



Special Property Enhanced Coverage Form

SPECIMEN

NAME INSURED:

POLICY NUMBER:

POLICY PERIOD: From

To

120 Long Ridge Road
STAMFORD, CONNECTICUT 06902

©General Star Indemnity Company, 2022
Stamford, CT 06902-1843

TABLE OF CONTENTS

	Page
Section I. Declarations	
A. General Information	6
B. Policy Period	6
C. Premium	6
D. Mortgageholders, Loss Payees, and Additional Insureds	6
E. Policy Limit	7
F. Participation	7
G. Schedule of Sublimits	7
H. Schedule of Deductibles	12
I. Coinsurance	15
J. Margin Percentage	15
K. Minimum Earned Premium	15
L. Assigned Adjuster	15
M. What to do in Case of a Claim	16
N. Schedule of Forms	16
O. Signature	16
Section II. Insuring Agreement	17
Section III. Covered Property	
A. Building	17
B. Business Personal Property	17
Section IV. Property Not Covered	18
Section V. Covered Causes of Loss	20
Section VI. Additional Coverages	
A. Accounts Receivable	20
B. Business Personal Property Temporarily in Portable Storage Units	21
C. Claim Data Expense	21
D. Collapse	22
E. Debris Removal	23
F. Discharge From Sewer, Drain or Sump (Not Flood Related)	24
G. Earth Movement	24
H. Earthquake and Volcanic Eruption	25
I. Electronic Data	26
J. Errors and Omissions	27
K. Fine Art	28
L. Fire Extinguisher Systems Recharge Expense	28
M. Flood	28
N. Fungus, Spores, Wet Rot, Dry Rot and Mold	30
O. Glass	31
P. Green Upgrades	31
Q. Lock and Key Replacement	31
R. Miscellaneous Unnamed Premises	32
S. Newly Acquired Property	32
T. Non-Owned Detached Trailers	33

U. Ordinance or Law	34
V. Outdoor Property	39
W. Piers, Wharves and Docks	39
X. Pollutant Clean-Up and Removal	39
Y. Preservation of Property	40
Z. Property in Transit	40
AA. Property Off-Premises	40
BB. Reward Reimbursement	41
CC. Service Charges	41
DD. Tenant Relocation Expense	41
EE. Utility Services (Direct Damage or Business Income)	42
FF. Valuable Papers and Records (Other Than Electronic Data)	43

Section VII. Exclusions

1. Ordinance or Law	43
2. Earth Movement	44
3. Governmental Action	44
4. Nuclear Hazard	44
5. Utility Services	44
6. War and Military Action	45
7. Water	45
8. Fungus, Spores, Wet Rot, Dry Rot and Mold	46
9. Cyber Incident	46
10. Asbestos and Toxic Materials	46
11. Virus, Bacteria, Parasite or Other Organism	47
12. Terrorism	47
13. Aluminum Wiring	48
14. Circuit Breakers	49
15. Biological or Chemical Materials	49
16. Other	49

Section VIII. Business Income and Extra Expense 53

D. Additional Coverages	
1. Alterations and New Buildings	54
2. Expediting Expenses	54
3. Extended Business Income	54
4. Ingress or Egress	55
5. Interruption by Civil or Military Authority	56
6. Monthly Limit of Indemnity	57
7. Soft Costs	57
E. Exclusions	58

Section IX. Limits 59

Section X. Deductibles 59

Section XI. Loss Payment 61

Section XII. Valuation

A. Covered Property	
1. Fine Art	63
2. Historic Landmark	63
3. Pairs and Sets	63

4. Personal Property of Others	64
5. Replacement Cost	64
6. Stock	65
7. Technologically Obsolete	65
8. Tenant's Improvements and Betterments	65
B. Business Income and Extra Expense	
1. Business Income	65
2. Extra Expense	65
Section XIII. Conditions	
A. Abandonment	66
B. Additional Insured and Loss Payees	66
C. Appraisal	67
D. Brands and Labels	67
E. Cancellation and Nonrenewal	68
F. Certificates of Insurance	68
G. Changes	69
H. Coinsurance	69
I. Concealment, Misrepresentation or Fraud	70
J. Control of Property	71
K. Coverage Territory	71
L. Duties in the Event of Loss or Damage	71
M. Errors and Omissions	72
N. Examination of Your Books and Records	72
O. Inspections and Surveys	72
P. Insurance Under Two or More Coverages	72
Q. Joint Loss Agreement	72
R. Legal Action Against Us	73
S. Mortgageholders	73
T. No Benefit to Bailee	74
U. Other Insurance	74
V. Policy Period	74
W. Premium	75
X. Representations on Aluminum Wiring and Circuit Breakers	75
Y. Representations on Application Warranty	75
Z. Salvages and Recoveries	76
AA. Service of Suit	76
BB. Severability of Interests	76
CC. Several Liability Clause	77
DD. Statement of Values	77
EE. Subrogation	77
FF. Total Loss	78
GG. Transfer of Your Rights and Duties Under this Policy	78
HH. Vacancy	78
Section XIV. Definitions	
A. Earthquake	79
B. Electronic Data	79
C. Fine Art	79
D. Finished Stock	79
E. Flood	79
F. Fungus	80

G. High Hazard Hail Zone	80
H. Moderate Flood Hazard Area	81
I. Named Storm	81
J. New Madrid Earthquake Zone	81
K. Occurrence	81
L. Operations	82
M. Pacific Northwest Earthquake Zone	82
N. Period of Restoration	82
O. Pollutants	83
P. Rental Value	83
Q. Special Flood Hazard Area	83
R. Specified Cause of Loss	83
S. Spores	84
T. Stock	84
U. Suspension	84
V. Tier 1 High Hazard Wind Zone	84
W. Tier 2 High Hazard Wind Zone	85
X. Wildfire	86

SPECIMEN



GENERAL STAR INDEMNITY COMPANY

(A STOCK INSURANCE COMPANY)

120 Long Ridge Road
Stamford, Connecticut 06902

I. DECLARATIONS

A. GENERAL INFORMATION

POLICY NUMBER:

PREVIOUS POLICY NUMBER:

NAMED INSURED:

BROKER:

MAILING ADDRESS:

BILLPOINT CODE:

FORM OF BUSINESS:

BUSINESS DESCRIPTION:

B. POLICY PERIOD: From _____ to _____ at 12:01 A.M. Standard Time
at your mailing address shown above.

C. PREMIUM

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

TOTAL PREMIUM: \$

Premium shown is payable at inception, unless otherwise stated.

Audit Period: Annual, unless otherwise stated.

D. MORTGAGEHOLDERS, LOSS PAYEES, AND ADDITIONAL INSURED

Per Certificates on file with us or any endorsement attached to and forming part of this Policy.

E. POLICY LIMIT

\$ _____ is the most that will be paid for loss or damage in any one "occurrence", including any insured Business Income and Extra Expense loss. In no event shall the collective liability of all Insurance Companies exceed this limit or amount regardless of the number of locations, premises, coverages or Covered Causes of Loss that are involved in the loss.

Subject to the Policy Limit above, the most that will be paid for loss or damage at any described premises is the Covered Property and Business Income and Extra Expense values shown for that premises on the latest Statement of Values on file with us.

: "PARTICIPATION

The Policy Limit shown in Section I.E. above and the Sublimits of Insurance shown in Section I.G. or endorsements attached to this Policy represent the collective liability of all Insurance Companies combined whether issued as Co-Insurance or as separate policies to this one. The maximum share of the Policy Limit and Sublimits of Insurance for us in any one "occurrence" is _____ %.

G. SCHEDULE OF SUBLIMITS

The Sublimits of Insurance stated below are included within and not in addition to the Policy Limit shown in Section I.E. above. If multiple sublimits apply to the same "occurrence", we will not pay more than our share of the Policy Limit. The Sublimits of Insurance stated below are per "occurrence" unless otherwise indicated. If a specified dollar amount or number of days is not shown corresponding to any coverage, then no coverage is provided. When a Sublimit of Insurance applies, then that Sublimit of Insurance also applies to any Business Income and Extra Expense coverage associated with that property unless a separate Sublimit of Insurance is shown in Section G.3. Sublimits Applicable to Additional Business Income and Extra Expense Coverages. All sublimits are within the Policy Limit (regardless of the number of sublimits applicable), and we will not pay more than our share of the Policy Limit in any one "occurrence".

Property Damage and Business Income and Extra Expense coverages are subject to the following sublimits, unless otherwise stated.

1. Sublimits Applicable to Specified Covered Causes of Loss

a. Collapse

\$ _____

b. Discharge from Sewer, Drain or Sump (Not Flood Related)

\$ _____

c. Earth Movement

\$ _____

Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of Earth Movement, except:

(1) \$ _____

Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of Earth Movement in California;

(2) \$ _____

Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of Earth Movement in Alaska or Hawaii;

(3) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of Earth Movement in the "Pacific Northwest Earthquake Zone";

(4) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of Earth Movement in the "New Madrid Earthquake Zone".

d. "Earthquake" and Volcanic Eruption

\$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Earthquake" and Volcanic Eruption, except:

(1) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Earthquake" and Volcanic Eruption in California;

(2) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Earthquake" and Volcanic Eruption in Alaska or Hawaii;

(3) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Earthquake" and Volcanic Eruption in the "Pacific Northwest Earthquake Zone";

(4) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Earthquake" and Volcanic Eruption in the "New Madrid Earthquake Zone".

e. "Flood"

\$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Flood", except:

(1) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Flood" in a "Special Flood Hazard Area".

