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**Commercial
Property
Policy**

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COMMERCIAL PROPERTY LIABILITY POLICY

QUICK REFERENCE

DECLARATIONS PAGE

Name of Insurance Company
Policy Period
Your Name and Address
Operation
Coverage and Amounts of Insurance
Employees

Beginning On Page

AIF 2665	
SLAB EXCLUSION SECTION I EXCLUSIONS LIMITATION ENDORSEMENT	2
CC 0600	
CERTIFIED TERRORISM LOSS	2
CC 0601	
LIMITED COVERAGE—ASSAULT OR BATTERY	3
CC 1605	
CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM AND FEDERAL SHARE OF INSURED LOSSES ..	4
CC 1660	
CONDITIONAL NUCLEAR, BIOLOGICAL, AND CHEMICAL TERRORISM EXCLUSION (WITH LIMITED EXCEPTION)	6
CCP23	
GLASS BREAKAGE ENDORSEMENT	8
CCP25	
RESTAURANT EXTENSION ENDORSEMENT	8
CCP26	
COVERAGE EXTENSION ENDORSEMENT	10
CCP27	
MARKET VALUE	15
CCP28	
INFLATION GUARD ENDORSEMENT	15
CC10	
ILLINOIS INQUIRY NOTICE	15
CC13	
NOTIFICATION OF INSURANCE PRACTICES	16
CC21	
SEEPAGE, POLLUTION, CONTAMINATION DEBRIS REMOVAL, COST OF CLEAN UP AND AUTHORITIES EXCLUSION ENDORSEMENT	19
CP 00 10	
BUILDING AND PERSONAL PROPERTY COVERAGE FORM	20
CP 00 32	
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM	42
CP 00 50	
ILLINOIS EXCLUSIONS/LIMITATIONS — COMBINATION ENDORSEMENT	53

CP 00 90	
COMMERCIAL PROPERTY CONDITIONS . . . . .	.57
CP 10 10	
CAUSES OF LOSS — BASIC FORM . . . . .	.59
CP 10 20	
CAUSES OF LOSS — BROAD FORM . . . . .	.64
CP1030	
CAUSES OF LOSS —SPECIAL FORM . . . . .	.72
CP 10 33	
THEFT EXCLUSION . . . . .	.85
IL 00 03	
CALCULATION OF PREMIUM . . . . .	.85
IL 00 17	
COMMON POLICY CONDITIONS . . . . .	.86
IL 00 30	
EXCLUSION OF TERRORISM . . . . .	.87
IL 05 99	
ILLINOIS CANCELLATION AND NON-RENEWAL CLAUSE . .	.90
IL 09 12	
ILLINOIS CHANGES—MINE SUBSIDENCE— NON-RESIDENTIAL BUILDING . . . . .	.91
LL00 50	
EXCLUSION ASSAULT AND/OR BATTERY . . . . .	.94
NMA 1191	
RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE PHYSICAL DAMAGE — DIRECT (U.S.A.) . . . . .	.94
NMA 2915	
ELECTRONIC DATA ENDORSEMENT B . . . . .	.95
NMA 2962	
BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION . . .	.96
NMA 464	
WAR AND CIVIL WAR EXCLUSION CAUSE . . . . .	.96
UG 161	
WAIVER OF MINE SUBSIDENCE COVERAGE State of Illinois . . . . .	.96

SLAB EXCLUSION
SECTION I EXCLUSIONS
LIMITATION ENDORSEMENT

AIF 2665
(02-06)

This policy does not cover loss including the Loss of Use, under Coverage A (building) caused by settling, cracking, bulging, shrinking, or expansion of foundation, walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls or swimming pools. In addition, we do not cover loss, including loss of use, caused by broken or leaking pipes in or under slab or foundations.

CERTIFIED TERRORISM LOSS CC 0600 05 03

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

1. The following definitions are added:
 - a. **Certified act of terrorism** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States.
 - 1) to have an act of terrorism;
 - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
 - 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 30102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission; and
 - 4) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

No act will be certified by the Secretary of the Treasury as an act of terrorism if the act is committed as part of the course of a war declared by the Congress (except with respect to any coverage for worker's compensation) or if property or casualty insurance losses resulting from the act do not exceed \$5,000,000,000 in the aggregate.

(b) Certified terrorism loss means loss that results from a certified act of terrorism.

2. The terms of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to certified terrorism loss.

3. The following provision is added:
If the Secretary of the Treasury determines that the amount of certified terrorism loss has exceeded the maximum annual liability as set forth by the Federal Terrorism Risk Insurance Act of 2002 or any amendments thereto, we will not pay for any portion of certified terrorism loss that exceeds the maximum annual liability.
4. The following provisions are added:
 - a. Neither the term of this endorsement nor the terms of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
 - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

**LIMITED COVERAGE
ASSAULT OR BATTERY**

CC 0601 (06-06)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE FORM

This insurance does not apply to “bodily injury,” “property damage,” “personal and advertising injury” or “medical expenses” arising out of assault or battery or out of any act or omission in connection with the prevention or suppression of such acts, including failure to warn, train or supervise, whether caused by or at the instigation or direction of the insured, his employees, patron or any other person; except as provided below:

1. “Bodily injury,” “property damage,” “personal and advertising injury” or “medical expense” resulting from assault or battery or physical altercations that occur in, on, near or away from the insured’s premises:
 - a. Whether or not caused by, or arising out of, or at the instigation of, or with the direct involvement of the insured, the insured’s employees, patrons or

other persons, in, on, near or away from the insured's premises, or

- b. Whether or not caused by, or arising out of the insured's failure to properly supervise or keep the insured's premises in a safe condition, or
- c. Whether or not caused by, or arising out of any insured's act or omission in connection with the prevention or suppression of the assault, battery or physical altercation, including, but not limited to, negligent training and/or supervision.

2. Limits of Insurance

The Limits of Insurance shown below are the only Limits of Insurance available to any insured under this policy, for such insurance as is provided by this endorsement. The Limits of Insurance shown below are subject to the General Aggregate Limit.

- a. \$ _____ Each Occurrence*
- b. \$ _____ Aggregate*

*Entry may be left blank if shown elsewhere in this policy for this coverage.

**CERTIFIED TERRORISM LOSS DISCLOSURE
OF PREMIUM AND FEDERAL
SHARE OF INSURED LOSSES**

CC 1605 06 06

**TERRORISM PREMIUM DISCLOSURE NOTICE. PLEASE
READ CAREFULLY.**

(The entries required to complete this endorsement will be shown below, on the declarations, or on the schedule of coverages).

SCHEDULE

- A. Certified Terrorism Loss Premium through _____*:
\$ _____*
- B. (This item may be left blank; see item 4, for more information) Estimated Certified Terrorism Loss Premium Beyond Date Shown Above:
\$ _____*
- C. (This item may be left blank; see item 2. below for more information.)
Federal share of terrorism losses: _____%,
for losses occurring in year 20__
Federal share of terrorism losses: _____%.
for losses occurring in year 20__

Additional information, if any concerning terrorism premium;

- 1. The portion of your premium that is attributed to coverage for certified terrorism loss is shown in the Schedule above.
- 2. Coverage for certified terrorism loss, to the extent that such coverage is provided by this policy or Coverage Part, will be partially reimbursed by the United States

Government, Department of Treasury under a federal program. Under that program, the United States pays the following percentages of the amount of covered certified terrorism loss, that exceeds the statutorily established deductible that we retain:

- a. 90% for losses occurring in 2006; and
- b. 85% for losses occurring in 2007.

If the federal program is extended beyond 2007, the percentage of covered certified terrorism loss that exceeds the statutorily established deductible that we retain and that is paid by the United States is shown under item C. in the Schedule above.

3. The Certified Terrorism Loss Premium is calculated based in part on the federal reimbursement of terrorism losses established by the federal program. That program is scheduled to terminate on the date shown in item A. of the Schedule above, unless renewed, extended, or replaced by the federal government.
4. The following provisions apply if the Conditional Terrorism Exclusion endorsement is applicable.
 - a. Continuation of coverage for certified terrorism loss, or termination of such coverage, will depend on whether the federal program is renewed, extended, or replaced without change or ceases on the date shown in item A. of the Schedule above, subject to the terms of the Conditional Terrorism Exclusion endorsement.
 - b. If coverage for certified terrorism loss continues and no estimated premium is shown in item B. of the Schedule above, we will calculate the premium for certified terrorism loss for the period beyond the date shown in item A. of the Schedule above for the period beyond the date shown in item A. of the Schedule; and we will charge additional premium, as determined by our calculations.
 - c. If an estimated premium is shown in item B. of the Schedule above for the period beyond the date shown in item A. of the Schedule, we will recalculate that premium when the status of the federal program is determined; and we will charge additional premium or refund excess premium, as determined by our calculations.
5. If the Conditional Terrorism Exclusion is not applicable, continuation of coverage for terrorism loss will not depend on whether the federal program is renewed, extended, or replaced without change or ceases on the date shown in item A. of the Schedule above. When the status of the federal program is determined, we will calculate the estimated premium shown in item B. of the Schedule for the period beyond the date shown in item A. of the Schedule; and we will charge additional premium or refund excess premium, as determined by our calculations.
6. If we notify you of an additional premium charge, the additional premium will be due as specified in our notice.

**CONDITIONAL NUCLEAR, BIOLOGICAL, AND
CHEMICAL TERRORISM EXCLUSION
(WITH LIMITED EXCEPTION)**

CC 1660 06 06

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

NOTICE

The Terrorism Risk Insurance Program (the program), as established under federal law, is scheduled to terminate while your policy is in effect.

