

### **C. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

### **D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **E. Inspections And Surveys**

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

### **F. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### **G. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

### **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

### **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and

- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

- 4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### **J. Premium Audit**

- 1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
- 2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- 3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### **K. Transfer Of Rights Of Recovery Against Others To Us**

- 1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.

- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
  - (a) Owned or controlled by you; or
  - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

- 2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

#### **L. Transfer Of Your Rights And Duties Under This Policy**

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

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



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MASSACHUSETTS CHANGES – CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### SCHEDULE

**Insurance Trustee**  
AS APPOINTED

**Condominium**  
AS SHOWN IN THE DECLARATIONS

**A. Paragraph A.1.a. Building** in the Businessowners Property Coverage Form is replaced by the following:

**a.** Building, meaning the building or structure described in the Declarations, including:

- (1)** Completed additions;
- (2)** Permanently installed:
  - (a)** Fixtures;
  - (b)** Machinery; and
  - (c)** Equipment;
- (3)** Outdoor fixtures;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Floor coverings; and
  - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;

**(5)** If not covered by other insurance:

- (a)** Additions under construction, alterations and repairs to the building or structure;
- (b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

**(6)** Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

- (a)** Fixtures, improvements and alterations that are a part of the building or structure; and
- (b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(6)** above.

**B. Paragraph A.1.b. Business Personal Property** in the Businessowners Property Coverage Form is replaced by the following:

**b.** Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, owned:

**(1)** By you; or

**(2)** Indivisibly by all unit-owners.

This includes your interest in the labor, materials or services furnished or arranged by you on personal property of others.

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

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.6.d.(3)(b)**.

**C.** The following is added to the **Loss Payment** Loss Condition in the Businessowners Property Coverage Form:

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

**2.** The mortgageholder appoints an insurance trustee for the owners or co-owners of the condominium as shown in the Schedule or in the Declarations. This insurance trustee will:

**a.** Serve as Agent with Power of Attorney as principal as respects the Cancellation Condition; and

**b.** Act on all matters dealing with loss or damage to buildings or structures covered under this policy.

This appointment includes the right to:

**a.** Receive loss payment due to the mortgageholder; and

**b.** Execute a full release on the mortgageholder's behalf.

**D.** The following is added to the **Property Loss Conditions**:

**10. Unit-Owner's Insurance**

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary, and not to contribute with such other insurance.

**E.** The following is added to Paragraph **C. - Who Is An Insured** of the Businessowners Liability Coverage Form:

**4.** Each individual unit-owner of the insured condominium, but only for liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

**F.** The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Common Policy Condition:

**3. Waiver Of Rights Of Recovery**

We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.



## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

### DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are 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 certain air carriers or vessels 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. 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 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

### DISCLOSURE OF PREMIUM

If you choose to accept this offer of coverage, there will be **no** additional premium charge for coverage for acts of terrorism during the current term of your policy, nor does your annual premium include any charges for the portion of losses covered by the United States Government under the Act. Should we decide to make a premium charge at any renewal of your policy, for coverage for acts of terrorism, you will be given the opportunity to reject this coverage.

You may choose to reject the offer by signing the **REJECTION STATEMENT** shown on the reverse side of this notice and returning it to us or your agent, and your policy will be written to exclude the described coverage. Please understand that since we are not making a premium charge for this coverage, there will be no return premium should you elect to reject this offer. **Important Note: Connecticut law prohibits the exclusion of coverage for loss by fire or other perils insured against in Condominium Association policies, caused directly or indirectly by terrorism. Therefore, this coverage cannot be rejected on Connecticut Condominium Association policies.**

In Maine, New York and Rhode Island, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if your policy is governed by the law of one of these states and you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism - in other words, coverage for such fire losses will be provided in your policy (if this is a renewal policy, coverage for such fire losses will continue to be provided in your policy).

Should you have any questions concerning this notice, please contact your local Independent Insurance Agent.

**REJECTION STATEMENT**

I hereby reject the offer of terrorism coverage. I understand that an **exclusion** of certain terrorism losses will be made part of this policy.

\_\_\_\_\_  
Named Insured(s) Signature(s)

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Date



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT - PERSONAL OR ADVERTISING INJURY, ADVERTISING INJURY AND RELATED DEFINITIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

### A. EXCLUSIONS

1. Exclusion **B.1.p. Personal Or Advertising Injury** is replaced by the following:

This insurance does not apply to:

**p. Personal Or Advertising Injury**

"Personal injury" or "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time;

(7) With respect to any loss, cost or expense arising out of any:

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

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

- (8) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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

(10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

2. Exclusion **B.1.q. Advertising Injury** is replaced by the following:

This insurance does not apply to:

**q. Advertising Injury**

"Advertising injury":

(1) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

(2) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(3) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

(4) Committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

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

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

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

**B. DEFINITIONS**

1. Liability And Medical Expenses Definition **F.1.** "Advertising injury" is replaced by the following:

1. "Advertising injury" means injury arising out of one or more of the following offenses:

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

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

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

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

2. Liability And Medical Expenses Definition **F.4.** "Coverage Territory" is replaced by the following:

4. "Coverage territory" means:

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

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

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

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

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

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

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

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

**3. Liability And Medical Expenses Definition**  
**F.13.** "Personal Injury" is replaced by the following:

**13.** "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

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

**4.** The following Liability And Medical Expenses Definition is added:

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

- (1) Notices that are published include material placed on the Internet or on similar electronic means of communication; and



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

# MASSACHUSETTS - LIMITED FUNGI OR BACTERIA COVERAGE (PROPERTY)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

### SCHEDULE\*

Revised Limit \$ _____
Separate Premises Or Locations Option YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
If YES, describe the separate premises or locations:
Business Income/Extra Expense - Revised number of days _____
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

#### A. Fungi Or Bacteria Exclusions

1. Paragraph **A.5.I.(5)** of the Increased Cost Of Construction Additional Coverage is replaced by the following:

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

2. The following exclusion is added to Paragraph **B.1. Exclusions:**

#### (h) "Fungi", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria.

But if "fungi", wet or dry rot or bacteria result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", wet or dry rot or bacteria result from fire or lightning; or

(2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot and Bacteria (contained in the Limited Fungi or Bacteria Coverage) if any, with respect to loss or damage by a cause of loss other than fire or lightning.



3. Paragraph **B.2.k.(2)** of the **Exclusions** is replaced by the following:

- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

**B. Limited Fungi Or Bacteria Coverage**

1. The following **Additional Coverage** is added to Paragraph **A.5**.

**n. Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria**

- (1) The coverage described in Paragraphs **B.1.n.(2)** and **B.1.n.(6)** only applies when the "fungi", wet or dry rot or bacteria are the result of a Covered Cause of Loss other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria are present.