(2) \$ Per "occurrence" and in the annual aggregate for all covered loss or damage arising out of "Flood" in a "Moderate Flood Hazard Area".

f. "Named Storm"

\$ Per "occurrence", except:

(1) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in a "Tier 1 High Hazard Wind Zone", except:

(a) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in

(b) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in

(2) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in a "Tier 2 High Hazard Wind Zone", except:

(a) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in

(b) \$ Per "occurrence" for all covered loss or damage arising out of "Named Storm" in

2. Sublimits Applicable to Additional Coverages

- a. Accounts Receivable \$
- b. Business Personal Property Temporarily in Portable Storage Units \$
- c. Claim Data Expense \$
- d. Debris Removal \$
- e. "Electronic Data" \$ 2,500 Per "occurrence" and in the annual aggregate

f.	Errors and Omissions	\$	
g.	"Fine Art"	\$	
h.	Fire Extinguisher Recharge Expense	\$	
i.	"Fungus", "Spores", Wet Rot, Dry Rot and Mold	\$	Per "occurrence" and in the annual aggregate
j.	Glass	\$	
k.	Green Upgrades	\$	
l.	Lock and Key Replacement	\$	
m.	Miscellaneous Unnamed Locations	\$	
n.	Newly Acquired Property	\$	
o.	Non-Owned Detached Trailers	\$	
p.	Ordinance or Law	\$	Coverage A
		\$	Coverage B
		\$	Coverage C
		\$	Coverage B and C combined
		\$	Coverage E
q.	Outdoor Property	\$	
r.	Piers, Wharves and Docks	\$	
s.	Pollutant Clean-Up and Removal	\$	Per "occurrence" and in the annual aggregate
t.	Preservation of Property	\$	

SPECIMEN

u. Property In Transit	\$	
v. Property Off-Premises	\$	
w. Reward Reimbursement	\$	
x. Service Charges	\$	Per "occurrence" at each premises.
y. Tenant Relocation Expense	\$	
z. Utility Services – Direct Damages	\$	
aa. Valuable Papers and Records	\$	

3. Sublimits Applicable to Additional Business Income and Extra Expense Coverages

a. Alterations and New Buildings	\$	
b. Errors and Omissions	\$	
c. Expediting Expenses	\$	
d. Interruption of Computer Operations	\$ 2,500	Per "occurrence" and in annual aggregate
e. Miscellaneous Unnamed Locations	\$	
f. Monthly Limit of Indemnity		
g. Newly Acquired Property	\$	
h. Ordinance or Law	\$	Coverage D
	\$	Coverage F
i. Soft Costs	\$	
j. Utility Services – Business Income	\$	

4. Time Limits Applicable to Business Income and Extra Expense Coverages

a. Extended Business Income	
(1) Other than Rental Value	Days
(2) "Rental Value"	Days

- b. Ingress or Egress Days
- c. Interruption by Civil or Military Authority Days

5. Distance Limits Applicable to Business Income and Extra Expense Coverages

- a. Ingress or Egress Miles
- b. Interruption by Civil or Military Authority Miles

H. SCHEDULE OF DEDUCTIBLES

We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by the Coinsurance Condition.

The Deductible, as shown below, applies to covered loss or damage caused directly or indirectly by the Covered Cause of Loss shown next to that Deductible. The Deductible applies separately to each "occurrence".

\$ _____ for all Covered Causes of Loss, except:

1. Earth Movement:

\$ _____, except:

- a. _____% in California, subject to a \$ _____ minimum;
- b. _____% in Alaska or Hawaii, subject to a \$ _____ minimum;
- c. _____% in "Pacific Northwest Earthquake Zone" subject to a \$ _____ minimum;
- d. _____% in "New Madrid Earthquake Zone", subject to a \$ _____ minimum.

2. "Earthquake" and Volcanic Eruption

\$ _____, except:

- a. _____% in California, subject to a \$ _____ minimum;
- b. _____% in Alaska or Hawaii, subject to a \$ _____ minimum;

b. % in "Tier 2 High Hazard Wind Zone", subject to a \$ minimum, except:

(1) % in subject to a \$ minimum.

(2) % in subject to a \$ minimum.

5. Theft

\$ Per

6. Water Damage

\$ Per

7. "Wildfire"

\$ Per

8. Windstorm or Hail

Per , subject to a \$

minimum, except:

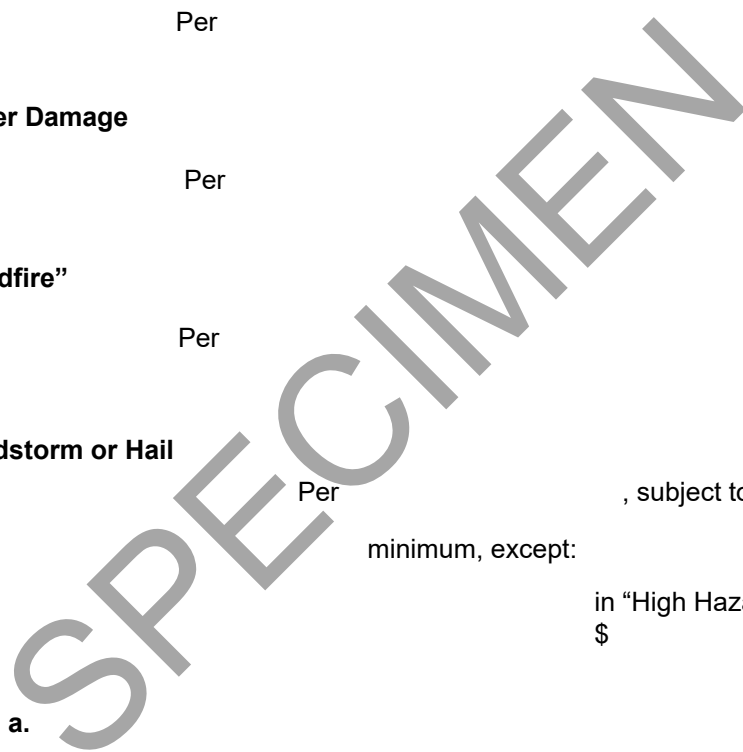
in "High Hazard Hail Zone", subject to a \$ minimum, except:

a. in subject to a \$ minimum.

b. in subject to a \$ minimum.

9. Other

\$ Per for



I. Coinsurance

If a Coinsurance percentage is shown below, we may not pay the full amount of a loss. Please refer to Paragraph **H. Coinsurance** of Section **XIII. Conditions** for more details.

%

J. Margin Percentage

The following Margin Percentage will be used in determining the amount we will pay for covered loss or damage. Please refer to Paragraph **A.** of Section **XI. Loss Payment** for more details.

%

K. Minimum Earned

In the event of cancellation of this Policy by you, or cancellation by us for non-payment of premium, no less than the following amount shall be retained as fully earned minimum premium.

%

L. Assigned Adjuster

It is hereby agreed that the following Assigned Adjuster shall be designated as the account claim adjuster for all claims reported under the terms and conditions of this Policy. The account claim adjuster may not re-assign any claim(s) without our prior approval. The account claim adjuster is not a party to this contract. We reserve the right to select an alternate claim adjuster at our discretion. In such event, or in the event that the account claim adjuster becomes unwilling or unable to perform, a replacement account claim adjuster will be selected by mutual agreement between us and you.

Adjuster Name:

Adjusting Firm:

M. What to do in Case of a Claim

In the event of loss or damage to Covered Property, you should immediately report the details in writing to:

General Star Indemnity Company
Property Claims
P.O. Box 1255
Stamford, CT 06904
Fax: 866-464-3678
E-Mail: GStarPropertyClaims@generalstar.com

Note: Failure to promptly report loss or damage could jeopardize your coverage.

N. SCHEDULE OF FORMS: These forms complete the above referenced policy.

- PP 00 0180 08 22 - Special Property Enhanced Coverage Form
- IL 11 0001 07 22 - Additional Policy Conditions – Trade Sanctions and Specialty Designated Nationals (OFAC)
- IL P 0001 01 04 - U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) Advisory Notice to Policyholders

O. Signature

COUNTERSIGNED AT
on

BY: 
AUTHORIZED REPRESENTATIVE

Throughout this Policy, the words “you” and “your” refer to the Named Insured shown in Section I. **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 **XIV. Definitions.**

II. Insuring Agreement

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Statement of Values (hereinafter the described premises) caused by or resulting from any Covered Cause of Loss occurring during the Policy Period.

III. Covered Property

Covered Property, as used in this Policy, means the type of property described in this section, **III. Covered Property**, and limited in **IV. Property Not Covered**, if a value is shown in the Statement of Values for that type of property.

A. **Building**, meaning the building or structure described in the Statement of Values, including:

1. Completed additions;
2. Fixtures, including outdoor fixtures, improvements and alterations that are part of the building or structure (but not including fixtures, improvements or alterations within an individual condominium unit unless the Condominium Association Agreement requires you to insure them);
3. Permanently installed machinery and equipment, or machinery or equipment that you have purchased and intend to permanently install in or on the building or structure;
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, laundering, security or housekeeping that are not contained within individual condominium units unless the Condominium Association Agreement requires you to insure them;
5. If not covered by other insurance:
 - a. Buildings or structures while in the course of construction;
 - b. Additions under construction, alterations and repairs to the building or structure except for alterations and repairs within an individual condominium unit unless the Condominium Association Agreement requires you to insure them;
 - c. Materials, equipment, supplies and temporary structures (including cribbing, scaffolding and construction forms), on or within 1,000 feet of the described premises, used for construction or for making additions, alterations or repairs to the building or structure.

B. **Business Personal Property** consists of the following property located in or on the building or structure described in the Statement of Values or in the open (or in a vehicle) within 1,000 feet of the premises described in the Statement of Values, whichever distance is greater:

1. Furniture and fixtures;
2. Machinery and equipment;
3. "Stock";
4. All other personal property owned by you or owned indivisibly by all unit-owners and used in your business;
5. Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
6. Your use interest as a 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 Paragraph III.B.9. below;
8. Personal property that is owned by your employees, directors or officers (but only while such personal property is being used by your employees, directors or officers in your business).
9. Personal property of others that is in your care, custody or control. However, our payment for loss or damage to personal property of others will only be for the account of the owner of the property.