The Terrorism Exclusion found in this endorsement will apply only if the federal government does not renew, extend, or otherwise replace the Program or if the conditions, definitions, or requirements of the Program are changed by the federal government and federal law no longer requires that we make Terrorism Coverage available to you.

1. The Terrorism Exclusion set forth by this endorsement becomes effective on the earliest of the following:
 - a. the date that the federal Terrorism Risk Insurance Program (the Program) established by the Terrorism Risk Insurance Act has terminated with respect to the type of insurance provided by the Coverage Part to which this endorsement applies; or
 - b. the effective date of a renewal, extension, or replacement of the Program, if federal law no longer requires that we make terrorism coverage available to you and the Program has been renewed, extended, or replaced subject to changes that:
 - 1) redefine terrorism; or
 - 2) increase our financial exposure under the Program; or
 - 3) impose requirements on insurance coverage for terrorism that differ from the terms, amounts, or other limitations that otherwise govern coverage for loss or damage under the terms of the Coverage Part to which this endorsement applies.

If a condition described under items 1.a. and 1.b. occurs prior to the effective date of the policy period to which this endorsement applies, the Terrorism Exclusion set forth by this endorsement applies as of the effective date of that policy period.

2. If the Terrorism Exclusion set forth by this endorsement becomes effective, this Terrorism Exclusion:
 - a. supersedes any other endorsements that address certified acts of terrorism, certified terrorism loss, non-certified acts of terrorism, and or non-certified terrorism loss that also apply to the Coverage Part to which this endorsement applies, but only with respect to loss or damage caused by one or more incidents of terrorism that occur on or after the effective date of this Terrorism Exclusion; and
 - b. remains in effect unless we notify you of changes to this Terrorism Exclusion.
3. If none of the conditions described above under items 1.a.

and 1.b. occur, any other endorsements that address terrorism loss, non-certified acts of terrorism, and or non-certified terrorism loss that apply to the Coverage Part to which this endorsement applies continue to apply until we notify you of changes to such other endorsements.

4. The word terrorism, when shown in this endorsement in bold, has the following meaning:

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

- a. that involves the following or preparation for the following:

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

- b. when one or both of the following applies:

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

5. The following exclusion is added:

TERRORISM EXCLUSION

Subject to the Fire Exception, we will not pay for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

This exclusion applies only when one or more of the following are attributed to an incident of terrorism:

- a. the terrorism is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
- b. radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
- c. the terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

Fire Exception — if terrorism results in fire, we will pay for the loss or damage caused by that fire, subject to the limit and all terms that apply to the affected property. This Fire Exception applies only to direct loss or damage by fire to covered property. Therefore, for example, this Fire Exception does not apply to insurance provided under

- Income, Earnings, Extras Expense, or Legal Liability coverages, endorsements, coverage parts, or policy forms.
6. When the Terrorism Exclusion set forth by this endorsement applies due to an incident of **terrorism** described above under 5.a. or 5.b., that Terrorism Exclusion supercedes the Nuclear Hazard Exclusion in the Coverage Part to which this endorsement applies.
 7. The following provisions are added:
 - a. Neither the term of this endorsement nor the terms of any other terrorism endorsement attached to the Coverage Part to which this endorsement applies provide coverage for any loss or damage that would otherwise be excluded by that Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.
 - b. The absence of any other terrorism endorsement does not imply coverage for any loss or damage that would otherwise be excluded by the Coverage Part to which this endorsement applies under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

CCP23
(Ed. 01-07)

GLASS BREAKAGE ENDORSEMENT

We do not cover any building glass breakage loss for more than \$100 for any plate, pane, multiple plate insulating unit, heating pane, jalousie, louver, or shutter, or more than \$500 in any one occurrence. These limits do not apply to loss by specified perils other than vandalism.

A deductible of \$50.00 shall apply.

CCP25
(Ed. 01-07)

**RESTAURANT EXTENSION
ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE
PART (CP-0010)**

The Extensions and Special Coverages provided by this endorsement are added to the Building and Personal Property Coverage Part. They are subject to all of the terms, exclusions and conditions applicable to this policy, except where otherwise provided herein.

Deductible: \$250 per occurrence.

If this deductible and one or more of the deductibles listed in the policy apply on the same occurrence, the total to be deducted shall not exceed the largest deductible applicable.

Extensions

- 1. Antennas, Awnings, Canopies, Fences and Signs.** The limit under item 1.a. is increased to \$2,500.
- 2. Property Off Premises.** The limit shown under item 1.b. increased to \$10,000.
- 3. Increased Costs — Ordinance or Law.** The limit shown under item 2.a. is increased to \$10,000.
- 4. Personal Effects.** The limits shown under item 3.c. is increased to \$1,000.
- 5. Personal Property of Others.** The limit shown under item 3.e. is increased to \$10,000.
- 6. Property in Transit.** The limit shown under item 3.f. is increased to \$5,000.
- 7. Valuable Papers.** The limit shown under item 3.g. is increased to \$10,000.

Special Coverages

The following are added:

1. Accounts Receivable

In the event of a loss to your accounts receivable records caused by a covered peril, we cover:

- a. The sums that are due from your customers which you cannot collect.
- b. The interest charge on a loan if that loan is used to offset those sums that cannot be collected.
- c. Collection costs that result from a loss which are above your normal collection costs.
- d. The reasonable cost to reconstruct your accounts receivable records.

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

2. Food Spoilage

We cover perishable stock owned by you or by others that is in your care, custody or control. Perishable stock is covered only while at the premises described in the declarations. We only insure against loss caused by the following perils:

- a. Breakdown** — This means a change in temperature or humidity resulting from: mechanical breakdown, malfunctioning or failure of the refrigeration system or the equipment or apparatus controlling the refrigeration system.
- b. Contamination** — These means contamination by the refrigerant of the refrigeration system.
- c. Power Disruption** — This means a change in temperature or humidity resulting from a complete or partial lack of electrical power or a fluctuation of electrical current due to conditions beyond your control. However, this does not include loss resulting from the inability of an electrical utility company to provide sufficient power due to governmental order or lack of fuel or the lack of generating capacity to meet demand.

The most we will pay for loss in any one occurrence is \$2,500.

3. Money and Securities

- a. We will pay for the theft, disappearance or

destruction of money and securities you use in your business as shown by your records.

- b. We will not pay for any loss caused by or resulting from accounting or arithmetical errors or omissions; dishonest or criminal acts of employees, directors, trustees, or representatives; the giving or surrendering of money or checks in exchange or purchase; or damage resulting from fire, however caused.

The most we will pay for loss in any one occurrence is \$2,500.

4. Back Up of Sewers and Drains

We will pay for loss resulting from water which backs up through sewers or drains or water which enters into and overflows from within a sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

The most we will pay for loss in any one occurrence is \$2,500.

5. Recharging or Extinguishing System

We will pay up to \$250 to recharge your automatic fire extinguishing system if the system was Activated to extinguish a fire and did so efficiently.

Additional Definitions

1. Money means:
 - a. Currency, coins and bank notes in current use and having face value; and,
 - b. Travelers checks, register checks and money orders held for sale to the public.
2. Securities means negotiable and non-negotiable instruments or contracts representing either money or other property and includes:
 - a. Tokens, tickets, revenue and other stamps 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.
3. Perishable Stock means personal property preserved and maintained under controlled conditions and susceptible to loss if the controlled conditions change.

COVERAGE EXTENSION ENDORSEMENT

CCP26
(Ed. 01-07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE PART

The Extensions and Special Coverages provided by this endorsement are added to the Building and Personal Property Coverage Part. They are subject to all of the terms, exclusions and conditions applicable to this policy, except where otherwise provided herein.

Deductible: \$250 per occurrence.

If this deductible and one or more of the deductible listed in the policy apply on the same occurrence, the total to be deducted shall not exceed the largest deductible applicable.

Extensions

- 1. Antennas, Awnings, Canopies, Fences and Signs.** The limit under item 1.a. is increased to \$2,500. Coverage is expanded to include the Causes of Loss indicated in form CP-85.
- 2. Property Off Premises.** The limit shown under item 1.b. increased to \$10,000.
- 3. Increased Costs – Ordinance or Law.** The limit shown under item 2.a. is increased to \$10,000.
- 4. Personal Effects.** The limits shown under item 3.c. is increased to \$1,000.
- 5. Personal Property of Others.** The limit shown under item 3.e. is increased to \$10,000.
- 6. Property in Transit.** The limit shown under item 3.f. is increased to \$5,000.
- 7. Valuable Papers.** The limit shown under item 3.g. is increased to \$10,000.

Special Coverages

The following is added:

1. Accounts Receivable

In the event of a loss to your accounts receivable records caused by a covered peril, we cover:

- a. The sums that are due from your customers which you cannot collect.
- b. The interest charge on a loan if that loan is used to offset those sums that cannot be collected.
- c. Collection costs that result from a loss which are above your normal collection costs.
- d. The reasonable cost to reconstruct your accounts receivable records.

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

2. Money & Securities

- a. We will pay for the theft, disappearance or destruction of money and securities you use in your business as shown by your records.
- b. We will not pay for any loss caused by resulting from accounting or arithmetical errors or omissions; dishonest or criminal acts of employees, directors, trustees, or representatives; the giving or surrendering of money or checks in exchange of purchase; or damage resulting from fire, however caused.

The most we will pay for loss in any one occurrence is \$2,500.

3. Back Up of Sewers and Drains

We will pay for loss resulting from water which backs up through sewers or drains or water which enters into and overflows from within a sump pump well or other type of system designed to remove subsurface water which is drained from the foundation area.

The most we will pay for loss in any one occurrence is \$2,500.

4. Computer Coverage

The coverage provided by this endorsement is subject to the provisions applicable to the Businessowners Property Coverage Form of this policy including the deductible, except as provided below. Words that appear in quotation marks have special meaning. Total maximum limit of coverage is \$5,000.