(3) Unless a higher limit is selected in Schedule, the coverage described under this Limited Coverage is limited to \$15,000. If the Schedule indicates that the Separate Premises Or Locations Options applies, then the amount of coverage is made applicable to separate premises or locations as described in the Schedule. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or bacteria, we will not pay more than the total of \$15,000 unless a higher limit is selected in the Schedule even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

(4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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



(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.

a. If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

b. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

### C. Fungi Definition

1. The following definition is added to Paragraph H. Property Definitions:

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







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

**ADVANTAGE ENDORSEMENT**

This endorsement modifies insurance provided under the BUSINESSOWNERS POLICY.

**Endorsement Overview:**

<b>Section I – Amendments to Businessowners Special Property Coverage Form</b>		<b>Begins On Page</b>
<b>A.</b>	Removal of Insurance-To-Value Provision	1
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I. The Businessowners Special Property Coverage Form is amended as follows:

**A. REMOVAL OF INSURANCE-TO-VALUE PROVISION**

Paragraph **E.6.d.(1) Property Loss Conditions** is replaced by the following:

- (1) At replacement cost without deduction for depreciation, subject to the following:
  - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (b) We will not pay on a replacement cost basis for any loss or damage:
    - (i) Until the lost or damaged property is actually repaired or replaced; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of:

- (i) The cost to replace, on the same premises, the lost or damaged property with other property:
  - i. Of comparable material and quality; and
  - ii. Used for the same purpose; or
- (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

**B. BUSINESS INCOME CHANGES - BEGINNING OF PERIOD OF RESTORATION (NO WAITING PERIOD)**

Under paragraph **A.5.i. Additional Coverages**, the Civil Authority coverage is amended by deleting the second paragraph and replacing it with the following:

The coverage for Business Income will begin immediately after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

Under paragraph **H.3. Property Definitions** of the Businessowners Property Coverage Forms, paragraph **a.(1)** of the "Period of

restoration" definition is replaced by the following:

- (1) immediately after the time of direct physical loss or damage for Business Income Coverage; or

### C. AMENDMENT - WATER EXCLUSION

Under Section **B. Exclusions**, paragraph **1.g. Water** is deleted and replaced by the following:

#### g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain or overflows from a sump; or
- (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.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

Backup means a reverse flow of effluent water through an unobstructed plumbing system.

Overflow occurs when there is a localized clog or obstruction in your plumbing line. Effluent water that continues to enter the system is unable to drain, and there is an overflow at the nearest source.

### D. PROPERTY AT NEWLY ACQUIRED PREMISES

Under Section **A. Coverage**, paragraph **6.a.** is deleted and replaced by the following:

#### a. Property At Newly Acquired Premises

##### (1) Buildings

- (a) If this policy covers Buildings, you may extend that insurance to apply to Buildings you acquire at premises other than the premises described in the Declarations, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

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

- (b) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:
  - (i) This policy expires;
  - (ii) 30 days expire after you acquire the new premises; or
  - (iii) You report values to us.

##### (2) Business Personal Property

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

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

- (b) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:
  - (i) This policy expires;
  - (ii) 30 days expire after you acquire or begin construction at the new premises; or
  - (iii) You report values to us.

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

## **E. PERSONAL PROPERTY OFF PREMISES**

Under Section **A. Coverage**, paragraph **6.b.** is deleted and replaced by the following:

### **b. Personal Property Off Premises**

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

II. The Businessowners Liability Coverage Form is amended as follows:

## **A. AMENDMENT OF LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**

Paragraph **D.4.** of the **Liability And Medical Expenses Limits Of Insurance** provision is replaced by the following:

### **4. Aggregate Limits**

The most we will pay for:

- a. Injury or damage under the "products-completed operations hazard" arising from all "occurrences" during the policy period is two times the Liability and Medical Expenses limit; and
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

## **B. TRUSTS AS INSUREDS**

The following is added to paragraph **C.1. Who Is An Insured**:

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



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

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to the Business-owners Liability Coverage Form **BP 00 06** and **Section II - Liability** of the Businessowners Coverage Form **BP 00 03**:

**A. Exclusion i. under Paragraph B.1., Exclusions - Applicable To Business Liability Coverage** is replaced by the following:

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**i. War**

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

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

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

**B. Exclusion h. under Paragraph B.2. Exclusions - Applicable To Medical Expenses Coverage** does not apply. Medical Expenses due to war are now subject to Exclusion **g.** of Paragraph **B.2.** since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions - Applicable To Business Liability Coverage.**

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

#### **A. CAP ON CERTIFIED TERRORISM LOSSES**

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

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

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

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

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

## **EARTHQUAKE**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS POLICY**

- A.** The following are added to **COVERED CAUSES OF LOSS** in Paragraph **A.3.** in the Businessowners Property Coverage Form:
- 1.** Earthquake
  - 2.** Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.
- B.** All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
- C.** With respect to the coverage provided by this endorsement, we will not pay for loss or damage caused by or resulting from:
- 1.** Fire, explosion (other than volcanic explosion), landslide, mine subsidence, tidal wave, flood, mudslide or mudflow, even if attributable to an Earthquake or Volcanic Eruption.
  - 2.** Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.  
But, if this policy replaces earthquake insurance that excludes loss or damage that occurs after the expiration of the policy we will pay for loss or damage by Earthquake or Volcanic Eruption that occurs on or after the inception of this insurance, if the series of Earthquake shocks or Volcanic Eruptions began within 168 hours prior to the inception of this insurance.
- D.** The **EARTH MOVEMENT EXCLUSION** does not apply.
- E.** The **DEDUCTIBLES** Paragraph is replaced by the following for Earthquake and Volcanic Eruption:
- 1.** We will subtract a sum from the amount of loss or damage in any one occurrence.
    - a.** The sum we subtract from each separate item will be a percentage of its value. The applicable percentage is shown in the Declarations.
    - b.** This Deductible applies separately to the following:
      - (1)** Each building or structure;
      - (2)** The contents of each building or structure; and
      - (3)** Personal property in the open.
- Example:**
- When:
- |                              |           |
|------------------------------|-----------|
| The value of the property is | \$100,000 |
| The Earthquake Deductible is | 5%        |
| The amount of loss is        | \$ 20,000 |
- Step **(a)**:  $\$100,000 \times 5\% = \$5,000$
- Step **(b)**:  $\$20,000 - \$5,000 = \$15,000$
- The most we will pay is \$15,000. The remaining \$5,000 is not covered because of the Deductible.
- 2.** No deductible applies to the following Additional Coverages:
- a.** Business Income;
  - b.** Extra Expense; and
  - c.** Civil Authority.
- F.** The following is added to the **LIMITS OF INSURANCE SECTION**:
- The Limit of Insurance that applies to coverage under this endorsement also applies to the Business Income and Extra Expense Additional Coverages.