Business Personal Property does not include personal property owned only by, used by, or in the care, custody or control of a condominium unit-owner.

IV. 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;
- C. Bridges, roadways, walks, patios or other paved surfaces;
- D. Builder's machinery;
- E. Bulkheads, pilings, piers, wharves, docks, dikes or dams (except as provided under the Additional Coverage – Piers, Wharves, and Docks);
- F. Contraband, or property in the course of illegal transportation or trade;
- G. The cost of excavations, grading, backfilling or filling;
- H. "Fine art" (except as provided under the Additional Coverage – "Fine Art");
- I. 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.

(Except as provided under the Additional Coverage – Building Foundations and Underground Pipes);

- J. Growing crops, standing timber or lawns;
- K. Land (whether in its natural state or otherwise), including, but not limited to, land on which the property is located and land improvements;
- L. Personal property while airborne or waterborne (including but not limited to any personal property while on aircraft or watercraft);
- M. Personal property in your care, custody or control when you are acting as a bailee, a warehouseman, or a carrier for hire;
- N. Property that is covered under 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;
- O. Property sold by you under a conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers;
- P. Railroad rolling stock;
- Q. Retaining walls that are not part of a building;
- R. Transmission and distribution lines, including support structures, of every type and description, except when owned by you and located on the described premises or within 1,000 feet thereof;
- S. Underground pipes, flues or drains (except as provided in the Additional Coverage – Building Foundations and Underground Pipes);
- T. Vegetated roofs;
- U. Water, including but not limited to, water in a tank, piping system or processing system;
- V. “Electronic data”, except as provided under the Additional Coverage – “Electronic Data”. This Paragraph, V., does not apply to your “stock” of prepackaged software.
- W. 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. (Except as provided in the Additional Coverage – Valuable Papers and Records (Other Than “Electronic Data”));
- X. Vehicles or self-propelled machines, including:
 - 1. Automobiles, motorcycles, motor trucks, motor homes and similar vehicles;
 - 2. Aircraft (including but not limited to unmanned aircrafts which are commonly known as drones),
 - 3. Watercraft; and
 - 4. Other vehicles or self-propelled machines that are:
 - a. Licensed for use on public roads; or
 - b. Operated principally away from the described premises.

This paragraph does not apply to:

- a. Vehicles or self-propelled machines you manufacture, process or warehouse;
- b. Vehicles or self-propelled machines, other than those listed in **IV.X.1** above, 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 Additional Coverage – Non-owned Detached Trailers; or

Y. The following property while outside of buildings:

1. Grain, hay, straw or other crops; or
2. Fences, telecommunications, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, lawns, trees, shrubs or plants (other than trees, shrubs or plants which are “stock”), except as provided in the Additional Coverage – Outdoor Property.

V. Covered Causes of Loss

We will pay for direct physical loss or damage to Covered Property unless the loss is excluded or limited in this Policy.

VI. Additional Coverages

The following Additional Coverages only apply to this Policy if a corresponding Sublimit of Insurance and amount is shown in Section **I.G.** Schedule of Sublimits. We will not pay more under these Additional Coverages than the applicable amounts shown for such item(s), which are included in, and are not in addition to, the Policy Limit shown in Section **I.E.** of the Declarations. All Sublimits listed in the Schedule of Sublimits apply on a per “occurrence” basis unless otherwise stated.

A. Accounts Receivable

1. If this Policy covers Business Personal Property, we will pay:
 - a. All amounts due from your customers that you are unable to collect;
 - b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
 - d. Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

2. Coverage does not apply to:
 - a. Records of accounts receivable in storage away from the described premises; or
 - b. Contraband, or property in course of illegal transportation or trade.

3. With respect to this Additional Coverage, the following exclusions are added:

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

- a. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities, or other property;
- b. Bookkeeping, accounting or billing errors or omissions;
- c. Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
 - (1) Programming errors or faulty machine instructions;
 - (2) Faulty installation or maintenance of data processing equipment or component parts;
 - (3) An "occurrence" that took place more than 1,000 feet from the described premises; or
 - (4) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such "occurrence" took place more than 1,000 feet from the described premises.

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

B. Business Personal Property Temporarily in Portable Storage Units

- 1. We will pay for loss or damage to Your Business Personal Property while such property is temporarily stored in a portable storage unit (including a detached trailer) located within 1,000 feet of the building or structure described in the Statement of Values or within 1,000 feet of the premises described in the Statement of Values, whichever distance is greater.
- 2. Paragraph **C.2.** of Section **VII. Exclusions** also applies to property in a portable storage unit.
- 3. This coverage:
 - a. Will end 90 days after the business personal property has been placed in the storage unit; and
 - b. Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of the loss or damage.
- 4. The most we will pay for the total of all loss or damage to business personal property under this Additional Coverage is the corresponding Sublimit shown in the Schedule of Sublimits regardless of the number of storage units.
- 5. This additional coverage does not apply to loss or damage otherwise covered under this Policy or any endorsement attached to this Policy and does not apply to loss or damage to the storage unit itself.

C. Claim Data Expense

- 1. We will pay for the actual, reasonable, and necessary expenses you incur in preparing claim data when we require it. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.
- 2. We will not pay for:

- a. Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters, loss consultants, and loss appraisers or their associates or subsidiaries;
- b. Any expenses incurred in establishing that any claim or part of a claim is covered by this Policy;
- c. Any expenses incurred in negotiating or presenting any claim or part of a claim that we have advised you is disputed or denied;
- d. Any costs as described in Paragraph **C. Appraisal** of Section **XIII. Conditions**; or
- e. Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expense being incurred.

D. Collapse

The term Covered Cause of Loss includes the Additional Coverage – Collapse (as described and limited 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 not in danger of falling down or caving in is not considered to be in a state of collapse;
- c. A part of the building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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

- a. The “specified causes of loss” or breakage of building glass, all only as insured against in this Policy;
- b. 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 the roof;

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

3. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - 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 Paragraphs **2.b.** through **2.e.** above, 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 Policy; and
 - b. The property is Covered Property under this Policy.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse was caused by a Cause of Loss listed in Paragraphs **2.b.** through **2.e.** 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.

E. Debris Removal

1. Subject to Paragraphs **2.**, **3.**, and **4.** below, we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the Policy Period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
2. Debris Removal does not apply to costs to:
 - a. Remove debris of property of yours that is not insured under this Policy, or property in your possession that is not Covered Property;
 - b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this Policy;
 - c. Remove any property that is Property Not Covered under this Policy;

- d. Remove deposits of mud or earth from the grounds of the described premises;
 - e. Extract "pollutants" from land or water; or
 - f. Remove, restore or replace polluted land or water.
3. The most we will pay for debris removal expense is the corresponding Sublimit of Insurance shown in the Schedule of Sublimits. However, if no Covered Property has sustained loss or damage, the most we will pay for removal of debris of other property is \$5,000 at each premises described in the Statement of Values.

F. Discharge From Sewer, Drain Or Sump (Not "Flood" Related)

1. We will pay for direct physical loss or damage to Covered Property, caused by or resulting from discharge of water or waterborne material from a sewer, drain or sump located on the described premises, provided such discharge is not induced by "flood" or "flood" related conditions.

For purposes of this Additional Coverage, the term drain includes a roof drain and related fixtures.

2. There is no coverage under this Additional Coverage if:
- a. The discharge results from an insured's failure to perform routine maintenance or repair necessary to keep a sewer or drain or a sump, sump pump or related equipment free from obstruction and in proper working condition. This limitation does not apply to sudden mechanical breakdown of a sump pump or its related equipment, provided the breakdown is not the result of an insured's negligence; or
 - b. Sump pump failure is caused by or results from failure of power, unless a sublimit is shown on the Schedule of Sublimits for Utility Services.
3. To the extent that the Water Exclusion might conflict with the coverage provided under this Additional Coverage, the Water Exclusion does not apply to such coverage.
4. We will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.
5. All Policy provisions apply to the coverage provided under this Additional Coverage. If an "occurrence" results in loss payable only under this Additional Coverage and a separate deductible for Discharge from a Sewer, Drain or Sump (Not "Flood" Related) is shown on the Schedule of Deductibles, then that deductible will apply. If a separate deductible for Discharge from a Sewer, Drain or Sump (Not "Flood" Related) is not shown on the Schedule of Deductibles, then the Deductible applicable for Fire will apply to this Additional Coverage. If an "occurrence" also causes other loss or damage that is paid under this Policy, a separate Deductible will not apply to the loss or damage covered under this Additional Coverage.

G. Earth Movement

1. The following are added to the Covered Causes of Loss:

Earth Movement, including:

- a. "Earthquake", including tremors and aftershocks and any earth sinking, rising or shifting related to such event;

- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. 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.
- e. Volcanic eruption, explosion or effusion, including direct loss or damage caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter; or
 - (3) Lava flow.

The cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property is not covered.

2. Exclusions and Limitations and Related Provisions

- a. To the extent that the Earth Movement exclusion might conflict with coverage provided under this Additional Coverage, that part of the Earth Movement Exclusion does not apply.
- b. The exclusion of collapse does not apply to collapse caused by Earth Movement (as described in Paragraph **G.1.** above).
- c. The Additional Coverage – Collapse does not apply to the coverage provided under this Additional Coverage. This Additional Coverage includes coverage for collapse caused by Earth Movement (as described in Paragraph **G.1.** above).
- d. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami under this Additional Coverage, even if attributable to Earth Movement (as described in Paragraph **G.1.** above).
- e. This Additional Coverage does not include the cost of restoring or remediating land.
- f. The “period of restoration” applicable to Business Income (And Extra Expense) coverage applies to a single Earth Movement (as described in Paragraph **G.1.** above).
- g. This Additional Coverage does not apply to any building covered under the Additional Coverage for Newly Acquired or Constructed Property, Errors and Omissions, or Miscellaneous Unnamed Locations.
- h. If an Annual Aggregate sublimit applies to the coverage described in Paragraph **G.1.** above, then the limit applies to all loss or damage sustained in any one Policy year, regardless of the number of “occurrences” of loss or damage or the number of claims, premises, or insured locations involved.