Refer to SECTION F. DEFINITIONS.

A. COVERAGE

We will pay for "loss" to Coverage Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this endorsement means:

a. Data Processing "Equipment" owned by, rented to or under your control:

(1) while at the locations specified in the Declarations;

(2) while in transit or at a temporary location;

(3) while at premises you own, lease or operate, other than those described in the Declarations, but this coverage shall cease thirty (30) days from the date of acquisition of such premises or on the date values at such locations are reported to the Company or on the expiration date of the Policy, whichever occurs first.

b. Data Processing "Media" and "Data" you own, rent or legally responsible.

2. Property Not Covered. Covered Property does not include:

a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents;

b. Program support documentation, such as flow charts, record formats or narrative descriptions, unless converted to data and then only in that form;

c. "Media" or "Data" which cannot be replaced with like kind and quality;

d. Property rented or leased to others while away from your premises.

3. COVERED CAUSES OF LOSS. Covered Causes of Loss means Risks of Direct Physical "Loss" to Covered Property except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE

a. Breakdown Coverage

We will pay for direct physical "loss" to:

(1) Insured Data Processing "Equipment" from mechanical breakdown, machinery breakdown, short circuit, blow-out or other electrical equipment apparatus, devices, or wiring, changes in electric power supply, processing operation or while the equipment is being worked on or serviced, and errors in design or use of faulty materials in the development,

- manufacture or installation of the "Equipment";
- (2) Insured "Media" for loss which results from mechanical breakdown or malfunction while said "Media" is in actual use within Insured Data Processing "Equipment";
 - (3) Insured "Data" from electrical or magnetic injury, disturbance or erasure of electronic recordings, but this coverage shall not apply to property while in transit.

b. Extra Expense

We will pay the necessary extra expense incurred by you, following a covered "loss" to Data Processing "Equipment" or Data Processing "Media" or "Data". For the excess (if any) of the total cost incurred during the period of restoration, chargeable to the operation of your business, over and above the total cost that normally would have been incurred to the conduct of the business during the same period had no damage or destruction occurred.

c. Additional Acquired "Equipment"

If during the policy period you acquire additional "Equipment", we will cover it for up to 30 days, but not beyond the end of the policy period. The most we will pay in a "Loss" is 10% of the Limit of Insurance shown on this endorsement. We will charge you additional premium for values reported from the date you acquired the "Equipment".

B. EXCLUSIONS

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and take at the time of a fire to prevent its spread if the fire would be covered under this endorsement.

b. Nuclear Hazard

- (1) Any weapon employing atomic fusion or fission; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this endorsement.

c. 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 their authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental

authority in hindering or defending against any of these.

2. We will not pay for a “loss” caused by or resulting from any of the following:
 - a. Dishonest acts by you, anyone else with an interest in the property, or you or their employees or authorized representatives, or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment. But this exclusion does not apply to a carrier for hire.
 - b. Inherent vice, wear and tear, gradual deterioration, insect, or vermin unless fire or explosion ensues and then only for loss caused by such ensuing fire or explosion.
 - c. Dryness or dampness of atmosphere, extremes of temperatures, corrosion, or rust unless directly resulting from physical damage to the data processing system’s air conditioning system caused by a peril not excluded under this coverage.
 - d. Error in machine programming or instruction to the machine.
 - e. Delay, loss of market, loss of income, interruption of business or consequential loss of any nature, except as provided under Additional Coverage — Extra Expense.
 - f. The suspension, lapse, or cancellation of any lease, license, contract or order.
 - g. Strikers or other persons who interfere with rebuilding, repairing or replacing property or with the resumption or continuation of business.

LIMITS OF INSURANCE

The most we will pay for “loss” in any one occurrence is the applicable Limit of Insurance shown in this endorsement.

D. DEDUCTIBLE

We will not pay for “loss” in any one occurrence until the amount of the adjusted “loss” before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted “loss” in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

Valuation — As respects “Media”, we shall pay only for the cost of repairing or replacing with “Media” of like kind and quality, but in no event to exceed the Limit of Insurance as stated in this endorsement. As respects “Data”, we will pay only for the actual cost of reproducing the “Data” providing that it can actually be replaced or reproduced and that you do, in fact, replace or reproduce it, but in no event to exceed the Limit of Insurance stated in this endorsement.

As respects "Data", we will pay only for the actual cost of reproducing the "Data" providing that it can actually be replaced or reproduced and that you do, in fact, replace or reproduce it, but in no event to exceed the Limit of Insurance stated in this endorsement.

F. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Equipment" shall mean that network of machine components capable of accepting information or converted material, processing it according to the plan or program, and producing the desired results.
3. "Media" shall mean all forms of material on which "Data" is stored, such as magnetic tapes, disk packs, paper tapes and cards.
4. "Data" shall mean the facts, concepts or instructions which have been converted to a form usable by the data processing equipment.

MARKET VALUE

CCP27
(Ed. 01-07)

PLEASE READ THIS CAREFULLY.

This endorsement changes the Commercial Property Coverages provided by this policy.

HOW MUCH WE PAY

Coinsurance does not apply to the property to which this endorsement applies.

Loss Settlement Terms is replaced by the following:

Loss Settlement Terms — Subject to Insurable Interest, Deductible, Insurance Under More Than One Coverage, and Insurance Under More Than One Policy Under How Much We Pay, we pay the lesser of:

- a. the amount determined under Valuation;
- b. the market value at the time of loss, excluding the value of land;
- c. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- d. the limit that applies to covered property.

INFLATION GUARD ENDORSEMENT

CCP28
(Ed. 09-07)

At each anniversary date, the limits shown on the Declarations Page for Buildings and/or Contents may be changed. The new limits will reflect current costs in the area where the structure is located. These costs will be determined by an appraisal firm.

Your limit will never be lowered without our permission. This endorsement does not change the requirements of the Coinsurance Clause if it applies.

ILLINOIS INQUIRY NOTICE

CC10
(Ed. 10-98)

House Bill Number 1472, the following information is provided:
The Constitutional Casualty Insurance Company Complaint
Department is:

Complaint Department
5559 N. Elston, Ave.
Chicago, IL 60630-1314
(Outside Area Code 312: 630: 708: 847) 800-833-3427
(773) 763-7100

The address of the Public Service Division of the Illinois
Department of Insurance is:

Illinois Department of Insurance
Public Service Division
Springfield, IL 62767

**NOTIFICATION OF
INSURANCE PRACTICES**

CC13
(Ed. 10-98)

When you applied to our Insurance Company, you entrusted us with some personal information about yourself. Like you, we are concerned with your privacy and its protection. Therefore, we want you to know about our procedures for protecting your policy, and your right and responsibilities regarding recorded information about you. As our customer, we want you to understand how we gather information, how we protect it and how you can help insure its accuracy.

This information is provided to you in accordance with the Federal Fair Credit Reporting Act, Public Law 91-508, and the Privacy Laws of your state.

WHAT KIND OF INFORMATION IS COLLECTED ABOUT YOU

We get most of our information directly from you. In most cases, the application you complete gives us all the information we need to evaluate you or your property for insurance. Should we need additional information or want to verify information you have given us, we will contact you, either by phone or mailed questionnaire. Once you have been insured with us for a period of time, your record may contain information related to any claims you made under your policy.

In some insurance transactions, we may not be able to get all the information we need directly from you. In that case, we may obtain information from outside sources at our own expense. For example, with auto insurance, we routinely obtain a record of accidents, violations and convictions from your State Motor Vehicle Department and/or C.L.U.E. Similarly, we may ask a doctor who has treated you to confirm or give us more details about medical information you have given us.

We may get information by personal or telephone interviews or by writing members of your family, friends, neighbors, employers, insurance agents or other insurance companies with whom you have applied for a policy, and others who you

know. Sometimes, before we ask for information from one of these sources, we may ask you to sign an AUTHORIZATION, which gives us the right to proceed.

In some instances, we will have your insurance agent contact the sources described above to get the additional information we need. However, it is common for an insurance company to ask an independent source to help it verify information and add to information given on an application. There are many such companies, which are commonly called "consumer reporting agencies," which are in the business of being an outside, independent source of information to insurance companies. If we retain an agency to gather information for us, we will choose one that is discreet and impartial. We may only ask such an agency to verify the address, marital status or other information you have given us in your application. If we need more details than you have given us, we will ask the agency to prepare a consumer or investigative report.

Such reports are used to help us decide if you qualify for the insurance for which you have applied. The consumer reporting agency would obtain information about you in the same way that we would. That is, they will contact persons you know. If the agency prepares a report on you, it may deal with your mode of living, character, general reputation and personal characteristics, such as your health, job and finances. When it is applicable, such a report could also have information on your marital status, driving record, job duties, drug or alcohol use, dangerous sport activities or any official record or criminal activity.

On insurance for homes, buildings or boats, for example, if we asked an independent agency to prepare a report, the agency would send out an investigator to view your property and verify information on your application. The report would contain information on the value and condition of your property, and would frequently contain a photograph of it. Similarly, on insurance for personal property, such as jewelry, antiques or art, you may be required to obtain a report prepared by an appraiser. Only in a rare case would we ask for an investigator or consumer report in connection with an auto policy. If we did, information in that report would relate to your driving record, use of the automobile, drug or alcohol use and similar details.

The information we receive about you from an independent reporting agency will be treated in the same confidential way in which we treat the information you gave us on your application. However, the information collected by the agency may be retained by them and later shared with others who use these reports. It will be given to others only to the extent permitted by the Federal Fair Credit Reporting Act and your state's Fair Credit Reporting Act, if it has one.