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

## **EXCLUSION - RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to section **B.1.Exclusions Applicable To Business Liability Coverage**:

This insurance does not apply to:

### **Recording And Distribution Of Material Or Information In Violation Of Law**

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

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



POLICY NUMBER: BP11034812

BUSINESSOWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ICE DAMMING - WATER DAMAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

**SCHEDULE\***

Ice - Damming - Water Damage DEDUCTIBLE: \$ 5,000 Per Unit

In consideration of a return premium, any loss or damage caused by water damage to property covered under A.1.a. resulting from thawing of snow, sleet or ice on the building or structure is subject to the Ice Damming - Water Damage Deductible shown in the Declarations or Schedule above. The provisions of this endorsement apply only to those building damages within the confines of the individual condominium units.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

### BUSINESSOWNERS LIABILITY COVERAGE FORM

The following provisions are added:

A. The following exclusion is added to Paragraph **B.1., Exclusions - Applicable To Business Liability Coverage:**

r. **Fungi or Bacteria**

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

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

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

B. The following definition is added **Paragraph F. Liability And Medical Expenses Definitions:**

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDOMINIUM ASSOCIATION COVERED PROPERTY**

This endorsement modifies insurance provided under the following:

**CONDOMINIUM ASSOCIATION COVERAGE**

Paragraph **A. a. (6)** in the Condominium Association Coverage form is replaced by the following:

**A. Coverage**

**1. Covered Property**

**a.** Building, meaning the building or structure described in the Declarations, including:

**(6)** Any of the following types of property contained within a unit, regardless of ownership:

**(a)** Fixtures, improvements and alterations that are a part of the building or structure;

**(b)** Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and

**(c)** Partition walls within the units.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

**A. The following exclusion is added to section B.1.  
Exclusions Applicable To Business Liability  
Coverage:**

This insurance does not apply to:

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

- (1) Damages, other than damages because of "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; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**B. The following is added to Exclusion B.1.p.  
Personal Or Advertising Injury:**

This insurance does not apply to:

"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.

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

## **ADDITIONAL INSURED - VOLUNTEER WORKERS**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS LIABILITY COVERAGE FORM**

The Businessowners Liability Coverage Form is amended as follows:

**A. Paragraph B.2.a. Exclusions Applicable to Medical Payments Coverage** is replaced by the following:

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".

**B. Paragraphs C.2.a. and C.2.b. Who Is An Insured** are replaced by the following:

**2.** Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1)** "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or 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" as a consequence of Paragraph **(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(a)** or **(b)**; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

**(2)** "Property damage" to property:

- (a)** Owned, occupied or used by,
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by  
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

**C.** For the purposes of the coverage provided by this endorsement, the following definition is added to Section **F. Liability And Medical Expenses Definitions:**

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCLUDE DESIGNATED AGENTS AS EMPLOYEES  
COVERED FOR EMPLOYEE DISHONESTY ONLY**

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS POLICY

**A. SCHEDULE**

<b>Capacity of Agent</b>	<b>Limit of Insurance</b>
TRUSTEES	\$ 100,000

**B. PROVISIONS**

1. Employee as used in the Employee Dishonesty coverage section of Form BP 00 02 shall be deemed to include each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity shown in the Schedule while acting on your behalf or while in possession of your Business Personal Property, including Money and Securities. These natural persons, partnerships or corporations are not covered for faithful performance of duty. The only covered cause of loss for the Agents scheduled above is employee dishonesty.  
  
Each such agent and the partners, officers, and employees of that agent are considered to be, collectively, one employee for the purpose of this insurance.
2. The most we will pay under this policy for loss caused by an agent included as an employee by this endorsement is the Limit of Insurance shown in the Schedule. That Limit of Insurance is part of, not in addition to, the Limit of Insurance for Employee Dishonesty shown in the Declarations.

**GENERAL ENDORSEMENT**

Attached to and forming part of Policy Number: BP11034812

Issued to: TREY GARDENS CONDOMINIUM

Effective date of endorsement: 08/22/2023

Issued by (Company): VERMONT MUTUAL INSURANCE CO

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

It is hereby understood and agreed that employee as used in the Employee Dishonesty coverage section of form BP0002 shall be deemed to include your directors or trustees who are not compensated, when performing acts coming within the scope of the usual duties of an officer or employee or member of any committee duly elected or appointed to examine or audit or have custody of your property.

All other terms and conditions of this policy remain unchanged.

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

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### **SCHEDULE**

<b>Coverage</b>	<b>Additional Premium</b>
Hired Auto Liability	INCLUDED
Non-Owned Auto Liability	INCLUDED

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

#### **1. HIRED AUTO LIABILITY**

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

#### **2. NON-OWNED AUTO LIABILITY**

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

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

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

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

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

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

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

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

This exclusion applies:

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

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

This exclusion does not apply to:

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

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

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

**(1)** Property owned or being transported by, or rented or loaned to the insured; or

**(2)** Property in the care, custody or control of the insured,



2. WHO IS AN INSURED in the Businessowners Liability Coverage Form, Paragraph C., is replaced by the following:

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

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

None of the following is an insured:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. The following additional definitions apply:

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

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

## **MASSACHUSETTS CHANGES**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS POLICY**

- A.** Paragraph **A.1.a.** of the Businessowners Property Coverage Form is replaced by the following:
- a.** Buildings, meaning the buildings and structures at the premises described in the Declarations, including:
    - (1)** Completed additions;
    - (2)** Fixtures, including outdoor fixtures;
    - (3)** Permanently installed:
      - (a)** Machinery; and
      - (b)** Equipment;
    - (4)** Your personal property in apartments or rooms furnished by you as landlord;
    - (5)** "Building personal property";
    - (6)** If not covered by other insurance:
      - (a)** Additions under construction, alterations and repairs to the buildings or structures;
      - (b)** Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.
- B.** Subparagraph **d.1.(d)** of the Section **E.6. Loss Payment** Property Loss Condition is replaced by the following:
- (d)** We will not pay on a replacement cost basis for any loss or damage:
    - (i)** Until the lost or damaged property is actually repaired or replaced:
      - i.** On the described premises; or
      - ii.** At some other location in the Commonwealth of Massachusetts; and
    - (ii)** Unless the repairs or replacement are made within a reasonable time, but no more than 2 years after the loss or damage.
- C.** The following provisions are added to the **Loss Payment** Property Loss Condition:
- 1.** In spite of any provision of any general or special law:
    - a.** We will not pay for loss or damage to real property caused by any Covered Cause of Loss if the amount of loss is \$5,000 or more unless you first submit to us a certificate of municipal liens from the collector of taxes of the city or town where the property is located.
    - b.** We will pay to the city or town any amount outstanding on the certificate of municipal liens arising from the provisions of Massachusetts General Law Chapters 40, 59, 60, 80, 83 and 164, Sections 58B through 58F.  
The payment will not exceed the amount of loss payable under this policy.  
We will send you and the mortgageholder proof of our payment to the city or town.
    - c.** The claim of the city or town will have priority over the claim of any mortgageholder, assignee, you or any other interested party, except where otherwise provided by the laws of the United States.
    - d.** We will not be liable to any city, town, mortgageholder, assignee, you or any other interested party for:
      - (1)** Amounts paid to a city or town; or
      - (2)** Amounts not paid to a city or town based upon a certificate showing that no municipal liens exist.
    - e.** Paragraphs **1.a.**, **1.b.**, **1.c.**, and **1.d.** above will not apply to any owner-occupied one-to four-family dwelling if the owner of the dwelling lived there when the claim for loss or damage arose.

2. We will not pay any claim for:
  - a. Loss, damage or destruction of \$1,000 or more to a building or structure; or
  - b. Loss, damage or destruction, of any amount, that causes a building or structure to become:
    - (1) Dangerous to life or limb; or
    - (2) Unused, uninhabited or abandoned and open to the weather;
 as provided under Massachusetts General Law, Section 6 of Chapter 143;

without giving at least 10 days' written notice before such payment to:

- (1) The Building Commissioner or the appointed Inspector of Buildings; and
  - (2) The Board of Health or the Board of Selectmen of the city or town where the property is located.
3. If at any time before our payment, the city or town notifies us by certified mail of its intent to begin proceedings designed to perfect a lien under Massachusetts General Law:
    - a. Chapter 143, Section 3A or 9; or
    - b. Chapter 111, Section 127B;

we will not pay while the proceedings are pending. The proceedings must be started within 30 days after we receive the notice.

Any lien perfected under the Massachusetts General Laws referred to in **3.a.** and **3.b.** above will extend to the city or town and may be enforced by it against the proceeds of this policy.

4. We will not be liable to any city, town, mortgageholder, assignee, you or any other interested party for:
  - (1) Amounts paid to a city or town; or
  - (2) Amounts not paid to a city or town; under Provisions **B.2.** and **B.3.** above.

- D. If loss or damage is caused by fire or lightning, the **Vacancy** Property Loss Condition is replaced by the following:

**9. Vacancy Or Unoccupancy**

If the building where loss or damage occurs, whether intended for occupancy by owner or tenant, has been vacant or unoccupied for more than:

- a. 60 consecutive days for residential premises of 3 units or less; or
- b. 30 consecutive days for all other premises: immediately before that loss or damage, we will not pay for the loss or damage.

A building is vacant when it does not contain enough business property to conduct customary "operations".

- E. The **Mortgageholders** Property General Condition is replaced by the following:

**2. Mortgageholders**

We will pay for covered loss of or damage to real estate to each mortgageholder shown in the Declarations, or in an attached schedule, in the order of precedence, as interests may appear.

- F. The following is added to paragraph **H. Property Definitions** of the Businessowners Property Coverage Form:

"Building personal property" means personal property owned by you that is used to maintain or service the buildings, structures or premises, including:

- (1) Fire extinguishing equipment;
- (2) Outdoor furniture;
- (3) Floor coverings; and
- (4) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.

- G. Coverage under the Businessowners Liability Coverage Form is amended as follows:

The following additional provisions apply to "bodily injury" and "property damage" arising out of the ownership, maintenance, entrustment to others, use, "loading or unloading" of any "mobile equipment" for which insurance is required of you under the Massachusetts Compulsory Liability Security Act:

1. Except to the extent provided in Paragraph **2.** below, this policy does not apply either on a primary or excess basis to "bodily injury" or "property damage" for which insurance is afforded (regardless of amount) under any liability coverage (compulsory or optional) of a Massachusetts Motor Vehicle Policy issued to you.
2. If the only liability insurance applicable with respect to "bodily injury" or "property damage" under a Motor Vehicle Policy is under the compulsory coverage, the "bodily injury" or "property damage" liability coverage under this policy shall apply in excess of that insurance, but only with respect to "bodily injury" or "property damage" arising out of the operation or use of the "mobile equipment" other than solely for the purposes of transportation or locomotion.

- H. The "leased worker" definition in Section **H.**, Liability And Medical Expenses Definitions of the Businessowners Liability Coverage Form does not apply.

- I. The following condition is added and supersedes any provisions to the contrary:
1. If this policy provides liability coverage for "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages and has been in effect for 60 days or more, we may cancel this policy by giving the first Named Insured, and the licensing authority or alcoholic beverage control commission, written notice of cancellation at least 60 days before the effective date of cancellation. The notice requirement does not apply to cancellation due to:
    - a. Nonpayment of premium; or
    - b. The first Named Insured's loss of license.
  2. If this policy has been issued pursuant to contract required by section 64A, 64B or 67 of Mass. Gen. Law Ann., Chapter 138, we may cancel this policy for nonpayment of premium by giving the first Named Insured and local licensing authorities written notice of at least 30 days before the effective date of cancellation.
- J. The following condition is added and supersedes any provisions to the contrary:

**NONRENEWAL**

This provision applies to coverage on real property which is used predominantly for residential purposes and consists of not more than four dwelling units, and to coverage on personal property of a person residing in such real property.

1. Ordinarily we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue this policy.
2. We may elect not to renew this policy. We may do so by delivering to you or mailing to you at your last mailing address shown in the Declarations, written notice of nonrenewal, accompanied by the specific reasons for nonrenewal, at least 45 days before the expiration date of this policy. However, if your policy was executed on behalf of us, in whole or in part, by or on behalf of your insurance agent or our insurance broker, we will send such written notice only to the agent or broker. Every insurance agent or broker receiving this notice is required to, within 15 days of its receipt, send a copy to you unless the agent or broker has replaced the insurance.

However, if this policy provides liability coverage for "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages and if we decided not to renew this policy, we may do so by giving the first Named Insured, and the licensing authority or alcoholic beverage control commission, written notice of our intent not to renew at least 60 days before the expiration of the policy. The notice requirement does not apply to nonrenewal due to:

- a. Nonpayment of premium; or
- b. The first Named Insured's loss of license.