H. “Earthquake” And Volcanic Eruption

- 1. The following are added to the Covered Causes of Loss:
 - a. “Earthquake”, including tremors and aftershocks and any earth sinking, rising or shifting related to such event.

b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

2. Exclusions and Limitations and Related Provisions

- a. To the extent that the Earth Movement exclusion might conflict with coverage provided under this Additional Coverage, that part of the Earth Movement Exclusion does not apply.
- b. The exclusion of collapse does not apply to collapse caused by “Earthquake” or Volcanic Eruption (as described in Paragraph **H.1.** above).
- c. The Additional Coverage – Collapse does not apply to the coverage provided under this Additional Coverage. This Additional Coverage includes coverage for collapse caused by “Earthquake” or Volcanic Eruption (as described in Paragraph **H.1.** above).
- d. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami under this Additional Coverage, even if attributable to “Earthquake” or Volcanic Eruption (as described in Paragraph **H.1.** above).
- e. This Additional Coverage does not include the cost of restoring or remediating land.
- f. The “period of restoration” applicable to Business Income (And Extra Expense) coverage applies to a single “Earthquake” or Volcanic Eruption (as described in Paragraph **H.1.** above).
- g. This Additional Coverage does not apply to any building covered under the Additional Coverage for Newly Acquired or Constructed Property, Errors and Omissions, or Miscellaneous Unnamed Locations.
- h. If an Annual Aggregate sublimit applies to the coverage described in Paragraph **H.1.** above, then the limit applies to all loss or damage sustained in any one Policy year, regardless of the number of “occurrences” of loss or damage or the number of claims, premises, or insured locations involved.

I. “Electronic Data”

- 1. This Additional Coverage does not apply to your “stock” of prepackaged software.
- 2. Subject to the provisions of this Additional Coverage, we will pay 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. Coverage under this Additional Coverage is limited to:
 - a. “Specified causes of loss” and Collapse; or
 - b. 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, install, modify, maintain, repair or replace that system.

4. The most we will pay for loss or damage sustained under this Additional Coverage is the sublimit shown in paragraph **G.2.** of the Schedule of Sublimits.
5. If a sublimit is shown in paragraph **G.3** of the Schedule of Sublimits for Interruption of Computer Operations, then this insurance is extended 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 listed in paragraphs **3.a.** and **3.b.** above.

This coverage does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in the Schedule of Sublimits has not been exhausted.

6. The sublimit(s) shown in paragraphs **G.2.** and **G.3.** of the Schedule of Sublimits apply to all loss or damage sustained or expenses incurred 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 relating to the first "occurrence" does not exhaust this amount, then the balance is available for subsequent loss or damage sustained or expense incurred in that Policy year. With respect to an "occurrence" which begins in one Policy year and continues or results in additional loss, damage or expense in subsequent Policy year(s), all loss, damage or expense is deemed to have been sustained in the Policy year in which the "occurrence" began.

J. Errors and Omissions

1. We will pay for direct physical loss or damage to Covered Property within the Coverage Territory that is owned, leased, rented or operated by the Named Insured, if such loss or damage is not payable under this Policy solely due to:
 - a. Any error or unintentional omission in the description of the address of the property whether made at the inception of the Policy Period or subsequent thereto; or
 - b. Failure through any error or unintentional omission to:
 - (1) Include any premises of the Named Insured on the effective date of the Policy; or
 - (2) Report any newly acquired locations before the period of automatic coverage provided under this Policy for Newly Acquired Locations expires.
2. The most we will pay for loss or damage to Covered Property under this Additional Coverage is the Sublimit shown in paragraph **G.2.** of the Schedule of Sublimits.
3. The most we will pay under this Additional Coverage for the sum of Business Income and Extra Expense incurred at each location is the amount shown in paragraph **G.3.** of the Schedule of Sublimits.
4. With respect to Paragraphs **J.1.**, **J.2.** and **J.3.** above, this Additional Coverage does not allow you to correct any value shown in the Statement of Values.
5. This Policy covers such direct physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.
6. It is a condition of this Additional Coverage that any error or unintentional omission must be reported to us when discovered by you and an additional premium be paid for any location added to the Policy.

7. There is no coverage under this Additional Coverage for loss or damage which is covered under any other provision of this Policy or under any other Policy issued to you that is insured, coinsured, or reinsured in whole or in part by us or any of our affiliated companies, regardless of the exhaustion of any limit or sublimit of liability or insurance.
8. This Additional Coverage does not apply to loss or damage caused by Earth Movement, "Earthquake" or Volcanic Eruption, "Flood", "Named Storm" or "Wildfire".
9. The Coinsurance Condition does not apply to this Additional Coverage.

K. "Fine Art"

1. We will pay for loss or damage to your "fine arts" resulting from a Covered Cause of Loss.
2. We will not pay for:
 - a. Loss or damage sustained from any repair, restoration or retouching process;
 - b. Breakage of art glass windows, statuary, marble, glassware, bric-a-brac, porcelains, and similar fragile articles unless caused by fire, lightning, aircraft, theft and/or attempted theft, "named storm", windstorm, earth movement, "earthquake", "flood", explosion, vandalism, collision, derailment or overturn of conveyance; or
 - c. Loss or damage to your "fine arts" while away from the described premises.
3. If the total value of "fine arts" at the described premises is greater than the Sublimit described in the Schedule of Sublimits, a schedule of the art must be provided to us in order for this Additional Coverage to apply. An additional premium may apply. A schedule should include the date each article of "fine art" was acquired, the appraised value, the title of the piece or collection, the medium and the dimensions.

L. Fire Extinguisher System Recharge Expense

1. We will pay the cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 1,000 feet of the described premises.
2. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
3. If a sublimit is shown in the Schedule of Sublimits for Earth Movement or "Earthquake" and Volcanic Eruption, then coverage will be provided for loss or damage caused by leakage from your fire extinguishers and fire extinguishing equipment that is caused by Earth Movement or "Earthquake" and/or Volcanic Eruption (whichever applies).
4. No Deductible applies to this Additional Coverage.

M. "Flood"

1. "Flood" is added to the Covered Causes of Loss.
2. Exclusions, Limitations and Related Provisions
 - a. To the extent that a part of the Water Exclusion might conflict with coverage provided under this Additional Coverage, that part of the Water Exclusion does not apply.

- b. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of “earthquake”, in the Earth Movement Exclusion, does not apply.
- c. The following exclusions and limitations are added and apply to this Additional Coverage:

(1) We will not pay for any loss or damage caused by or resulting from any “Flood” that begins before or within 72 hours after the inception date of this Policy. However, this limitation does not apply to a described premises if “Flood” coverage was in effect for that premises for at least 72 hours immediately prior to the inception date of this Policy, under a Policy issued by us or by another insurer, and this Policy replaces the previous Policy without a lapse in coverage. If you request and we provide an increase in the stated Sublimit for “Flood” during the term of this Policy, with the exception of an increase at the time of renewal of the Policy, the increase will not apply to loss or damage from any “Flood” that begins before or within 72 hours after your request was made.

If the “Flood” is due to the overflow of inland or tidal waters, then the “Flood” is considered to begin when the water first overflows its banks.

- (2) We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- (3) The coverage under this Additional Coverage does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from “Flood”. However, coverage under this Additional Coverage includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause “Flood”.
- (4) Property Not Covered is amended and supplemented as follows with respect to this Additional Coverage:
 - (a) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.
 - (b) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (c) If a sublimit is shown in the Schedule for piers, wharves, and docks, this Additional Coverage does not apply to such property.
 - (d) The following are removed from Property Not Covered and are therefore Covered Property:
 - i. Foundations below the lowest basement floor or the subsurface of the ground; and
 - ii. Underground pipes, flues and drains.

(5) We will not pay for loss or damage caused by the discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from “Flood” and occurs within 72 hours after the “Flood” recedes.

- (6) This Additional Coverage does not apply to any building or structure that is not fully enclosed by walls and a roof.
- (7) This Additional Coverage does not apply to any building covered under the Additional Coverage for Newly Acquired or Constructed Property, Errors and Omissions, or Miscellaneous Unnamed Locations.

d. Limits of Insurance

- (1) The Annual Aggregate sublimit for "Flood" applies to the coverage described in Paragraph **M.1.** above. This Annual Aggregate sublimit applies to all loss or damage sustained in any one Policy year, regardless of the number of "occurrences" of loss or damage or the number of claims or described premises.
- (2) If a single "occurrence" of "Flood" begins during one annual Policy Period and ends during the following annual Policy Period, any Sublimit or Annual Aggregate sublimit applicable to the following annual Policy Period will **not** apply to that "Flood".
- (3) The coverage provided in Paragraph **M.1.** above does not increase the applicable Limit of Insurance on any Covered Property. If a particular "occurrence" results in loss or damage by "Flood" and another Covered Cause of Loss, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

e. Deductible

- (1) The deductible for this Additional Coverage is shown in the Schedule of Deductibles.
- (2) We will not pay that part of the loss that is attributable to any deductible(s) in the National Flood Insurance Program policy.
- (3) If "Flood" results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies.