If we use an independent reporting agency to prepare a report on you, you have the right to be personally interviewed by them. Information you give the agency during an interview will be included in the report sent to us. If you wish to be interviewed, please tell us how the agency can contact you, and every effort will be made to interview you.

Even if you are not interviewed, you have the further right to request that the reporting agency provide you with a copy of the report it makes. To do so, contact your agent. We, in turn, will provide you with the name and address of any agency we have used to prepare a report on you so that you can contact them directly to find out more about that report.

WHAT WE DO WITH INFORMATION ABOUT YOU

Information about you will be kept in our policy records. We will refer to and use that information for purposes related to issuing and servicing insurance policies and settling claims.

Without your prior authorization, we may, as permitted by law, share information about you contained in our files with certain persons or organizations. The types of persons or organizations with which we may share information include:

1. your agent, broker or sales representative,
2. adjusters, appraisers, investigators and attorneys,
3. persons or organizations who need the information to perform a business, professional or insurance function for us, such as businesses that help us with data processing or marketing,
4. other insurance companies, agents or consumer reporting agencies as it is needed in connection with any application, policy or claim involving you,
5. an insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims,
6. a medical professional to inform you of a medical condition of which you may not be aware,
7. persons or organizations that conduct scientific research, including actuarial studies, management audits, financial audits or program evaluations,
8. persons or businesses for sales purposes unless you indicate to us that you do not want the information disclosed,
9. our affiliated companies or
10. to a court or government agencies when subpoenaed.

Upon your request, we will provide you with a more completed, description of the circumstances under which personal information may be disclosed without your prior authorization.

HOW YOU CAN REVIEW RECORDED INFORMATION ABOUT YOU

You have the right to review the recorded personal information about you contained in our files and get a copy. You have the further right to request that we correct, amend or delete any of this information. If you request, we will provide you with a description of the procedures which allow you to review and request correction of personal information about you contained in our files.

If, after reading this, you should have any questions about our procedures or information contained in our files about you or wish to request further information, please contact your agent.

**SEEPAGE, POLLUTION, CONTAMINATION DEBRIS
REMOVAL, COST OF CLEAN UP AND AUTHORITIES
EXCLUSION EDORSEMENT**

CC21

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

This Endorsement is a part of your policy. Except for the change it makes, all other terms of the policy remain the same and apply to this Endorsement. It is effective at the same time as your policy is issued with it. If issued at a later date, the name, policy number and effective date must be shown.

This Endorsement is issued by CONSTITUTIONAL CASUALTY COMPANY, Chicago, Illinois.

NAMED INSURED*

POLICY NUMBER*

EFFECTIVE DATE*

12:01 A.M.

STANDARD TIME

(Applicable Owners, Landlords and Tenants, Liquor Liability, Commercial Property, General Liability, Commercial Automobile, Private Passenger Automobile, Homeowners, and Dwelling Fire.)

This policy does not insure against loss, damage, costs (including defense) or expenses in connection with any kind of description of seepage, pollution, contamination including mold, debris removal or cost of clean up, direct or indirect, arising from any cause whatsoever.

Nevertheless, if a fire policy is attached to this Endorsement and a fire arises directly or indirectly from seepage, pollution, contamination, debris removal and/or clean up, any loss or damage insured under this Policy arising directly from that fire shall (subject to terms, conditions and limitations of the Policy) be covered.

This policy does not insure against loss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the Insured at the order of any governmental authority, court or other arising from any cause whatsoever.

This policy does not apply to any:

- A. Liability, including defense, arising out of the actual, alleged or threatened discharge, dispersal, spill, release or escape of pollutants, contamination, debris removal or clean up
 - (1) At or from premises owned, rented or occupied by the named insured;
 - (2) At or from any site or location used by or for the named insured or others from the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are at any time loaded or unloaded from a covered auto or transported, towed, handled,

stored, treated, disposed of or processed as waste by or for the named insured or any person or organization for whom the named insured may be legally responsible; or

- (4) At or from any site or location on which the named insured, employee or any contractor or subcontractor working directly or indirectly on behalf of the named insured, is performing operations:
- (a) If the pollutants are brought on or to the site or location in connection with such operations; or
 - (b) If the operations are to test for, monitor, clean up, remove, contain, heat, detoxify or neutralize pollutants;

(5) Bodily Injury or Property Damage except when caused by heat, smoke, or fumes from a hostile fire;

B. Loss, cost or expenses arising out of any governmental direction or request that the named insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

The words “hostile fire” are used herein to mean a fire which becomes uncontrollable or breaks out from where it was intended to be.

The word “pollutants” as used herein shall mean any solid, liquid, gaseous, or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

It is the intent and effect of this provision to exclude any or all coverages afforded by this policy for any claim, action, judgement, liability, settlement, defense or expenses in any way arising out of a discharge, dispersal, release or escape of pollutants whether such results from the Insured’s activities or the activities of others and whether or not such sudden, gradual, accidental, intended, foreseeable, expected, fortuitous, inevitable and wherever or however such occurs.

*Entries may be left blank if shown in this policy for this coverage.

**BUILDING AND PERSONAL
PROPERTY COVERAGE FORM** CP 00 10 04 02

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. — 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 Coverage Part, means the type of property described in this Section A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

- a. Building**, meaning the building or structure described in the Declarations, including:
- (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures;
 - (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (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.
- b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:
- (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) “Stock”;
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others;
 - (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
 - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. Personal Property of Others that is:

- (1) In your care, custody or control; and
- (2) 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.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as “stock” while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling, or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal Property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues, or drains;
- n. Electronic data, except as provided under Additional Coverages — Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your “stock” of prepackaged software.

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers and Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

 - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.
- q. The following property while outside of buildings;
 - (1) Grain, hay, straw or other crops;
 - (2) 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 (other than “stock” of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages.

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), 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 date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract “pollutants” from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance

applicable to the Covered Property that has sustained loss or damage.

- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$ 500
Amount of Loss	\$50,000
Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example #2

Limit of Insurance	\$90,000
Amount of Deductible	\$ 500
Amount of Loss	\$80,000

Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$30,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000). The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expenses is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

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 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.

No Deductible applies this Additional Coverage

d. 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 date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of “pollutants”. But we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

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

e. Increased Cost of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (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 e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(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 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 “fungus”, 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”, “fungus”, wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5%

of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

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, subject to the provisions of e.(6) of this Additional Coverage, 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, subject to the provisions of e.(6) of this Additional Coverage, 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 and Valuation Conditions, and the Replacement Cost Optional Coverage, 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 e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered — Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace

or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage — Electronic Data, subject to the following:
 - (a) If the Causes of Loss — Special Form applies, coverage under this Additional Coverage — Electronic Data is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes of Loss — Broad Form applies, coverage under this Additional Coverage — Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage — Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage — Electronic data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be

sustained in the policy year in which the occurrence began.

5. Coverage Extensions

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.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations other than the described premises, 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 building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at the described premises.

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage

will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects and Property of Others

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss of damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered — Electronic Data.
- (2) If the Causes of Loss — Special Form applies, coverage under this Extension is limited to the “specified causes of loss” as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes of Loss — Broad Form applies, coverage under this Extension, includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of

such costs is not additional insurance.

d. Property Off-Premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At a fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) in or on a vehicle; or
 - (b) in the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than “stock” of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered 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 \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to trailers.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or

- motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations
 - (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

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

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. DEDUCTIBLE

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example #1:

(This example assumes there is no coinsurance penalty),

Deductible:	\$ 250
Limit of Insurance — Bldg. 1:	\$60,000
Limit of Insurance — Bldg. 2:	\$80,000
Loss to Bldg 1:	\$60,100
Loss to Bldg 2:	\$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than

the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg 1:

\$60,100	
- 250	
<u>\$59,850</u>	Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,800 + \$80,000 = \$139,850

Example #2:

(This example, too, assumes there is no coinsurance penalty).

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Bldg. 1:	\$ 70,000
(exceeds Limit of Insurance plus Deductible)	
Loss to Bldg. 2:	\$ 90,000
(exceeds Limit of Insurance plus Deductible)	
Loss Payable — Bldg. 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable — Bldg. 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- Pay its chosen appraiser, and
- 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

- You must see that the following are done in the event of loss or damage to Covered Property:
 - Notify the police if a law may have been broken.
 - 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.
- 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. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (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 b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes

the Valuation Condition.

- b. 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.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. 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, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

5. Recovered Property

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

6. 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 or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and or
 - (ii) Used by the building owner to con-

duct 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%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the limit of insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a)

above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If the Coinsurance percentage is shown in the Declarations, the following condition applies:

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example #1 (Underinsured):

When: The value of the property is \$250,000
The Coinsurance percentage for it is 80%
The Limit of Insurance for it is \$100,000
The Deductible is \$ 250
The amount of loss is \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 / \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than the \$19,750. The remaining \$20,250 is not covered.

Example #2 (Adequate insurance)

When: The value of the property is \$250,000
The Coinsurance percentage for it is 80%
The Limit of Insurance for it is \$200,000
The Deductible is \$ 250
The amount of loss is \$ 40,000

The minimum amount of insurance to meet your

Coinsurance requirement is \$200,000 (\$250,000 x 80%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,700 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example #3:

When: The value of property is:

Bldg. at Location No. 1	\$ 75,000
Bldg. at Location No. 2	\$100,000
Personal Property at Location 2	<u>\$ 75,000</u>
	\$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at

Location Nos. 1 and 2 is \$180,000

The Deductible is \$ 1,000

The amount of loss is:

Bldg. 2 at Location No. 2 \$ 30,000

Personal Property at

Location No. 2 \$ 20,000

\$ 50,000

Step (1): \$250,000 x 90% - \$225,000

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): \$180,000 / \$225,000 = .80

Step (3): \$50,000 x .80 = \$40,000

Step (4): \$40,000 - \$1,000 = \$39,000

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part 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 Coverage Part 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 Coverage Part:
 - (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.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after this effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the

Declarations.