K. The following is added to the Businessowners Property Coverage Form:

### STANDARD FIRE POLICY PROVISIONS

Your policy contains LEGAL ACTION AGAINST US, APPRAISAL and CANCELLATION provisions. Massachusetts law requires that the Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy supersede any similar provisions contained in your policy. Therefore, all LEGAL ACTION AGAINST US, APPRAISAL and CANCELLATION provisions, contained in your policy are void. The Suit, Appraisal and Cancellation provisions of the Massachusetts Standard Fire Policy shall apply instead.

In consideration of the Provisions and Stipulations Herein or Added Hereto and of the Premium Specified in the Declarations, this company, for the term of years specified in the Declarations from inception date (At 12:01 A.M. Standard Time) to expiration date (At 12:01 A.M. Standard Time) at location of property involved, to an amount not exceeding the amount(s) 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 in no event for more than the interest of the insured, against all 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.

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, providing 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 know-

ledge of the insured; or **(b)** while the described premises, whether intended for occupancy by owner or tenant, are vacant or unoccupied beyond a period of sixty consecutive days, for residential premises of three units or less and thirty (30) consecutive days for all other premises, or **(c)** as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

**Other perils of 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.**

This policy shall be cancelled at any time at the request of the insured, in which case this company shall, upon

demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this company by giving to the insured a five days written notice of cancellation, and to the mortgagee to whom this policy is payable twenty days' written notice of cancellation except where the stated reason for cancellation is nonpayment of premium where, in such instance, this policy may be cancelled at any time by this company by giving to the insured a ten days written notice of cancellation, and the mortgagee a twenty days written notice of cancellation, with or without tender of the excess paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand and shall state or be accompanied by a statement of the specific reason or reasons for such cancellation. After

this policy has been in effect for sixty days, or after sixty days from any anniversary date, no notice of cancellation shall be effective unless it is based on the occurrence, after the effective date of the policy, of one or more of the following: (1) nonpayment of premium; (2) conviction of a crime arising out of acts increasing the hazard insured against; (3) discovery of fraud or material misrepresentation by the insured in obtaining the policy; (4) discovery of willful or reckless acts or omissions by the insured increasing the hazard insured against; (5) physical changes in the property insured which result in the property becoming uninsurable; or (6) a determination by the commissioner that continuation of the policy would violate or place the insurer in violation of the law. Where the stated reason is nonpayment of premium, the insured may continue the coverage and avoid the effect of the cancellation by payment at any time prior to the effective date of cancellation.

**Mortgagee interests and obligations.**

Notwithstanding any other provisions of this policy, if this policy shall be made payable to a mortgagee of the covered real estate, no act or default of any person

other than such mortgagee or his agent or those claiming under him, whether the same occurs before or during the term of this policy, shall render this policy void as to such mortgagee nor affect such mortgagee's right to recover in case of loss on such real estate; provided, that the mortgagee shall on demand pay according to the established scale of rate for any increase of risk not paid for by the insured; and whenever this company shall be liable to a mortgagee for any sum for loss under this policy for which no liability exists as to the mortgagor, or owner, and this company shall elect by itself, or with others, to pay the mortgagee the full amount secured by such mortgage, then the mortgagee shall assign and transfer to the company interested, upon such payment, the said mortgage together with the note and debt thereby secured.

**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.

**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 and damaged property, showing in detail the quantity, description, actual cash value and amount of loss claimed; and the insured shall forthwith render to this company a signed, sworn statement in proof of loss which sets forth to the best knowledge and belief of the insured

the following: the time and cause 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, occupancy, 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 detailed estimates for repair of the damage. 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.

**When loss payable.**

In case of any loss or damage, the company, within thirty days after the insured shall have submitted a

statement, as provided in the preceding clause, shall either pay the amount for which it shall be liable, which amount if not agreed upon shall be ascertained by award of referees as hereinafter provided, or replace the property with other of the same kind and goodness, or it may, within fifteen days after such statement is submitted, notify the insured of its intention to rebuild or repair the premises, or any portion thereof separately covered by this policy, and shall thereupon enter upon said premises and proceed to rebuild or repair the same with reasonable expedition. It is moreover understood that there can be no abandonment of the property described to the company, and that the company shall not in any case be liable for more than the sum insured, with interest thereon from the time when the loss shall become payable, as above provided. The company shall be liable for the payment of interest to the insured at a rate of one percent over the prime interest rate on the agreed figure commencing thirty days after the date an executed proof of loss for such figure is received by the company, said interest to continue so long as the claim remains unpaid.

**Arbitration.**

In case of loss under this policy and a failure of the parties to agree as

to the amount of loss, it is mutually agreed that the amount of such loss shall be referred to three disinterested men, the company and the insured each



choosing one out of three persons to be named by the other, and the third being selected by the two so chosen, and the award in writing by a majority of the referees shall be conclusive and final upon the parties as to the amount of loss or damage, and such reference, unless waived by the parties, shall be a condition precedent to any right of action in law or equity to recover for such loss; but no person shall be chosen or act as a referee, against the objection of either party, who has acted in a like capacity within four months.

**Suit.** No suit or action against this company for the recovery of any claim

by virtue of this policy shall be sustained in any court of law or equity in this commonwealth unless commenced within two years from the time the loss occurred; provided, however, that if, within said two years, in accordance with the provisions of the preceding paragraph, the amount of the loss shall have been referred to arbitration after failure of the parties to agree thereon, the limitation of time for bringing such suit or action shall in no event be less than ninety days after a valid award has been made upon such reference or after such reference or award has been expressly waived by the parties. If suit or action upon this policy is enjoined or abated, suit or action may be commenced at any time within one year after the dissolution of such injunction, or the abatement of such suit or action, to the same extent as would be possible if there was no limitation of time provided herein for the bringing of such suit or action.

**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 therefore is made by this company.

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

## **AMENDMENT – LIQUOR LIABILITY EXCLUSION – EXCEPTION FOR SCHEDULED ACTIVITIES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### **SCHEDULE\***

**Description of Activity(ies):**  
NONE

Under Section B. EXCLUSIONS in the Businessowners Liability Coverage Form, exclusion 1.c. is replaced by the following exclusion:

This insurance does not apply to "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 only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) requires a license;
  - (b) is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at the specific activity(ies) described above.

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

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

## **PREMIUM AUDIT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

- A.** Paragraph **2.** of the **Premium Audit** Common Policy Condition is replaced by the following:
- 2.** Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit 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.