N. "Fungus", "Spores", Wet Rot, Dry Rot and Mold

- 1. We will pay your expense for testing for, monitoring, abatement, mitigation, removal, remediation or disposal of "fungus" or "spores" or any substance, vapor, gas, or byproducts produced by or arising out of any "fungus" or "spores" provided:
 - a. Such expense is caused by or results from a Covered Cause of Loss that occurs during the Policy Period;
 - b. Subject to all other policy conditions, the necessity of such expense is reported to us in writing within 60 days of the date on which the Covered Cause of Loss occurs; and
 - c. We authorize you to incur such expense.
- 2. The sublimit shown in the Schedule of Sublimits for this Additional Coverage is the most we will pay for the sum of all covered expenses under this Additional Coverage regardless of the number of claims, described premises or "occurrences".
- 3. Subject to Paragraph **N.2.** above, the "Fungus", "Spores", Wet Rot, Dry Rot and Mold sublimit as shown in the Schedule of Sublimits applies to and includes the costs associated with the

replacement of Covered Property discarded or destroyed as part of the removal or remediation of “fungus” or “spores”.

O. Glass

1. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
2. 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.

P. Green Upgrades

1. We will pay for the reasonable and necessary additional costs incurred to repair, replace or reconstruct damaged property to the extent and in a manner required to certify the damaged property as “green”, including those expenses incurred for the following:
 - a. Any engineering or professional services required to design, manage or oversee the repair, replacement or [re]construction of the property to obtain “green” certification from a “recognized authority”.
 - b. Any testing or document services or fees required to demonstrate compliance with any “green” certification process.
 - c. Any temporary or permanent modifications or replacement of heating, ventilating or air conditioning systems to flush out and/or maintain the level of air quality required to achieve “green” certification.
 - d. Any additional cost incurred in the demolition or debris removal – including increased costs for recycling such debris – necessary to achieve “green” certification.
 - e. Any additional cost to install a “green” certified Vegetative Roofing System.
2. For the purposes of this Additional Coverage, the following definitions are added:
 - a. “Green” means the design or use of products, materials, machinery, equipment, systems or methods in the repair, replacement or [re]construction of property necessary to achieve “green” certification by a “recognized authority”.
 - b. “Recognized authority” means an individual, organization or entity that is accredited or otherwise recognized by the Leadership in Energy and Environmental Design (LEED) or the Green Building Initiative Green Globes.

Q. Lock and Key Replacement

When a master key or grand master key is lost or damaged from a Covered Cause of Loss, we will pay the lesser of:

1. The actual cost to replace keys;
2. The cost to rekey or reprogram the current locks to accept new keys; or
3. When needed, the cost of new locks including the installation and reprogramming of the new locks.

R. Miscellaneous Unnamed Locations

1. We will pay for loss or damage to Covered Property at any premises within the Coverage Territory that is either:
 - a. Not listed on the most recent Statement of Values on file with and accepted by us; or
 - b. Listed on the most recent Statement of Values on file with us and accepted by us but for which you have not submitted values for its interest.
2. No coverage is provided under this Additional Coverage for any property:
 - a. While in transit;
 - b. While waterborne;
 - c. Covered elsewhere in this Policy or any other policy issued by us to you; or
 - d. In which you share an interest as a joint owner with other parties.
3. The most we will pay under this Additional Coverage for loss or damage to Covered Property at any location is the sublimit shown for Miscellaneous Unnamed Locations in paragraph **G.2.** of the Schedule of Sublimits.
4. If a sublimit is shown in paragraph **G.3.** of the Schedule of Sublimits, then coverage is extended to include Business Income and Extra Expense. The sublimit is the most we will pay for the sum of Business Income and Extra Expense incurred at each miscellaneous unnamed location.
5. This Additional Coverage does not apply to loss or damage to Covered Property caused by Earth Movement, "Earthquake" or Volcanic Eruption, "Flood", "Named Storm", or "Wildfire".
6. The Coinsurance Condition does not apply to this Additional Coverage

S. Newly Acquired Property

1. Buildings

If this Policy covers Buildings, we will pay for loss or damage to:

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

If such buildings are of like kind and quality as the building(s) described in the Statement of Values.

2. Your Business Personal Property

a. If this Policy covers Your Business Personal Property, we will pay for loss or damage to:

- (1) Business personal property that you newly acquire, at any location other than at fairs, trade shows or exhibitions; and
- (2) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the described premises;

If such property is of like kind and quality as the property described in the Statement of Values.

- b. This Additional Coverage does not apply to:
 - (1) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (2) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities;
- 3. The most we will pay under this Additional Coverage for loss or damage to buildings or business personal property at each newly acquired location is the amount shown in Paragraph **G.2.** of the Schedule of Sublimits
- 4. **Business Income and Extra Expense**
 - a. We will pay for Business Income and Extra Expense coverage to apply to property (including property under construction) at any location you newly acquire by purchase or lease (other than fairs, trade shows or exhibitions).
 - b. The most we will pay under this Additional Coverage for the sum of Business Income and Extra Expense incurred at each newly acquired location is the amount shown in paragraph **G.3.** of the Schedule of Sublimits.

5. Period of Coverage

With respect to insurance provided under this Additional Coverage, coverage will end when any of the following first occurs:

- a. This Policy expires;
- b. 90 days expire after you acquire that 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 an 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.

- 6. This Additional Coverage does not apply to loss or damage to Covered Property caused by Earth Movement, "Earthquake" or Volcanic Eruption, "Flood", "Named Storm" or "Wildfire".
- 7. This Additional Coverage does not apply to loss or damage that is covered under the Errors or Omissions additional coverage or the Miscellaneous Unnamed Locations additional coverage.
- 8. The Coinsurance Condition does not apply to this Additional Coverage.

T. Non-owned Detached Trailers

- 1. We will pay for 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 Statement of Values; and
 - c. You have a contractual responsibility to pay for loss or damage to the trailer.

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. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

U. Ordinance Or Law

1. Application of Coverage(s)

The Coverage(s) provided by this Additional Coverage apply only if both Paragraphs **1.a.** and **1.b.** below are satisfied and are then subject to the qualifications set forth in Paragraph **1.c.** below.

a. The ordinance or law:

- (1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (2) Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Policy.

- b. (1)** The building sustains direct physical damage that is covered under this Policy and as a result of such damage, you are required to comply with the ordinance or law; or
 - (2)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
 - (3)** But if the building sustains direct physical damage that is not covered under this Policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.
- c.** In the situation described in **1.b.(2)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, C, D, E and/or F of this Additional Coverage. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages A, B, C, D, E or F of this Additional Coverage.

2. We will not pay under Coverages A, B, C, D, E or F of this Additional Coverage for:

- a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungus”, “spores”, wet or dry rot, virus, bacteria, parasite or other organism; or
 - b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”, “fungus”, “spores”, wet or dry rot, virus, bacteria, parasite or other organism.
3. We will not pay under this Additional Coverage for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

4. Coverage

a. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

b. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

c. Coverage C – Increased Cost of Construction Coverage

(1) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

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

When increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

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

(2) When a building is damaged or destroyed and Coverage C applies to that building in accordance with Paragraph c.(1) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same terms and conditions stated in Paragraph c.(1):

- (a) The cost of excavations, grading, backfilling and filling;
- (b) Foundations of the building;
- (c) Pilings, and
- (d) Underground pipes, flues and drains.

The items listed in Paragraphs **(2)(a)** through **(2)(d)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Paragraph **c.(2)**.

d. Coverage D – Increased Period of Restoration

If a Covered Cause of Loss occurs to a building(s) at the premises described in the Statement of Values, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of “suspension” of “operations” caused by or resulting from a requirement to comply with the ordinance or law.

e. Coverage E – Downzoning Physical Damage

With respect to the building(s) that has sustained covered direct physical damage and is prohibited by any ordinance or law from being repaired, rebuilt or replaced to the same height, floor area, number of units, configuration or occupancy, we will pay the cost to repair, rebuild or replace that portion of the Covered Property that existed at the time of loss or damage but cannot be repaired, rebuilt or replaced.

However, this coverage does not apply if the building is not repaired, rebuilt or replaced to the maximum height, floor area, number of units, configuration or occupancy allowed by the ordinance or law.

f. Coverage F – Downzoning Business Income

With respect to the building(s) that has sustained covered direct physical damage and is prohibited by any ordinance or law from being repaired, rebuilt or replaced to the same height, floor area, number of units, configuration or occupancy, we will pay the additional business interruption loss resulting from the inability to rebuild existing property to the same height, floor area, number of units, configuration or occupancy.

However, this coverage does not apply if the building is not repaired, rebuilt or replaced to the maximum height, floor area, number of units, configuration or occupancy allowed by the ordinance or law.

5. Loss Payment

a. The following loss payment provisions **5.b.** through **5.h.** are subject to the apportionment procedures set forth in paragraph **1.c.** of this Additional Coverage.

b. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(1) When such building is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

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

- (b)** The value applicable to such building as shown on the Statement of Values. (If this Policy provides a separate Limit of Insurance for a specific Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that would otherwise apply.)
- (2)** When such building is not repaired or replaced, we will not pay more than the lesser of:
- (a)** The actual cash value of such building at the time of loss; or
- (b)** The value applicable to such building as shown in the Statement of Values. (If this Policy provides a separate Limit of Insurance for a specific Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)
- c.** Unless Paragraph **5.e.** applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
- We will not pay more than the lesser of the following:
- (1)** The amount you actually spend to demolish and clear the site of the described premises; or
- (2)** The applicable Limit of Insurance shown for Coverage B in the Schedule of Sublimits and included within the value shown as applicable to the covered building in the Statement of Values.
- d.** Unless Paragraph **5.e.** applies, loss payment under Coverage C – Increased Cost of Construction Coverage will be determined as follows:
- (1)** We will not pay under Coverage C:
- (a)** Until the property is actually repaired or replaced, at the same or another premises; and
- (b)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (2)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
- (a)** The increased cost of construction at the same premises; or
- (b)** The applicable Limit of Insurance shown for Coverage C in the Schedule of Sublimits and included within the value shown in the Statement of Values as applicable to the covered building.
- (3)** If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
- (a)** The increased cost of construction at the new premises; or

- (b)** The applicable Limit of Insurance shown for Coverage C in the Schedule of Sublimits and included within the value shown in the Statement of Values as applicable to the covered building.
- e.** If a Combined Limit of Insurance is shown for Coverage B and C in the Schedule of Sublimits, Paragraphs **5.c.** and **5.d.** do not apply and the following loss payment provisions apply instead.