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

Example

If: The application Limit of Insurance 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
 $\$100,000 \times .08 \times 146 / 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
- (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- 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 for the additional coverage this Optional Coverage provides. 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:
- (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not

met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and

- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension of Replacement Cost to Personal Property of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. DEFINITIONS

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "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.
3. "Stock" means merchandise held in storage or for

sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

**BUSINESS INCOME (WITHOUT EXTRA EXPENSE)
COVERAGE FORM**

CP 00 32 04 02

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.

Others words and phrases that appear in quotation marks have special meaning. Refer to Section G. — Definitions.

A. COVERAGE

1. Business Income

Business income means the:

- a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- a. Business income including “Rental Value”.
- b. Business income other than “Rental Value”.
- c. “Rental Value”.

If option a. above is selected, the term Business Income will include “Rental Value”. If option c. above is selected, the term Business Income will mean “Rental Value” only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary “suspension” of your operations” during the “period of restoration”. The “suspension” must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. 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. Covered Causes of Loss, Exclusions and Limitations

See applicable Causes of Loss Form as shown in the Declarations.

3. Additional Limitation – Interruption of Computer Operations

- a. Coverage for Business Income does not apply when a “suspension” of “operations” is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption of Computer Operations.
- b. 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.

4. Additional Coverages

a. Expenses to Reduce Loss

In the event of a covered loss of Business Income, we will pay necessary expenses you incur, except the cost of extinguishing a fire, to avoid further loss of Business Income. The total of our payment for Business Income Loss and Expenses to Reduce Loss will not be more than the Business Income loss that would have been payable under this Coverage Form (after application of any Coinsurance penalty) if the Expenses to Reduce Loss had not been incurred. This coverage does not increase the Limit of Insurance.

The Coinsurance condition does not apply specifically to such Expenses to Reduce Loss, but it is used as described above to determine the total amount payable.

b. Civil Authority

We will pay for the actual loss of Business Income you sustain 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. This coverage begins 72 hours after the time of that action, and will apply for a period of up to three consecutive weeks from the date on which the coverage begins.

c. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New Buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

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

d. Extended Business Income

(1) Business Income Other “Than Rental Value”

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

- (a) Begins on the date property (except “finished stock”) is actually repaired, rebuilt or replaced and “operations” are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your “operations”, with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (1)(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.

(2) “Rental Value”

If the necessary “suspension” of your “operations” produces a “Rental Value” loss payable under this policy, we will pay for the actual

loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss 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 "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

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

e. Interruption of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation — Interruption of Computer Operations.
- (2) Subject to all provision of this Additional Coverage, you may extend the insurance that applies to Business Income to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Cause of Loss are subject to the following:
 - (a) If the Causes of Loss — Special Form applies, coverage under this Additional Coverage — Interruption of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes of Loss — Broad Form applies, coverage under this Additional Coverage — Interruption of Computer Operations includes Collapse as set forth in the form.
 - (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does

not apply to the coverage provided under this Additional Coverage — Interruption of Computer Operations.

- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage — Interruption of Computer Operations is \$2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.
- (5) This Additional Coverage — Interruption in Computer Operations does not apply to loss sustained after the end of the “period of restoration”, even if the amount of insurance stated in (4) above has not been exhausted.

5. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or

(3) you report values to us.

We will change your additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition, Co-insurance, does not apply to this Extension.

B. LIMITS OF INSURANCE

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

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and new Buildings;
2. Civil Authority;
3. Extended Business Income;
4. Expenses to Reduce Loss.

C. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

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

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

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

2. Duties in the Event of Loss

- a. You must see the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical 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 direct physical 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) 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.

- (6) 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.

- (7) Cooperate with us in the investigation of settlement of the claim.

- (8) If you intend to continue your business, you must 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 claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;

- (2) The likely Net Income of the business 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;

- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

- (4) Other relevant sources of information, including:

- (a) Your financial records and accounting procedures;

- (b) Bills, invoices and other vouchers; and

- (c) Deeds, liens or contracts.

b. Resumption of Operations:

We will reduce the amount of your Business Income loss to the extent you can resume your "operations", in whole or in part, by using damaged

or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- c. If you do not resume “operations”, or do not resume “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume “operations” as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. ADDITIONAL CONDITION

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
 - (1) The Net Income (Net Profit or Loss before income taxes), and
 - (2) Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your “operations” at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in Step 1; and
3. Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3 or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight — outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;

6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expenses excluded (if Form CP 15 10 is attached); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion — not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example #1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been

\$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$150,000

The amount of loss is \$80,000

Step 1: $\$400,000 \times 50\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: $\$150,000 / \$200,000 = .75$

Step 3: $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example #2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been

\$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$200,000

The amount of loss is \$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

E. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies:

- b. The most we will pay for loss of Business Income is the lessor of:
 - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration", or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit of Indemnity

- a. The Additional Condition, Coinsurance does not apply to this Coverage Form at the described premises to which this Optional Coverage applies
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is \$120,000
 The fraction shown in the Declarations for this Optional Coverage is
 The most we will pay for loss in each period of 30 consecutive days is:
 $\$120,000 \times 1/4 = \$30,000$
 If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	<u>\$90,000</u>

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	<u>\$80,000</u>

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by

- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example

When: The Limit of Insurance is \$100,000
 The Agreed Value is \$200,000
 The amount of loss is \$ 80,000

Step (a) $\$100,000 / \$200,000 = .50$
 Step (b) $.50 \times \$80,000 = \$ 40,000$
 We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period of Indemnity

Under Paragraph A.4.d., Extended Business Income, the number “30” in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. DEFINITIONS

1. “Finished stock” means stock you have manufactured. “Finished stock” also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations. “Finished stock” does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.
2. “Operations” means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income including “Rental Value” or “Rental Value” applies.
3. “Period of Restoration” means the period of time that:
 - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premise; 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 required 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. “Rental Value” means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. “Suspension” means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if Coverage for Business Income including “Rental Value” or “Rental Value” applies.

**ILLINOIS
EXCLUSIONS/LIMITATIONS —
COMBINATION ENDORSEMENT**

CP 00 50
(01-07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. EXCLUSION — COMMUNICABLE DISEASE

We do not cover any claim, loss, costs or expense for “bodily

injury”, “property damage”, or “personal and advertising injury” arising out of the transmission of or alleged transmission of AIDS or any other sexually transmitted diseases.

B. EXCLUSION — LEAD BEARING SUBSTANCE

We do not cover any claim, loss costs or expense for “bodily injury” or “personal and advertising injury” caused by plumbism (lead poisoning) or any disease or ailment caused by or aggravated by exposure, consumption or absorption of lead.

We do not cover any claim, loss, costs or expense for “property damage” arising out of the actual or alleged or presence of lead in any form, including the costs of remedial investigations or feasibility studies, or to the cost of testing, monitoring, cleaning up or removal of any lead bearing substance.

C. EXCLUSION — PUNITIVE DAMAGES

We do not cover any claim of or indemnification for punitive or exemplary damages. If a “suit” seeking both compensatory and punitive damages has been brought against you for a claim covered by this policy, we will provide defense for such action. We will not have any obligation to pay for any costs, interest or damages attributable to punitive or exemplary damages.

D. EXCLUSION — ASBESTOS/SILICA DUST/BERYLLIUM

We do not cover any claim, loss, costs or expenses for “bodily injury” or “personal and advertising injury” caused by asbestosis, silicosis, mesothelioma, emphysema, pneumoconiosis, pulmonary fibrosis, pleuritis endothe- lioma or any lung disease or any ailment caused by or aggravated by exposure to inhalation, consumption or absorption of asbestos fibers, silica dust or beryllium.

We do not cover any claim, loss, costs or expense for “property damage” due to or arising out of the actual or alleged presence of asbestos or silica dust in any form, including the cost of remedial investigations or feasibility studies, or to the cost of testing, monitoring, cleaning and removal or any property or substance.

E. EXCLUSION — INDEPENDENT CONTRACTORS/ SUBCONTRACTORS

You or any insured are not covered for claims, loss, costs or expense arising out of the actions of independent contractors or subcontractors for or on behalf of any insured.

F. EXCLUSION — SUBSIDENCE

Liability for bodily injury or property damage caused by or resulting from, attributable to or contributed to, or aggravated by the subsidence of land as a result of landslide, mud flow, earth sinking or shifting, resulting from operations of the Named Insured or any subcontractor of the Named Insured is excluded.

G. EXCLUSION — CLAIMS IN PROCESS

The following is added to (I) Building and Personal Property Coverage Form, A Coverage, 2. Property Not Covered and (II) Causes of Loss — Special Form, B. Exclusions:

1. any loss or claim for damages arising out of or related

to “bodily injury” or “property damage” whether known or unknown;

- a. which first occurred prior to the inception date of this policy; or
 - b. which is or is alleged to be, in the process of occurring as of the inception date of this policy.
2. any loss or claim for damages arising out of or related to “bodily injury” or “property damage”, whether known or unknown, which is in the process of settlement, adjustment or “suit” as of the inception date of this policy.

We shall have no duty to defend any insured against any loss, claim, “suit” or other proceeding alleging damages arising out of or related to “bodily injury” or “property damage” to which this endorsement applies.

H. EXCLUSION – EISF

We do not cover claims, loss, costs or expense for “bodily injury”, “property damage” or “personal and advertising injury” arising from:

1. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction, or replacement of an exterior insulation and finish system (commonly referred to as synthetic stucco or EISF) or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.
2. Any work or operations with respect to any exterior component, fixture or feature of any structure if any exterior insulation and finish system is used on any part of that structure.