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

## **MASSACHUSETTS CHANGES - INTENTIONAL LOSS**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

The following exclusion and related provisions are added to Paragraph **B. Exclusions** with respect to loss or damage to Covered Property caused by fire:

#### **Intentional Loss**

1. We will not pay for loss or damage arising out of any act committed:
  - a. By or at the direction of the insured; and
  - b. With the intent to cause a loss.
2. However, this exclusion does not apply to an innocent coinsured who does not commit or conspire to commit any act that results in loss or damage by fire and the innocent coinsured making a claim:
  - a. Did not cooperate in or contribute to the creation of the loss; and
  - b. Cooperates in any investigation relating to the loss.
3. If we pay a claim pursuant to Paragraph 2. of this endorsement, our payment to the insured is limited to that insured's insurable interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MASSACHUSETTS - EXCLUSION OF LOSS DUE TO COMMUNICABLE DISEASE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following is added to Section **B.1. Exclusions**:

### Communicable Disease

- (1) Notwithstanding any provision to the contrary, we will not pay for any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a "communicable disease" or the fear or threat (whether actual or perceived) of a "communicable disease" regardless of any other cause or event contributing concurrently or in any other sequence thereto.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in a separate endorsement in this policy.

- (2) With respect to this Endorsement the following definition is added:

"Communicable disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b. The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and

- c. The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

- (3) The following provisions in the Massachusetts - Limited Fungi or Bacteria Coverage Endorsement **VB 06 98**, are hereby amended to remove reference to bacteria:

- a. Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and
- b. Additional Coverage - Limited Coverage for "Fungi", Wet Rot, Dry Rot And Bacteria.

## MASSACHUSETTS CHANGES – LEAD POISONING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

### SCHEDULE\*

#### PREMISES:

- A. With respect to the premises listed in the Schedule or Declarations of this policy, for each "unit" on such premises for which you have either a "Letter of Interim Control" or a "Letter of Compliance", we will provide coverage under item **A.1. BUSINESS LIABILITY** in the Businessowners Liability Coverage Form for liability arising out of an "occurrence" of lead poisoning, as described below.

This insurance applies to "bodily injury" which occurs during the policy period and arises out of lead poisoning from lead in a covered "unit", for which one of the following applies:

1. A "Letter of Interim Control" or a "Letter of Compliance" is in effect at the time the "bodily injury" occurs;
2. The "bodily injury" occurs within 14 days after you, or your managing agent, have been notified by an authorized lead inspector that the "unit" on your premises is not in conformance with an already existing emergency lead management plan and the "Letter of Interim Control"; or
3. The "bodily injury" occurs during any extension of the 14 day period described in paragraph 2. above, as granted by a lead poisoning control director, local code enforcement agency or board of health, or by judicial order, except "bodily injury" for which you are strictly liable under the Massachusetts Lead Law.

This insurance does not apply to "bodily injury" which is the result of your gross or willful negligence.

Subject to the Liability and Medical Expenses Limit shown in the Declarations of this policy and item **D. Liability and Medical Expenses Limits of Insurance**, the most we will pay for all "bodily injury" arising out of any one "occurrence" of lead poisoning shall not exceed the Liability and Medical Expenses Limit shown in the Declarations.

For each "unit" for which you obtain a "Letter of Interim Control" or a "Letter of Compliance" during the policy period, you must, as soon as practicable, notify us and provide a copy of the letter. Coverage for that "unit" shall take effect on the date the letter becomes applicable to the newly complying "unit"

- B. With respect to the premises listed in the Schedule or Declarations of this policy, for each "unit" for which you do not have a "Letter of Interim Control" or a "Letter of Compliance", the insurance under this policy does not apply to "bodily injury" arising out of lead poisoning from lead in such covered "unit" unless, for an additional premium, you purchased such coverage for which, if so purchased, an endorsement is attached to your policy.

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

- C.** If you are a new owner of a premises covered under this policy, and you bring such premises into conformance with the Massachusetts Lead Law within 90 days from taking title, the coverage described in paragraph **A.** above applies. Coverage for this period shall apply to all conforming "units" from the date you took title to the premises or from the inception date of this policy, whichever is later.
- D.** For the purposes of this endorsement, item **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended by the addition of the following:
- 1.** "Letter of Compliance" means a Letter of Lead Abatement Compliance or its equivalent issued by a licensed governmental or private lead inspector in accordance with applicable laws and Department of Public Health regulations on lead poisoning prevention and control. A "Letter of Interim Control" is not a "letter of compliance".
  - 2.** "Letter of Interim Control" means a letter, other than a "letter of compliance", which has been issued by a licensed lead inspector:
    - a.** In accordance with the applicable laws and the Department of Public Health regulations on lead prevention and control; and
    - b.** In connection with an emergency lead management plan which has been established to address an urgent lead paint hazard until a "Letter of Compliance" is obtained.
  - 3.** "Unit" means:
    - a.** A room or set of rooms, let to an individual or household for use as living and sleeping quarters, which:
      - (1)** Is located in any building, premises, dwelling, or in the residential portion of such building or premises which includes both commercial and residential accommodations; and
      - (2)** Was constructed prior to 1978; and
    - b.** The common areas used in connection with such room or set of rooms.

BUSINESSOWNERS FORMS REVISION

MASSACHUSETTS SUMMARY DISCLOSURE FORM

THIS IS A SUMMARY OF THE LEAD LIABILITY COVERAGE PROVISIONS OF YOUR POLICY. NO COVERAGE IS PROVIDED BY THIS SUMMARY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE PROVISION OF THE POLICY SHALL PREVAIL.

LEAD POISONING COVERAGE

1. Massachusetts Changes - Lead Poisoning Endorsement **BP 01 43** revises the coverage provided under item **A.1. Business Liability** in the Businessowners Liability Coverage Form. It specifically covers liability for bodily injury which results from lead poisoning from lead only in a dwelling unit or adjacent common areas for which a Letter of Interim Control (hereinafter including an equivalent letter, other than a letter of compliance, issued by a licensed lead inspector) or Letter of Compliance (hereinafter including a Letter of Lead Abatement Compliance or other equivalent letter of compliance) is in effect.

There is no coverage for **(1)** bodily injury which is the result of your gross or willful negligence; or **(2)** units without either a Letter of Interim Control or Letter of Compliance.

You must notify the insurer if, at any time during the policy period, a child under the age of six occupies a dwelling unit.