The most we will pay, for the total of all covered losses for Coverage B and Coverage C, is the Sublimit of Insurance shown for Coverages B and C in the Schedule of Sublimits of Insurance. Subject to this Sublimit of Insurance, the following loss payment provisions apply:

- (1)** For Coverage B – Demolition Cost Coverage, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (2)** For Coverage C – With respect to the Increased Cost of Construction:
 - (a)** We will not pay for the increased cost of construction:
 - i.** Until the property is actually repaired or replaced, at the same or another premises and;
 - ii.** Unless the repairs or replacement is made as soon as possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (c)** If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- f.** Loss payment under Coverage D – Increased Period of Restoration will be the actual and necessary loss of business income you sustain or extra expense you incur during the increased period of “suspension” of “operations” caused by or resulting from the requirement to comply with the ordinance or law.
- g.** Loss payment under Coverage E – Downzoning Physical Damage

If the building(s) is repaired, rebuilt or replaced at the same location to the maximum height, floor area, number of units, configuration or occupancy allowed by the ordinance or law, then we will pay the replacement cost value of that portion of the building that existed at the time of the loss or damage but cannot be repaired, rebuilt or replaced.
- h.** Loss payment under Coverage F – Downzoning Business Income

If the building(s) is repaired, rebuilt or replaced at the same location to the maximum height, floor area, number of units, configuration or occupancy allowed by the ordinance or law, then we will pay additional business income loss resulting from the inability to repair, rebuild or replace such building(s) to the height, floor area, number of units, configuration or occupancy that existed prior to the loss or damage. Such business income loss will be measured for the length of time as would have been required with the exercise of due diligence and dispatch to rebuild or replace such existing property.

6. The terms of this Additional Coverage apply separately to each building to which this Policy applies.
7. To the extent any provision of the Ordinance or Law exclusion conflicts with this additional coverage, that part of the exclusion does not apply.

V. Outdoor Property

We will pay for loss or damage to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are “stock” or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss:

1. For trees, shrubs or plants:
 - a. Fire;
 - b. Lightning;
 - c. Explosion;
 - d. Riot or Civil Commotion; or
 - e. Aircraft.
2. For outdoor fences and radio and television antennas (including satellite dishes):
 - a. any of the “specified causes of loss”; or
 - b. collapse, if collapse results from the use of defective materials or methods in construction, remodeling or renovation and it occurs during the course of construction, remodeling or renovation.

The most we will pay for loss or damage for the property listed in Paragraphs **V.1.** and **V.2.** above is the sublimit shown in the Schedule of Sublimits. However, we will not pay more than \$2,500 for any one tree, shrub or plant.

Subject to all aforementioned terms and limitations of coverage, this Additional Coverage includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

W. Piers, Wharves And Docks

If a sublimit is shown for Piers, Wharves And Docks in the Schedule of Sublimits, then Piers, Wharves and Docks are deleted from Paragraph **E.** of Section **IV. Property Not Covered.**

X. Pollutant Clean-Up And Removal

1. 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 after the date on which the Covered Cause of Loss occurs.
2. 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.

3. The most we will pay under this Additional Coverage for each described premises is the sublimit shown in the Schedule of Sublimits for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this Policy.

Y. 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:

1. We will pay for the reasonable and necessary expenses incurred by you to remove the Covered Property from the described premises, temporarily store the Covered Property at another location and move the Covered Property back to the described premises within 90 days after the property is first moved.

If the threat of imminent direct physical loss or damage from the same "occurrence" spans over multiple policy years, only the sublimit that applies to this Additional Coverage in the Policy year in which the expenses are first incurred by you will apply to the total of the expenses incurred due to the threat of loss or damage from that "occurrence".

The most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one "occurrence" is the applicable Sublimit shown on the Schedule of Sublimits.

2. We will also pay for any direct physical loss or damage to that property:
 - a. While it is being moved or while temporarily stored at another location; and
 - b. Only if the loss or damage occurs within 90 days after the property is first moved.

This Additional Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the Covered Cause of Loss from which the property is being preserved.

Z. Property In Transit

1. We will pay for loss of or damage to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Such property must be in or on a motor vehicle you own, lease or operate while between points in the Coverage Territory.
2. Loss or damage must be caused by or result from one of the following causes of loss:
 - a. Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - b. 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 roadbed.
 - c. 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.

AA. Property Off-Premises

1. We will pay for loss of or damage to 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 any fair, trade show or exhibition.
- 2. This coverage 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.

BB. Reward Reimbursement

- 1. If one or more covered losses are caused by or result from:

- a. A fire of a suspicious nature; or
 - b. Theft or vandalism (unless excluded elsewhere in the Policy),

we will reimburse you for the actual amount of the reward paid by you to an individual or individuals, provided:

- a. the individual(s) report(s) the suspected arsonist(s), thief, thieves or vandal(s) to local law enforcement officials; and
 - b. The arsonist(s), thief, thieves or vandal(s) is (are) apprehended, confesses, pleads guilty and/or is convicted of arson, theft or vandalism of your covered property.
- 2. Our reimbursement of this reward will not be increased by:
 - a. The number of individuals reporting the arsonist(s), thief, thieves or vandal(s); or
 - b. The number of arsonists, thieves or vandals involved in the covered loss.
- 3. No deductible applies to this Additional Coverage.

CC. Service Charges

When the fire department, police, rescue squad or any government or authority is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the sublimit shown in the Schedule of Sublimits for this Additional Coverage for service at each premises described in the Statement of Values. Such limit is the most we will pay regardless of the number of responding departments or units, and regardless of the number or type of services performed. This Additional Coverage applies to your liability for service charges:

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

No deductible applies to this Additional Coverage.

DD. Tenant Relocation Expense

- 1. When a "rented living quarters" in a building covered by this Policy is made uninhabitable by a fire, this Policy covers "relocation expenses" incurred by the tenant or lawful occupant to relocate to other living quarters in the shortest time possible.

2. Our payment for "relocation expense" is limited to no more than \$750 per "rented living quarters" and no more than the Sublimit shown in the Schedule of Sublimits for all "rented living quarters" made uninhabitable in any one fire.
3. The Deductible provisions of this Policy do not apply to the "relocation expense" benefits.
4. If, at the time of the loss:
 - a. The tenant or lawful occupant has other insurance that covers "relocation expense", we shall not be liable for any loss under this coverage until the liability of such other insurance has been exhausted.
 - b. You have other insurance that covers "relocation expense", payment under this Policy will be prorated with such insurance for the smaller of the incurred "relocation expense" or \$750 all after the application of the other insurance of the tenant or lawful occupant.
5. The claims of all persons occupying the "rented living quarters" will be settled with and payment made to the tenant or lawful occupant renting the quarters from the building owner(s) or lessor(s).
6. With respect to the coverage provided under this Additional Coverage, the following definitions apply:
 - a. "Relocation expense" means documented, reasonable and necessary:
 - (1) Costs of packing, insuring, storing and carting household goods;
 - (2) Costs of securing new utility services less refunds from discounted services at the damaged premises;
 - (3) Costs of searching for other quarters;
 - (4) Costs of disconnecting and reconnecting household appliances; or
 - (5) Additional living expenses while searching for or awaiting possession of other quarters or the restoration of existing quarters;Commencing with the date of damage to the covered building and not limited by the expiration date of this Policy.
 - b. "Relocation expense" does not mean:
 - (1) Loss caused by the termination of a lease or other agreement;
 - (2) Security deposits or other payments made to the landlord or lessor of other quarters; or
 - (3) Down payments, legal fees and closing costs incidental to the purchase of other quarters.
 - c. "Rented living quarters" means a room, suite of rooms, or apartment or condominium that you rent to one or more persons as a single residential unit. "Rented living quarter" does not mean one or more rooms occupied by one or more persons as roomers in a hotel, motel, public or private lodging or rooming house where the premises are occupied on a transient basis.

EE. Utility Services – (Direct Damage or Business Income)

1. We will pay up to the Sublimit shown in the Schedule of Sublimits for Utility Services – Direct Damage for loss or damage to Covered Property at a premises described in the Statement of Values, caused by an interruption in utility service to the described premises.

2. If a Sublimit is shown in the Schedule of Sublimits for Utility Services – Business Income, your coverage is extended to apply to a “suspension” of “operations” at the described premises caused by an interruption in utility services to that premises.
3. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the direct supplier of incoming electrical, gas, fuel, steam, water, refrigeration or telecommunication service, or the lack of outgoing sewerage service, which immediately prevents, in whole or in part, the delivery of such usable services.
4. As soon as reasonably practicable, you must notify the suppliers of services of any interruption of services described in Paragraph **EE.1.** above.
5. We will not be liable under this Additional Coverage if the interruption of such services described in Paragraph **EE.1.** above is caused directly or indirectly by your failure to comply with the terms and conditions of any contracts you have for the supply of services.
6. The coverage provided under this Additional Coverage does not apply to loss or damage to “electronic data”, including destruction or corruption of “electronic data”.