For the purposes of this endorsement, an exterior insulation and finish system means an exterior cladding or finish system used on any part of any structure, and consisting of:

- a. a rigid or semi-rigid insulation board made of expanded polystyrene or other materials; and
- b. the adhesive (and/or mechanical fasteners used to attach the insulation board to the substrate; and
- c. a reinforced base coat; and
- d. a finish coat providing surface texture and color.

I. EXCLUSION – MOLD, BACTERIA, VIRUS AND ORGANIC PATHOGEN LIABILITY

The following supercedes the terms and conditions of this policy. This insurance does not apply:

1. to any alleged “bodily injury”, “property damage” or “personal and advertising injury”;
2. to any alleged damages for devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or in air space;
3. to any loss, cost or expense, including but not limited to fines, penalties and attorney fees arising out of any government direction or request, or any private party or citizen action, that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize

“organic pathogens”, or

4. to any litigation or administration procedure in which an insured may be involved as a party; arising directly, indirectly, or in concurrence or in any sequence out of the actual, alleged or threatened existence, exposure to, discharge, dispersal, release or escape of “organic pathogens”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release is sudden, accidental or gradual in nature.

In addition, this insurance does not apply to any alleged “bodily injury”, “property damage” or “personal and advertising injury”, loss, cost or expense including but not limited to fines, penalties and attorney fees, arising out of or related to any form of “organic pathogens” whether or not such actual, alleged or threatened existence, exposure to, discharge, dispersal, release or escape is negligently or intentionally caused by any person or entity and whether or not that liability of any insured is alleged to be direct or vicarious. This exclusion is expected or intended from the standpoint of an insured.

“**Organic pathogen**” means any organic irritant or contaminant including but not limited to mold, or biogenic aerosol.

“**Waste**” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

However, this exclusion does not apply to fungus/mold resulting from fire or lightning.

J. EXCLUSION OF INJURY TO EMPLOYEES CONTRACTORS AND EMPLOYEES OF CONTRACTORS

Exclusion e. Employer’s Liability of Coverage A. Bodily Injury and Property Damage Liability (Section 1 — Coverages) is replaced by the following:

This insurance does not apply to:

- (i) “bodily injury” to any “employee” of any insured arising out of or in the course of:
 - (a) Employment by any insured; or
 - (b) Performing duties related to the conduct of any insured’s business;
- (ii) “bodily injury” to any contractor or any “employee” of any contractor arising out of or in the course of the rendering or performing services of any kind or nature whatsoever by such contractor or “employee” of such contractor for which any insured may become liable in any capacity; or
- (iii) “bodily injury” sustained by the spouse, child, parent, brother or sister of any “employee” of any insured, or of a contractor; or of any “employee” of any contractor as a consequence of any injury to any person as set forth in paragraphs (i) and (ii) of this endorsement.

This exclusion applies to all claims and “suits” by any person or organization for damages because of “bodily injury” to which this exclusion applies including damages for care and loss of services.

This exclusion applies to any obligation of any insured to indemnify or contribute with another because of damages arising

ing out of “bodily injury” to which this exclusion applies, including any obligation assumed by an insured under any contract.

With respect to this exclusion only, the definition of “Employee” in the DEFINITIONS (Section V) of CG 0001 is replaced by the following:

“Employee” shall include but is not limited to, any person of person hired, loaned, leased, contracted or volunteering for the purpose of providing services to or on behalf of any insured, whether or not paid for such services and whether or not an independent contractor.

As used in the exclusion, contractor shall include but is not limited to any independent contractor or subcontractor of any insured and any developer or general contractor.

K. EXCLUSION – DUTY TO DEFEND

Where there is no coverage under this policy, there is no duty to defend any insured.

L. EXCLUSION – ERRORS, OMISSIONS, ACTS, PROFESSIONAL LIABILITY, MALPRACTICE

Any type error, omission, act, rendering of or failure to render any type professional service, unless specifically endorsed onto this policy.

M. EXCLUSION – ATHLETIC PARTICIPANTS

“Bodily injury” or “personal injury” to any person while practicing in any event or function of a sporting or athletic nature.

N. EXCLUSION – DISCRIMINATION

Any and all causes of alleged or actual discrimination.

**COMMERCIAL PROPERTY
CONDITIONS**

CP 00 90 07 88

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

No one may bring legal action against us under this Coverage Part unless:

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

- a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.
- This will not restrict your insurance.

CAUSES OF LOSS — BASIC FORM

CP 10 10 06 95

A. COVERED CAUSES OF LOSS

When Basic is shown in the Declarations, Covered Causes of Loss means the following:

- 1. Fire**
- 2. Lightning**
- 3. Explosion**, including 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. This cause of loss does not include loss or damage by:
 - a. Rupture, bursting or operation of pressure relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
- 4. Windstorm or Hail**, but not including:
 - a. Frost or cold weather;
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- 5. Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
- 6. Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, or self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.
- 7. Riot or Civil Commotion**, including:
 - a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.
- 8. Vandalism**, meaning willful and malicious damage to, or destruction of, the described property.

We will not pay for loss or damage:

- a. To glass (other than glass building blocks) that is part of a building structure, or an outside sign but we will pay for loss or damage to other property caused by or resulting from breakage of glass by vandals.
- b. Caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

9. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (1) Results in sprinkler leakage; or
 - (2) is directly caused by freezing
- b. Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler system means:

- (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles.
 - (b) Ducts, pipes, valves and fittings.
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
 - (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by 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:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

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

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

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

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

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

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 Coverage Part.

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. Utility Services

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

But if 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.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph B.3.a.(1) applies to these coverages.

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 g.(1) through (4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for loss or damage caused by or resulting from:
 - a. 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 that fire.
 - b. Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.
 - c. Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.
 - d. 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.

- e. Mechanical breakdown, including rupture or busting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form.

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.

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

- (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of “finished stock”; or
 - (b) The time required to reproduce “finished stock”.

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
 - (a) 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
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of “operations”, we will cover such loss that affects your Business Income during the “period of restoration”.
- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the “period of restoration”.
- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance or Law; does

not apply to insurance under this Coverage Form.

- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following Exclusions do not apply to insurance under this Coverage Form;
 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c, Governmental Action;
 - (c) Paragraph B.1.d, Nuclear Hazard;
 - (d) Paragraph B.1.e, Utility Services; and
 - (e) Paragraph B.1.f., War and Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or “suit”, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or “suit”, or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATION

We will pay for loss of animals only if they are killed or destruction is made necessary.

**CAUSES OF LOSS –
BROAD FORM**

CP 10 20 06 96

A. COVERED CAUSES OF LOSS

When Broad is shown in the Declarations, Covered Causes of Loss means the following:

- 1. Fire**
- 2. Lightning**
- 3. Explosion**, including 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. This cause of loss does not include loss or damage by:

- a. Rupture, bursting or operation of pressure relief devices; or
 - b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
- 4. Windstorm or Hail**, but not including:
- a. Frost or cold weather;
 - b. Ice (other than hail), snow or sleet, whether driven by wind or not; or
 - c. Loss or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- 5. Smoke** causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.
- 6. Aircraft or Vehicles**, meaning only physical contact of an aircraft, a spacecraft, or self-propelled missile, a vehicle or an object thrown up by a vehicle with the described property or with the building or structure containing the described property. This cause of loss includes loss or damage by objects falling from aircraft.
- We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.
- 7. Riot or Civil Commotion**, including:
- a. Acts of striking employees while occupying the described premises; and
 - b. Looting occurring at the time and place of a riot or civil commotion.
- 8. Vandalism**, meaning willful and malicious damage to, or destruction of, the described property.
- We will not pay for loss or damage:
- a. To glass (other than glass building blocks) that is part of a building structure, or an outside sign, except as provided in the Additional Coverage for Breakage of Glass; but we will pay for loss or damage to other property caused by or resulting from breakage of glass by vandals.
 - b. Caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.
- 9. Sprinkler Leakage**, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.
- If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:
- a. Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (1) Results in sprinkler leakage; or
 - (2) Is directly caused by freezing.
 - b. Tear out and replace any part of the building or

structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles.
 - (b) Ducts, pipes, valves and fittings.
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
 - (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.

10. Sinkhole Collapse, meaning loss or damage caused by 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:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

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

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

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

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

12. Falling Objects.

But we will not pay for loss or damage to:

- a. Personal Property in the open; or
- b. 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.

13. Weight of Snow, Ice or Sleet.

But we will not pay for loss or damage to:

- a. Gutters and downspouts; or
- b. Personal Property outside of buildings or structures.

14. Water Damage

- a. Water Damage, meaning 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 containing water or steam.

However, Water Damage does not include:

- (1) Discharge or leakage from:
 - (a) An Automatic Sprinkler; or

- (b) A sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water.
- (2) The cost to repair any defect that caused the loss or damage;
- (3) Loss or damage caused by or resulting from continuous or repeated seepage or leakage that occurs over a period of 14 days or more; or
- (4) Loss or damage caused by or resulting from freezing, unless:
 - (a) You do your best to maintain heat in the building or structure; or
 - (b) You drain the equipment and shut off the water supply if the heat is not maintained.
- b. If coverage applies subject to a. above, and the building or structure containing the system or appliance is Covered Property, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes. But we will not pay the cost to repair any defect that caused the loss or damage.

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

damage caused by that fire, building glass breakage or Volcanic Action.

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 Coverage Part.

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. Utility Services

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

But if 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.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph B.3.a.(1) applies to these coverages.

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 g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for loss or damage caused by or resulting from:
 - a. 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 that fire.
 - b. 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.
 - c. Mechanical breakdown, including rupture or busting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form.

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.