2. Massachusetts Changes - Lead Poisoning Endorsement **BP 01 43** also excludes coverage under the Businessowners Liability Coverage Form for bodily injury which results from lead poisoning from lead in a dwelling unit, or its adjacent common areas, for which a Letter of Interim Control or Letter of Compliance is not in effect.
3. In the event that a unit or premises does not have a Letter of Interim Control or a Letter of Compliance, coverage for bodily injury which results from lead poisoning from lead in such unit or premises may be provided by a separate endorsement "Massachusetts Changes - Supplemental Coverage For Lead Poisoning Endorsement **BP 04 42**" and for a separate charge.
4. If coverage under Massachusetts Changes - Supplemental Coverage For Lead Poisoning Endorsement **BP 04 42** is purchased by you within 30 days of its offer, the endorsement will be deemed effective on the inception date of the policy. If coverage under endorsement **BP 04 42** is purchased later than 30 days after receipt of an offer, the endorsement will be deemed effective on the date of the request by the insured, unless otherwise agreed by the insured and the insurer.
5. If the owner of a residential premises brings the premises into compliance with the Massachusetts Lead Paint Law during the policy term, coverage will be provided for bodily injury which results from lead poisoning arising from an exposure which occurs on or after the date the additional coverage becomes effective.
6. Massachusetts Changes - Lead Poisoning Endorsement **BP 01 43** also provides coverage for bodily injury arising out of lead poisoning, for a period of 90 days after a new owner takes title, if that new owner of a residential premises complies with the requirements of the Massachusetts Lead Law within 90 days of taking title. Coverage is provided for all complying units back to the date the owner took title, or from the effective date of the policy.
7. In order for a unit, and its adjacent common areas, for which a Letter of Interim Control or Letter of Compliance is in effect to qualify for coverage under endorsement **BP 01 43**, the insured must, as soon as practicable, notify the insurer and provide a copy of the letter.
8. Coverage for bodily injury arising out of lead poisoning for a unit, and its adjacent common areas, to which a Letter of Interim Control or a Letter of Compliance is in effect shall be provided, regardless of whether such letters are in effect for other units in the same building.
9. When coverage for bodily injury arising out of lead poisoning is provided on any unit, and its adjacent common areas, for which a Letter of Interim Control or a Letter of Compliance is in effect, such coverage will apply only to those lead poisoning liability claims which arise from the portion of the premises covered by the letter.



10. For units to which a Letter of Interim Control or a Letter of Compliance applies, coverage provided by Massachusetts Changes - Lead Poisoning Endorsement **BP 01 43** is in the amount of \$ 1,000,000 each occurrence.

For units to which neither a Letter of Interim Control nor a Letter of Compliance applies, if you purchase the Massachusetts Changes - Supplemental Coverage For Lead Poisoning Endorsement **BP 04 42**, the Limit of Lead Poisoning Liability Coverage is provided in the amount of \$ \_\_\_\_\_ each occurrence.

The each occurrence limits are subject to the Liability and Medical Expenses Limit in the Declarations of your policy and item **D**. Liability and Medical Expenses Limits of Insurance. The amount of the Liability and Medical Expenses Limit is unaffected by the purchase of either of these endorsements.

## DISCLOSURE STATEMENT

### QUESTIONS & ANSWERS:

#### LEAD POISONING AND RESIDENTIAL RENTAL PROPERTY

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**1. Are insurers required to cover lead poisoning liability claims resulting from lead in dwelling units, or can they exclude coverage of such claims?**

There is no single answer to this question. An insurer may decline to insure any premises for liability insurance of any kind. But, once such an insurer in the regular ("admitted") market elects to write liability coverage on any given residential rental premises constructed before 1978, it must cover liability from injury from lead in dwelling units, if that injury arises from any part of the premises that complies with the Lead Law. However, under such insurance, injuries from lead in dwelling units are not covered if they result from an insured owner's gross or willful negligence.

An insurer in the regular market may exclude coverage of liability for injury from lead in a residential rental dwelling unit if the unit (and associated common area) is not in compliance with the Lead Law. However, if such an insurer intends to apply an exclusion of this kind, it must, at the same time, offer the insured the option of "buying back" the lead coverage it intends to exclude. (Lead "buyback" coverage costs extra, subject to review by the Division of Insurance.) Also, if a new owner of residential rental property - constructed before 1978 - is insured for liability by a regular market carrier, he or she generally will be insured for liability for injury from lead in dwelling units occurring within the 90-day period that he or she comes into compliance with the Lead Law.

The above-noted lead liability insurance rules apply to all policies containing liability insurance that are written on residential rental properties by regular market insurers. The rules also apply to homeowners insurance from the FAIR Plan. The FAIR Plan offers homeowners insurance to property owners unable to find coverage in the regular market. It does not provide commercial liability coverage.

The above-noted rules also apply to rental properties, including those that are owner-occupied. The rules do not permit regular market and FAIR-Plan homeowner's insurance policies on single-family owner-occupied homes to contain lead liability exclusions. A regular market or FAIR Plan homeowners insurance on a single family owner occupied home will cover lead liability claims. However, that policy will not cover claims by persons, including children, who are insured under the same policy for liability claims made against them. Note: Surplus lines carriers (less regulated insurers that are not part of the regular market, and that provide insurance to those who cannot find it elsewhere, generally at higher than regular market prices) are not subject to any of the above requirements regarding lead liability insurance.

**2. What is lead poisoning?**

Lead poisoning is an environmental health hazard especially dangerous for children under six years old. It is caused by ingestion or inhalation of lead. In young children, too much lead in the body can cause serious damage to the brain, kidneys, nervous system and red blood cell. High levels of lead can cause retardation, convulsions, coma and sometimes death. Even low levels of lead can slow a child's development and cause learning and behavioral problems.

**3. How do children become lead poisoned?**

Children most often are exposed to lead through ingestion of lead paint dust and lead paint debris. Such dust and debris may accumulate in window wells, window sills, floors and other surfaces through normal use and wear of lead-painted building components. Chipping or peeling leaded paint, plaster or putty also creates lead dust and debris. Children do not have to chew on lead painted surfaces to become poisoned; In fact, research has shown that the normal hand-to mouth activity of young children, bringing a small amount of fine lead dust into the child's system is responsible for most lead poisoning. Children can also be exposed to lead from other sources, such as leaded soil or water, but these rarely cause lead poisoning by themselves.