FF. Valuable Papers and Records (Other Than “Electronic Data”)

1. We will pay for the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Additional Coverage does not apply to valuable papers and records which exist as “electronic data”.
2. Coverage under this Additional Coverage is limited to the “specified causes of loss” and Collapse.
3. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exists), 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 for Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

VII. Exclusions

- A. We will not pay for any loss, cost, expense, or damage directly or indirectly caused by or resulting from any of the following. Such loss, cost, expense or damage is excluded regardless of any other cause or event, whether or not insured under this Policy, that contributes concurrently or in any sequence to the loss.

1. Ordinance Or Law

- a. The enforcement of or compliance with any ordinance or law:
 - (1) Regulating the construction, use or repair of any property; or
 - (2) Requiring the tearing down of any property, including the cost of removing its debris.
- b. 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.

(Except as provided under the Additional Coverage – Ordinance and Law.)

2. Earth Movement

- a. "Earthquake", including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. 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 including contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion.

This exclusion **A.2.** applies regardless of whether any of the above, in Paragraphs **a.** through **e.**, is caused by an act of nature or otherwise caused.

But, if any of the above, in Paragraphs **a.** through **e.**, results in fire or explosion, we will pay for the loss, cost, expense or damage caused by that fire or explosion.

(Except as provided under the Additional Coverage – Earthquake and Volcanic Eruption or the Additional Coverage – Earth Movement, whichever applies).

3. 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.

4. Nuclear Hazard

The actual or suspected presence or threat of nuclear reaction or radiation, or radioactive contamination, however caused.

However, if nuclear reaction or radiation, or radioactive contamination, results in a fire, we will pay for the loss, cost, expense or damage caused by that fire, subject to all applicable Policy provisions including the Limit of Insurance on the affected property in the states where required by law. Such coverage 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 or endorsements which apply to those coverages.

5. Utility Services

The failure of electrical, gas, fuel, steam, water, refrigeration or telecommunication service supplied to the described premises or the lack of outgoing sewerage service, however caused, if the failure:

- a. Originates away from the described premises; or
- b. Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of gas, fuel, steam, water, refrigeration or telecommunication service, or the lack of outgoing sewerage service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Telecommunication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

(Except as provided in the Additional Coverage – Utility Services (Direct Damage or Business Income)).

6. War and Military Action

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

7. Water

- a. "Flood", surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- b. Mudslide or mudflow;
- c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- d. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings; or
- e. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.**, **b.** or **c.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **a.** through **e.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **a.** through **e.**, results in fire, explosion or sprinkler leakage, we will pay for the loss, cost, expense or damage caused by that fire, explosion or sprinkler leakage.

(Except as provided under the Additional Coverage – “Flood” and Additional Coverage – Discharge From Sewer, Drain Or Sump (not “flood” related)).

8. “Fungus”, “Spores”, Wet Rot, Dry Rot and Mold

Presence, growth, proliferation, spread or any activity of “fungus”, “spores”, wet or dry rot or mold.

This exclusion does not apply:

- a. When “fungus”, “spores”, wet or dry rot or mold result from fire or lightning; or
- b. To the extent that coverage is provided in the Additional Coverage - “Fungus”, “Spores”, Wet Rot, Dry Rot, and Mold, with respect to loss or damage by a cause of loss other than fire or lightning.

9. Cyber Incident

- a. (1) Unauthorized access to or use of any computer system (including “electronic data”).
- (2) Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including “electronic data”) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including “electronic data”) or otherwise disrupt its normal functioning or operation.
- (3) Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.
- b. This exclusion does not apply:
 - (1) If a cyber incident as described in Paragraphs a.(1) through a.(3) of this exclusion results in fire or explosion, we will pay for the loss, cost, expense or damage caused by that fire or explosion.
 - (2) To the extent that coverage is provided in the:
 - (a) Additional Coverage – “Electronic Data”; or
 - (b) Additional Coverage – Interruption Of Computer Operations.
- c. If Vandalism coverage is not otherwise excluded and if applicable to the premises described in the Statement of Values, then Vandalism does not include a cyber incident as described in Paragraphs a.(1) through a.(3).

10. Asbestos and Toxic Materials

- a. Any actual, alleged or threatened release or escape of asbestos or any solid, liquid, or gaseous material that is toxic or poisonous to humans or animals, including but not limited to dioxin, polychlorinated biphenyls and lead.
- b. The removal of asbestos or any solid, liquid, or gaseous material that is toxic or poisonous to humans or animals from any structure, fixture, item of personal property or product; and

- c. Any demolition, increased cost of reconstruction, repair or loss of use necessitated by a governmental entity's enforcement of any statute, regulation or order regulating asbestos, or any solid, liquid or gaseous material that is toxic or poisonous to humans or animals.

11. Virus, Bacteria, Parasite Or Other Organism

- a. Any actual or suspected presence of any virus (including, but not limited to, SARS-CoV-2), bacterium, parasite or other organism that induces or is capable of inducing physical distress, illness or disease or the fear or threat (whether actual or perceived) of a virus (including, but not limited to, SARS-CoV-2), bacterium, parasite or other organism that induces or is capable of inducing physical distress, illness or disease, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", "spores", wet rot, dry rot or mold (excluded in Paragraph 8. above).

- b. For the purposes of this exclusion **A.11.**, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - (1) For the presence of any virus, bacterium, parasite or other organism; or
 - (2) Any property insured hereunder that is affected by such virus, bacterium, parasite or other organism.
- c. With respect to any loss, damage, claim, cost, expense or other sum subject to this exclusion **A.11.**, such exclusion supersedes any exclusion relating to "pollutants".
- d. The terms of this exclusion **A.11.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Policy.

This exclusion **A.11.**, applies to all coverage under all forms and endorsements that comprise this Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover Business Income, Extra Expense or Action of Civil Authority.

12. Terrorism

Any actual or threatened act of terrorism, including action in hindering or defending against an actual or expected incident of terrorism.

However, if terrorism results in fire, we will pay for the loss, cost, expense or damage caused by that fire, subject to all applicable Policy provisions including the Limit of Insurance on the affected property in the states where required by law. 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 the Business Income and/or Extra Expense coverage or endorsements which apply to those coverages.

For the purposes of this exclusion **A.12.**:

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

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

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

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

- (1) That involves 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; or
 - (d) Commission or threat of an act of destruction, assassination, kidnapping or hostage-taking; or
 - (e) Commission or threat of a hijacking or any unlawful exercise or control of any mode of transportation, including, but not limited to aircraft, watercraft, truck(s) or automobiles(s), including any attempted seizure of control; and
- (2) When one or more 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.

As used in this exclusion **A.12.**, terrorism includes Certified Acts of Terrorism. The exclusion set forth in Paragraph **A.12.**, and the definitions herein supersede any provision to the contrary contained elsewhere in this Policy.

13. Aluminum Wiring

The presence of any aluminum wiring.

However, this exclusion does not apply if:

- a.** The aluminum wiring is stranded aluminum wiring used for 220/240 volt circuits or the main power lines coming in the building or structure; and/or

- b. The aluminum wiring has been remediated by a licensed electrician using either COPALUM installation, AlumiConn connectors, or Model 65 Ideal purple wire nuts and all such remediation, including modifications and additions to installed wiring was completed, inspected, approved and is in compliance with all applicable local codes and laws.

14. Circuit Breakers

The presence of any Federal Pacific, Stab Lok, Zinsco, Sylvania, Challenger or GTE-Sylvania circuit breakers.

15. Biological or Chemical Materials

Any actual or suspected presence or threat of any pathogenic or poisonous biological or chemical substance or material of any kind, including, but not limited to, any malicious use of such substance or material, whether isolated or widespread, regardless of any other cause or event contributing at the same time or in any sequence.

Exclusions **A.1.** through **A.15.** apply whether or not the loss event results in widespread damage or affects a substantial area.

- B. We will not pay for loss, cost, damage or expense caused by or resulting from any of the following:

- 1. a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. 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; or
 - c. 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.
- 2. Delay, loss of use or loss of market.
 - 3. Smoke, vapor or gas from agricultural smudging or industrial operations.

4.
 - a. Wear and tear;
 - b. Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - c. The accumulated or cumulative effect of smog, smoke, vapor, liquid or dust of any kind;
 - d. Settling, cracking, shrinking or expansion;
 - e. Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
 - f. The following causes of loss to personal property:
 - (1) Dampness or dryness of atmosphere;
 - (2) Changes in or extremes of temperature; or
 - (3) Marring or scratching.

But if an excluded loss that is listed in **B.4.a.** through **f.** above results in a “specified cause of loss” or building glass breakage, we will pay for the loss, damage or expense caused by that “specified cause of loss” or building glass breakage.

5. 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.
6. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - a. You do your best to maintain heat in the building or structure; or
 - b. You drain the equipment and shut off the supply if the heat is not maintained.
7. Dishonest or criminal acts (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- a. Applies whether or not an act occurs during your normal hours of operation;
 - b. Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
8. 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.
9. Rain, snow, ice, sleet or “flood” to personal property in the open.
10. Collapse (except as provided under the Additional Coverage – Collapse). But if collapse results in a Covered Cause of Loss at the described premises, we will pay for loss or damage caused by that Covered Cause of Loss.

- 11.** Discharge, dispersal, seepage, migration, release or escape of “pollutants”. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to any such loss, cost, damage or expense. However, smoke is not considered to be a “pollutant” if the discharge, dispersal, seepage, migration, release or escape of the smoke is caused by any of the “specified cause of Loss” covered by this Policy.

This exclusion **11.**, does not apply to damage to glass caused by chemicals applied to the glass.

We will not pay for any costs arising out of the enforcement of any law, ordinance, regulation or order by civil or judicial authority requiring the removal, disposal, replacement, cleanup, restoration or containment of property insured or costs to monitor or test for the existence or effect of “pollutants”.