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

- (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of “finished stock”; or
 - (b) The time required to reproduce “finished stock”.

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
 - (a) 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

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of “operations”, we will cover such loss that affects your Business Income during the “period of restoration”.
- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the “period of restoration”.
- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance or Law; does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following Exclusions do not apply to insurance under this Coverage Form;
 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c, Governmental Action;
 - (c) Paragraph B.1.d, Nuclear Hazard;
 - (d) Paragraph B.1.e, Utility Services; and
 - (e) Paragraph B.1.f., War and Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or “suit”, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or “suit”, or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. ADDITIONAL COVERAGES

1. Collapse

The term Covered Cause of Loss includes the Collapse Additional Coverage as described and limited in 1.a. through 1.e. below.

- a. 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 Coverage Form. If the collapse is caused by one or more of the following:

- (1) Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; all only as insured against in this Coverage Part;
 - (2) Hidden decay;
 - (3) Hidden insect or vermin damage;
 - (4) Weight of people or personal property;
 - (5) Weight of rain that collects on a roof;
 - (6) 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 C.1.a.(1) through C.1.a.(5), 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.
- b. 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:
- (1) The personal property which collapses is inside a building; and
 - (2) The collapse was caused by a cause of loss listed in C.1.a.(1) through C.1.a.(6) above.
- c. With respect to the following property:
- (1) Outdoor radio or television antennas (including satellite dishes) and the lead-in wiring, masts or towers;
 - (2) Awnings, gutters and downspouts;
 - (3) Yard fixtures;
 - (4) Outdoor swimming pools;
 - (5) Fences;
 - (6) Piers; wharves and docks;
 - (7) Beach or diving platforms or appurtenances;
 - (8) Retaining walls; and
 - (9) Walks, roadways and other paved surfaces;
- if the collapse is caused by a cause of loss listed in C.1.a.(2) through c.1.a.(6), we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - (2) The property is Covered Property under the Coverage Form.

- d. Collapse does not include settling, cracking, shrinkage, bulging or expansion.
- e. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

2. Breaking of Glass.

- a. Subject to c. below, we will pay for loss of or damage to glass that is part of a building or structure if breakage occurs, and is caused by or results from vandalism or a cause of loss not listed under section A., Covered Causes of Loss. This Additional Coverage does not include breakage of neon tubing attached to the building or structure.
- b. Subject to c. below, we will pay for loss of or damage to other property, due to breakage of glass that is part of a building or structure, if the breakage is caused by or results from a cause of loss not listed under section A. Covered Causes of Loss.
- c. We will not pay more than \$500 in any one occurrence, regardless of the number of:
 - (1) Panes, plates or similar units of glass; and
 - (2) Items of other property damaged due to breakage of glass.

Subject to this \$500 aggregate, we will not pay more than \$100 for any one pane, plate, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

D. LIMITATION

We will pay for loss of animals only if they are killed or their destruction is made necessary.

**CAUSES OF LOSS —
SPECIAL FORM**

CP 10 30 04 02

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. - Definitions.

A. COVERED CAUSE OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

- 1. Excluded in Section B., Exclusions; or
 - 2. Limited in Section C., Limitations;
- that follow.

B. EXCLUSIONS

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

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) 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 or damage to the described 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 Coverage Part.

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. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

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.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph B.4.a.(1) applies to these coverages.

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 g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot and Bacteria

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

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by the "specified cause of loss".

This exclusion does not apply:

1. When “fungus”, wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage — Limited Coverage for “Fungus”, Wet Rot, Dry Rot and Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from:
 - a. 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 that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d.
 - (1) Wear or tear;
 - (2) Rust, or other corrosion, decay, 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. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
 - (7) The following cause 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 2.d.(1) through (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.
 - e. 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.

- f. Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. 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.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purposes:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

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

- i. 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.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. 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".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 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. But this exclusion only applies if weather conditions contribute in any way with a cause of event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form.

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.

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

- (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
 - (a) 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
 - (b) Suspension, lapse or cancellation of any

license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the “suspension” of “operations”, we will cover such loss that affects your Business Income during the “period of restoration” and any extension of the “period of restoration” in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the “period of restoration”.
- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance or Law; does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form;
 - (a) Paragraph B.1.a., Ordinance or Law;
 - (b) Paragraph B.1.c, Governmental Action;
 - (c) Paragraph B.1.d, Nuclear Hazard;
 - (d) Paragraph B.1.e, Utility Services; and
 - (e) Paragraph B.1.f., War and Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or “suit”, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or “suit”, or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS

The following limitations apply to all policy forms and

endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss 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.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business income coverage or Extra Expense coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the “specified causes of loss” or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders’ machinery, tools and equipment owned by you or entrusted to you, provided such proper-

ty is Covered Property.

However, this limitation does not apply to:

- a. If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - b. To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$2,500 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Coverage Property.

This limitation, C.3., does not apply to Business Income coverage or to the Extra Expense coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. ADDITIONAL COVERAGE — COLLAPSE

The term Covered Cause of Loss includes the Additional Coverage — Collapse as described and limited in D.1. through D.5. below.

1. With respect to buildings:
 - a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
 - c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
 - d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling,

shrinkage or expansion.

2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this Coverage Form. If the collapse is caused by one or more of the following:
 - a. The “specified causes of loss” or breakage of building glass, all only as insured against in this Coverage Part;
 - b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - 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 2.a. through 2.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.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Cause of Loss Form for the causes of loss listed in 2.a., 2.d., and 2.e.

3. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and the lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers; wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;If the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:
 - a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - b. The property is Covered Property under this Coverage Form.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - a. The collapse was caused by Cause of Loss listed

- in 2.a. through 2.f. above;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

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

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

- 5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE — LIMITED COVERAGE FOR “FUNGUS”, WET ROT, DRY ROT AND BACTERIA

- 1. The coverage described in E.2. and E.6. only applies when the “fungus”, wet or dry rot or bacteria is the result of one or more of the following causes 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.
 - a. A “specified cause of loss” other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by “fungus”, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by “fungus”, wet or dry rot or bacteria, including the cost of removal of the “fungus”, wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the “fungus”, wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that “fungus”, wet or dry rot or bacteria are present.
- 3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. 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 “specified causes of loss” (other than fire or lightning) and Flood 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 “fungus”, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the “fungus”, 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 “fungus”, wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder or Molten Material Damage) of this Causes of Loss Form or under the Additional Coverage — Collapse.
6. The following, 6.a. and 6.b., applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the “suspension” of “operations” satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
 - a. If the loss which resulted in “fungus”, wet or dry rot or bacteria does not in itself necessitate a “suspension” of “operations”, but such “suspension” is necessary due to loss or damage to property caused by “fungus”, wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered “suspension” of “operations” was caused by loss or damage other than “fungus”, wet or dry rot or bacteria but remediation of “fungus”, wet or dry rot or 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. The days need not be consecutive.

F. ADDITIONAL COVERAGE EXTENSIONS

1. Property in Transit.

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. 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. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

The Coverage Extension F.3., does not increase the Limit of Insurance.

G. DEFINITIONS

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "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 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 a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

THEFT EXCLUSION

CP 10 33 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS — SPECIAL FORM

The following is added to the EXCLUSIONS section:

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

But we will pay for:

1. Loss or damage that occurs due to looting at the time and place of a riot or civil commotion; or
2. Building damage caused by the breaking in or exiting of burglars.

And if theft results in a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

CALCULATION OF PREMIUM

IL 00 03 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY)
COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY
COVERAGE PART

POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY
COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

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

**COMMON POLICY
CONDITIONS**

IL 00 17 11 98

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

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

B. CHANGES

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

C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and

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

E. PREMIUMS

The first Named Insured shown in the Declarations:

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

EXCLUSION OF TERRORISM

IL 00 30 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM
- FARM COVERAGE PART
- GOVERNMENT CRIME COVERAGE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph C) applies to property located in the following state(s), if covered under the Indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The following exclusion is added:

EXCLUSION OF TERRORISM

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

1. The “terrorism” is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the “terrorism” was to release such material; or

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

With respect to this item B.5., the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of “terrorism” and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of “terrorism”, there is no coverage under this Coverage Form, Coverage Part or Policy.

C. EXCEPTION COVERING CERTAIN FIRE LOSSES

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

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

D. APPLICATION OF OTHER EXCLUSIONS

1. When the Exclusion of Terrorism applies in accordance with the terms of B.1. or B.2., such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form, Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as

losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

**ILLINOIS CANCELLATION
AND NON-RENEWAL CLAUSE**

IL 05 99
(01-07)

The following provisions shall apply and supersede any provisions to the contrary contained in the attached insurance.

- 1. CANCELLATION NOTICE.** This insurance may be cancelled by the Assured at any time by written notice or by surrender of this contract of insurance to the Correspondent issuing this insurance. This insurance may also be cancelled with or without the return or tender of the Unearned Premium by Underwriters by mailing notice of cancellation to the Assured at the last mailing address known by Underwriters. The Correspondent shall maintain proof of mailing of such notice on a recognized U.S. Post Office form and a copy of such notice shall be sent to the Assured's producer. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.
- 2. CANCELLATION NOTICE PERIOD.** Notice of cancellation must be mailed at least 30 days prior to the effective date of cancellation during the first 60 days of coverage. After coverage has been effective for 61 days or more, all notices must be mailed at least 60 days prior to the effective date of cancellation. Where cancellation is for non-payment of premium, 10 days' notice shall be given. If the attached insurance provides for a longer notice period, such longer period shall apply.
- 3. RETURN PREMIUM.** In the event of cancellation, Underwriters shall refund the paid premium less the earned portion thereof on demand. The Earned Premium shall be calculated as stated in the insurance to which this is attached. If the attached insurance does not provide for calculation of the Earned Premium, the following shall apply: (A) If this insurance is cancelled by the Assured, Underwriters shall retain the short rate proportion of the premium hereon, or any Minimum Premium stipulated herein, in accordance with the table below. (B) If this insurance is cancelled by Underwriters, Underwriters shall retain the pro rata proportion of the premium hereon, or of any Minimum Premium stipulated herein.
- 4. REASON FOR CANCELLATION.** If this insurance has been in effect for 60 days, Underwriters can cancel only for one of the following reasons: (a) non-payment of premium; (b) the insurance was obtained through material misrepresentation; (c) the Assured violated any of the terms and conditions of the contract of insurance; (d) the risk originally accepted has measurably increased; (e) certification to the Director of Insurance of the State of Illinois of the loss of reinsurance by Underwriters which provides coverage to Underwriters for all or a substantial part of the underlying risk insured; or (f) a determination by the Director of Insurance of the State of Illinois that the

continuation of this insurance could place Underwriters in violation of the insurance laws of the State of Illinois.