**4. Do I face serious liability if a child becomes poisoned on my property?**

Yes. With respect to damages resulting to a lead poisoned child, a property owner is strictly liable under the Lead Law for his or her failure to comply with the Lead Law. This means that the property owner does not even have to be aware of the presence of lead paint in his or her property. The potential damages that may be awarded in such cases may depend on the degree of lead poisoning. Court awards can be considerable for severely poisoned children, as they often include the costs of lost potential earnings, long-term remedial education and medical care for what can be permanent, injuries. A property owner who meets the requirements of the Lead Law is free of strict liability as long as he or she maintains a valid Letter of Compliance or Letter of Interim Control. However, such a property owner must exercise reasonable care to maintain the condition of compliance. He or she can become liable to a lead-poisoned child if he or she breaches that duty of reasonable care - that is, is negligent.

**5. What does the Lead Law require property owners to do?**

Owners of residential property built before 1978 in which children under six years of age live must have the property inspected for lead paint by a licensed lead inspector or risk assessor. If there are Lead Law violations, the property owner must have the unit delead for full compliance, or brought under interim control.

**6. Can I refuse to rent to a family with a child under six as a way of avoiding my obligation to delead?**

No. The Lead Law (M.G.L. c.111, s. 199A) prohibits rental discrimination, including refusing to rent to families with children under six, or evicting or refusing to renew the lease of families with children under six, because of lead paint. Discrimination is also a violation of the U.S. Fair Housing Act, 42 U.S.C. 3604, and the Massachusetts anti-discrimination statute, M.G.L. c. 151 B, s. 4. Parents cannot waive the rights of their children to live in lead-safe housing or agree to assume the risks of lead exposure.

**7. How do I obtain evidence that my property is in compliance with the Lead Law?**

You need either a Letter of Full Compliance or a Letter of Interim Control. A Letter of Full Compliance is a legal letter, signed and dated by a licensed lead inspector that says either that there are no lead paint hazards in the property, or that the property has been delead. A letter of Interim Control is a legal letter; signed and dated by a licensed risk assessor that says work necessary to make a home temporarily safe from lead hazards has been done. A letter of Interim Control is good for one year, but can be renewed for one more year.

**8. How do I get a lead inspection or risk assessment?**

Call the state Department of Public Health Childhood Lead Poisoning Prevention Program (CLPPP) at 1-800-532-9571 for a list of licensed private lead inspectors and risk assessors. These lists may also be found at [www.mass.gov/dph/clppp](http://www.mass.gov/dph/clppp). Many of these contractors advertise in the telephone yellow pages as well.

**9. How can I get my property delead or brought under interim control?**

Based on the findings of a lead inspection or risk assessment, a deleader licensed by the state Department of Labor's Division of Occupational Safety must do any high-risk removal of lead paint. Moderate-risk lead abatement such as removal and replacement of leaded components and surfaces (such as windows and woodwork), and making small amounts of leaded surfaces intact may be performed by owners who are authorized by CLPPP. The property owner who is not a licensed deleader can do certain low-risk deleading and interim control tasks. For a list of licensed deleaders, call CLPPP at 1-800-532-9571. For information on moderate or low-risk owner/agent deleading and interim control work, call CLPPP or visit [www.mass.gov/dph/clppp](http://www.mass.gov/dph/clppp).

**10. Is there financial assistance to help owners pay for deleading?**

Yes. First, there is a state income tax credit of up to \$1,500 per unit for deleading full compliance. A state income tax credit of up to \$500 per unit is applicable for half the cost of interim control work that also contributes to full compliance. Second, there are grants and no interest or low-interest loans available to eligible property owners through the U.S. Department Housing and Urban Development, the Massachusetts Department of Housing and Community Development, MassHousing, local city and town community development, rehabilitation and planning departments, as well as private banks. Call CLPPP for more detailed information on finding financial assistance.

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**WHERE TO GET INFORMATION**

**Massachusetts Department of Public Health  
Childhood Lead Poisoning Prevention Program**

250 Washington Street, 7th Floor  
Boston, MA 02108-4619  
1-800-532-9571

**Massachusetts Division of Insurance**

One South Station  
Boston, MA 02110-2208  
617-521-7794

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

## ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY**

**SCHEDULE\***

Bldg./Prem. No./No.	Cov. 1	Cov. 2 Limit of Insurance.	Cov. 3 Limit of Insurance.	Covs. 2 and 3 <b>Combined</b> Limit of Insurance.
001 / 001	<input checked="" type="checkbox"/>	\$ _____	\$ _____	\$ <u>500,000</u> **
/	<input type="checkbox"/>	\$ _____	\$ _____	\$ _____ **
/	<input type="checkbox"/>	\$ _____	\$ _____	\$ _____ **

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

\*\* Do **not** enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages 2 and 3, or if one of these Coverages is not applicable.

- A. Each Coverage - Coverage 1, Coverage 2 and Coverage 3 - applies only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building property identified for the Coverage(s) in the Schedule.
- B. We will not pay under Coverage 1, 2 or 3 of this endorsement for:
  - 1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread of any activity of "fungi", wet or dry rot or bacteria; or
  - 2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- C. Coverage
  - 1. **Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building**  
If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:
    - a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
    - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
    - c. Is in force at the time of loss.
 Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage 1 does not increase the Limit of Insurance.
  - 2. **Coverage 2 - Demolition Cost Coverage**  
If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.  
Paragraph E.6.d. of the Property Loss Conditions does not apply to Demolition Cost Coverage.
  - 3. **Coverage 3 - Increased Cost of Construction Coverage**  
If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:
    - a. Repair or reconstruct damaged portions of that Building property; and/or

- b. Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

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

However:

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

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

#### **D. Loss Payment**

- 1. When Coverage 1 applies, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

- a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

- b. If the property is **not** repaired or replaced, we will not pay more than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

- 2. Unless paragraph **D.4.** applies, loss payment under Coverage 2 - Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit of Insurance shown for Coverage 2 in the Schedule above.

- 3. Unless paragraph **D.4.** applies, loss payment under Coverage 3 - Increased Cost of Construction Coverage will be determined as follows:

- a. We will not pay under Coverage 3:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.

- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit of Insurance shown for Coverage 3 in the Schedule above.

- 4. If a **Combined** Limit of Insurance is shown for Coverages 2 and 3 in the Schedule above, paragraphs **D.2.** and **D.3.** of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages 2 and 3 in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- b. With respect to the Increased Cost of Construction:
  - (1) We will not pay for the increased cost of construction:
    - (a) Until the property is actually repaired or replaced, at the same or another premises; and
    - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
    - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- E. The terms of this endorsement apply separately to each building to which this endorsement applies.
- F. Under this endorsement, we will not pay for loss due to any ordinance or law that:
  - 1. You were required to comply with before the loss, even if the building was undamaged; and
  - 2. You failed to comply with.
- G. The following definition is added to Paragraph H. Property Definitions:
  - 1. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