- 5. NOTICE OF NON-RENEWAL.** If Underwriters elect not to renew this insurance they will mail written notice of non-renewal to the Assured at the last mailing address known by Underwriters. The notice of non-renewal shall be mailed at least 60 days prior to the expiration date of this insurance, and shall state the reason for non-renewal. The Correspondent shall maintain proof of mailing of such notice on a recognized U.S. Post Office form and a copy of such notice shall be sent to the Assured's producer. This paragraph shall not apply, if Underwriters have manifested their willingness to renew to the Assured, and the Assured has failed to comply with the terms of the renewal offer.

**ILLINOIS CHANGES—MINE SUBSIDENCE—
NON-RESIDENTIAL BUILDING**

IL 09 12 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY)
COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

The Coverage Form to which this endorsement applies is extended to insure against direct loss by Mine Subsidence.

A. COVERAGE

Section A. is replaced by the following:

A. MINE SUBSIDENCE COVERAGE

We will pay for direct physical loss of or damage to Commercial Buildings at the premises described in the Mine Subsidence Schedule or in the Declarations caused by or resulting from Mine Subsidence.

1. Covered Property

Covered Property, as used in this endorsement, means the following type of property for which a Limit of Insurance is shown in the Mine Subsidence Schedule or Declarations:

Commercial Building—meaning any building, other than a residence, permanently affixed to realty, including:

- a. Cost of excavation, grading or fillings;
- b. The foundation, basements and footings of buildings;
- c. Septic Systems directly servicing the buildings;
- d. Pilings, piers, pipes, flues and drains, all of which are underground; and
- e. Pilings which are below the low water mark.

2. Property Not Covered

Covered Property does not include:

- a. Land, trees, plants, crops or agricultural field drainage tile,
- b. Personal Property; or
- c. Driveways, parking lots and sidewalks.

3. Covered Cause of Loss

Mine Subsidence—meaning loss or damage caused by lateral or vertical ground movement, caused by a failure initiated at the mine level of man-made underground mines, including but not limited to coal, clay, limestone and fluorspar mines, that directly damages Commercial Buildings. Mine Subsidence does not mean lateral or vertical ground movement caused by:

- a. Earthquake, landslide, volcanic eruption;
- b. Boil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs; or
- c. Collapse of storm or sewer drains or rapid transit tunnels.

All loss or damage caused by a single mine subsidence event, or several mine subsidence events that are continuous, will constitute one mine subsidence occurrence.

4. Additional Coverage

Debris Removal

We will pay your expense to remove debris of Covered Property caused by or resulting from Mine Subsidence.

B. EXCLUSIONS

1. Paragraph 1.b(1) in the Earth Movement Exclusion of the Commercial Property Coverage Part and Paragraph 1.a.(1) in the Earth Movement Exclusion of the Capital Assets Program (Output Policy) Coverage Part are replaced by the following:

b. Earth Movement

- (1) Any earth movement such as an earthquake, landslide, 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.

This exclusion does not apply to loss caused by Mine Subsidence.

2. For insurance provided under the Farm Coverage Part paragraph 2.a. of the Earth Movement Exclusion is replaced by the following:

2. Earth Movement

- a. Any earth movement such as an earthquake, landslide, or earth sinking, rising or shifting. This exclusion applies whether the earth movement is caused by human or animal forces or any act of nature.

But:

- (1) If earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion; or

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.

(2) If loss or damage to:

(a) Farm machinery, vehicles and equipment covered under the SPECIAL Causes of Loss; or

(b) "Livestock";

is caused by earthquake, this Earth Movement exclusion does not apply to such loss or damage.

This exclusion does not apply to loss caused by Mine Subsidence.

3. The following is added:

We will not pay for:

a. Indirect or consequential loss; or

b. Loss of use;

caused by or resulting from Mine Subsidence.

C. LIMITS OF INSURANCE

1. The LIMITS OF INSURANCE Section is replaced by the following:

The most we will pay for loss of or damage to any one Commercial building caused by Mine Subsidence in any one occurrence, including debris removal, is the Limit of Insurance for Mine Subsidence shown in the Mine Subsidence Schedule or in the Declarations, subject to C.2. below.

2. Regardless of any Limit of Insurance stated in this policy, including this endorsement, loss payment will not exceed the amount reinsured by the appropriate sub-fund of the Illinois Mine Subsidence Insurance Fund at the time the damage caused to the Commercial Building by Mine Subsidence first became reasonably observable, and will be further limited by the amount available in the appropriate sub-fund of the Illinois Mine Subsidence Insurance Fund to reimburse us.

D. ADDITIONAL INFORMATION

The COINSURANCE Additional Condition does not apply to this endorsement.

The following is added:

E. OTHER INSURANCE—MINE SUBSIDENCE

In the event of loss to any Commercial Building insured by this endorsement, in excess of the deductible amount, we shall be liable for no greater portion of such loss than the amount provided by this endorsement shall bear to all Mine Subsidence Coverage, whether collectible or not.

(The above information is required only when this endorsement is issued subsequent to preparation of the policy).

**EXCLUSION —
ASSAULT AND/OR BATTERY**

LL00 50
(Ed; 08 07)

1. This insurance does not apply to and we have no duty to defend any claims or "suits" for "bodily injury", "property damage" or "personal and advertising injury" arising in whole or in part out of:
 - a. the actual or threatened assault or battery whether caused by or at the instigation or direction of any insured, his employees, patrons or any other person;
 - b. the failure of any insured or anyone else for whom any insured it is legally responsible to prevent or suppress assault or battery; or
 - c. the negligent:
 - (i) employment;
 - (ii) investigation;
 - (iii) supervision;
 - (iv) training;
 - (v) retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) or (b) above.
2. For the purpose of this endorsement, the words "assault and/or battery" are intended to include any act of sexual misconduct, sexual molestation or physical or mental abuse of any person and this exclusion applies only to those person(s) who actively participates in any act of sexual misconduct, sexual molestation, or physical or mental abuse of any person.
3. Exclusion 2. of the Commercial General Liability Coverage Form is deleted in its entirety and replaced by the following:
 - a) "bodily injury" or "property damage" expected or intended from the standpoint of any insured.
4. This exclusion is not applicable where reasonable force is necessary and applied for your self defense of your property.

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
PHYSICAL DAMAGE —
DIRECT (U.S.A.)**

NMA 1191

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused * **Nevertheless** if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered **Excluding** however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

***Note.** — If Fire is not an insured peril under this Policy the words **“Nevertheless”** to the end of the clause do not apply and should be disregarded.

ELECTRONIC DATA ENDORSEMENT B

NMA 2915

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary written the Policy or any endorsement thereto, it is understood and agreed as follows:

- (a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to “Trojan Horses”, “worms” and “time or logic bombs”.

- (b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

2. Electric Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by the Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering, or assembling such ELECTRONIC DATA. If the media is not

repaired, replaced, or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

**BIOLOGICAL OR CHEMICAL
MATERIALS EXCLUSION**

NMA 2962
(06-03)

It is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**WAR AND CIVIL WAR
EXCLUSION CAUSE**

NMA 464

Notwithstanding anything to the contrary contained herein, this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

**WAIVER OF MINE SUBSIDENCE COVERAGE
State of Illinois**

UG 161
(Ed. 09-98)

Under Illinois Law, Chapter 215 Section 5/805.1, every policy issued insuring a residence, commercial building or living unit must include mine subsidence coverage unless waived in writing by the insured.

Mine subsidence coverage provides coverage for direct damage caused by lateral or vertical ground movement caused by a failure initiated at the mine level, of man-made underground mines, including, but not limited to coal mines, clay mines, limestone mines and fluorspar mines. Mine subsidence coverage does not include lateral or vertical ground movement caused by earthquake, landslide, volcanic eruption, soil conditions, soil erosion, soil freezing and thawing, improperly compacted soil, construction defects, roots of trees and shrubs or collapse of storm and sewer drains and rapid transit tunnels.

If you, the insured, waive mine subsidence coverage this coverage will not be provided in any renewal or supplementary policy issued by this insurer unless you make a written request for such coverage.

Warning — signing below waives coverage for mine subsidence.

I affirmatively waive the benefits required by Section 5/805.1 of the Illinois Insurance Law. I understand and agree that this waiver of coverage shall be applicable to the policy or binder described below and on all future renewals of the policy and on all supplementary policies unless I notify the insurer in writing to the contrary.

Signature of the Insured

Signature of the Insured

Date

Policy/Binder Number

Agent/Producer Name

Date

*Some policies are exempt from this requirement based upon the population of the county in which the property is located or upon the population of the counties contiguous to such county of location. Your agent/producer or the insurer will be able to verify whether the county in question is within the mandates of Section 5/805.1.