(Except as provided under the Additional Coverage – Pollutant Clean-Up and Removal)

- 12.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 13.** Weather conditions. But;
- a.** If weather conditions result in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - b.** This exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **A.1.** through **A.15.** above to produce the loss or damage.
- 14.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body. But, if an act or decision results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- 15.** Faulty, inadequate or defective:
- a.** Planning, zoning, development, surveying, siting;
 - b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c.** Materials used in repair, construction, renovation or remodeling; or
 - d.** Maintenance;
- of part or all of any property on or off the described premises.
- But if this exclusion results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- 16.** Shrinkage or changes in color, flavor, texture, or finish unless directly resulting from a Covered Cause of Loss.
- 17.** Any express or implied guarantee or warranty from a manufacturer or supplier, whether or not such manufacturer or supplier is an insured under this Policy.
- 18.** Any order of any governmental agency, court or other authority arising from any cause whatsoever.

C. We will not pay for loss of or damage to property, as described 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.

1. Steam boilers, steam pipes, steam engines, steam turbines, 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.
2. The interior of any building or structure, or to personal property inside the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - a. 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
 - b. The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
3. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking any audit of records or any inventory computation, or other instances where there is no physical evidence to show what happened to the property.

If the factual existence of the loss is provable through evidence other than inventory records, this exclusion shall not prohibit using inventory records to prove the amount of the loss.

4. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
5. Merchandise, goods or other products caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
6. "Stock" or material attributable to manufacturing or processing operations while such "stock" or material is being processed, manufactured, tested or otherwise worked on.

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

7. The following applies with respect to loss or damage by windstorm and/or hail to building(s) or structure(s) described in the Statement of Values.

We will not pay for cosmetic loss or damage to roof(s), roof coatings, roof canopies, or any materials or components used in conjunction with a roof's construction or re-covering.

"Cosmetic loss or damage" means damage that only alters the physical appearance, but does not allow the immediate penetration of water or moisture through the roof, roof coatings, or roof canopies or that results in the failure of the roof, roof coatings, or roof canopies to perform their intended function to keep out water and moisture for the remainder of their anticipated useful service life.

This exclusion does not apply to any roof, roof coatings, or roof canopies that are intended to be primarily decorative or prominent, and the cosmetic loss or damage is visible from the ground.

8. We will not pay for any pre-existing property damage as well as any loss or damage directly or indirectly caused by, resulting from or contributed to by any pre-existing damage at the time of loss.
- D. 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:
1. Results in discharge of any substance from an automatic fire protection system; or
 2. Is directly caused by freezing.

However, this Paragraph D. does not apply to Business Income Coverage or to Extra Expense Coverage.

VIII. Business Income and Extra Expense

- A. We will pay for the actual loss of Business Income and Extra Expense that you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage to property at the described premises and for which a Business Income Value is shown in the Statement of Values. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of such premises.

If you occupy only part of a building, your premises means:

1. The portion of the building which you rent, lease or occupy;
2. The area within 1,000 feet of the building or within 1,000 feet of the described premises, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
3. Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

- B. Business Income means the:

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

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

Business Income includes "Rental Value".

- C. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

1. Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

2. Minimize the “suspension” of business if you cannot continue “operations”.

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Policy.

D. Business Income Additional Coverages

These Additional Coverages only apply to this Policy if a corresponding Sublimit and amount is shown in the Schedule of Sublimits. We will not pay more under these Additional Coverages than the applicable amounts shown for such items, which are included in, and are not in addition to, the Policy Limit shown in Section I.E. of the Declarations. All sublimits listed in the Schedule apply on a per “occurrence” basis unless otherwise stated.

1. Alterations and New Buildings

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

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:
 - (1) Used in the construction, alterations or additions; or
 - (2) Incidental to the occupancy of new buildings.

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

2. Expediting Expense

- a. We will pay for the reasonable and necessary costs incurred for the temporary repair of Covered Property and to expedite the permanent repair or replacement of Covered Property as a result of loss or damage to such property from a Covered Cause of Loss. This Additional Coverage includes overtime and extra costs of express or other rapid means of transportation.
- b. This Additional Coverage does not include the costs recoverable elsewhere in this Policy or costs of permanent repair or replacement of damaged property.
- c. We will pay Expediting Expenses only to the extent it reduces the amount of loss that otherwise would have been payable under this Policy.

3. Extended Business Income

a. 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 sustain during the period that:

- (1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) 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
 - (b) The number of consecutive days shown in the Schedule of Sublimits from the date determined in **a.(1)** 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 a Covered Cause of Loss.

b. "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:

- (1) Begins on the date the property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (2) Ends on the earlier of:
 - (a) 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
 - (b) The number of consecutive days shown in the Schedule of Sublimits from the date determined in **b.(1)** 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.

4. Ingress or Egress

- a. This Additional Coverage applies to the described premises.
- b. When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused because ingress to or egress from that premises is prevented or impaired.
- c. The described premises must be within the distance described in the Schedule of Sublimits from the damaged property.

- d. Ingress or Egress coverage for Business Income will begin 72 hours after the time of damage to the property and will apply for a period of up to the number of consecutive days shown in the Schedule of Sublimits from the date on which coverage began.
- e. Ingress or Egress coverage for Extra Expense will begin immediately after the time of damage to the property and will end:
 - (1) The number of consecutive days shown in the Schedule of Sublimits after the date of the property damage; or
 - (2) When your Ingress or Egress coverage for Business Income ends;whichever is later.
- f. This Additional Coverage does not apply to loss or damage that is covered under the Interruption by Civil or Military Authority additional coverage.

5. Interruption by Civil or Military Authority

- a. This Additional Coverage applies to the described premises.
- b. When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil or military authority that prohibits access to the described premises, provided that both of the following apply:
 - (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority or military authority as a result of the damage, and the described premises are within that area but are not more than the distance described in the Schedule of Sublimits from the damaged property; and
 - (2) The action of civil or military authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.
- c. Interruption by Civil or Military Authority Coverage for Business income will begin 72 hours after the time of the first action of civil authority or military authority that prohibits access to the described premises and will apply for a period of up to the number of consecutive days shown in the Schedule of Sublimits from the date on which coverage began.
- d. Interruption by Civil or Military Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil or military authority that prohibits access to the described premises and will end:
 - (1) When the number of consecutive days shown in the Schedule of Sublimits after the date of that action has elapsed; or
 - (2) When your interruption by Civil or Military Authority Coverage for Business Income ends;whichever is later.
- e. This Additional Coverage does not apply to loss or damage that is covered under the Ingress or Egress Additional Coverage.

6. Monthly Limit of Indemnity

- a. Coinsurance does not apply to Business Income and Extra Expense Coverage if a fraction is shown on the Schedule of Sublimits for this Additional Coverage.
- 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 Business Income value for the described premises (as shown in the Statement of Values) where the loss or damage occurred, multiplied by
 - (2) The fraction shown on the Schedule of Sublimits for this Additional Coverage.

7. Soft Costs

- a. We will pay for "soft costs" you sustain during the "period of restoration" caused by direct physical loss, damage or destruction of Covered Property in the course of construction, erection, installation, or assembly by a Covered Cause of Loss.
- b. "Soft Costs" means the reasonable and necessary expenses over and above normal expenses, which include:
 - (1) Additional interest on money borrowed to finance construction or repair;
 - (2) Additional real estate and property taxes;
 - (3) Additional legal and accounting fees;
 - (4) Additional advertising and promotional expenses which become necessary as a result of the loss;
 - (5) Additional architects, engineers and consultant fees;
 - (6) Additional leasing expenses;
 - (7) Additional insurance premiums;
 - (8) Refinancing charges or construction loan fees;
 - (9) Renegotiation of sales or commission fees;
 - (10) Travel expenses;
 - (11) Additional project administration expenses; or
 - (12) Additional operating expenses.

In the event your construction contract for Covered Property contains a penalty clause providing for payments to you for a delay in the completion of the construction, any portion of such penalty inuring to your benefit shall be taken into consideration in our payment of "soft costs" under this Additional Coverage.

- c. This Additional Coverage does not apply to any increase in "soft costs" caused by or resulting from:
 - (1) Delay caused by strikers or anyone else at the described premises, interfering with efforts to repair damage or resume business;
 - (2) Breach of contract, late or non-completion of orders, or for any penalties of any nature;
 - (3) The suspension, lapse or cancellation of any lease, license, contract or order;
 - (4) Unavailability of funds for repair or reconstruction;
 - (5) Loss caused by unavailability of subcontractors; or

- (6) The enforcement of any ordinance or law that:
 - (a) Regulates the construction, use, or repair or requires the tearing down, of any property; or
 - (b) Requires you 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 or contaminants.

E. Business Income and Extra Expense Exclusions

In addition to the exclusions set forth in Section **VII. Exclusions** of this Policy, the following exclusions apply to Business Income and Extra Expense coverage:

- 1. Any loss during any idle period, including but not limited to when production, operations, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented, due to:
 - a. Physical loss or damage not insured by this Policy or off of the described premises.
 - b. Planned or rescheduled shutdown;
 - c. Strikes or any other work stoppage; or
 - d. Any reason other than physical loss or damage insured by this Policy.
- 2. We will not pay for any loss caused by or resulting from damage or destruction of “finished stock” or the time required to reproduce “finished stock”.
- 3. Any loss resulting from your inability to rebuild, restore or reuse damaged Covered Property with property of like kind and quality, height, floor area, number of units, configuration or occupancy because of the application or enforcement of any law, rule, regulation, ordinance, code, governmental directive, standard or legal or administrative restriction of any kind regulating the construction, repair, use or occupancy of property.

(Except as provided in the Additional Coverage – Ordinance or Law).

- 4. Remote loss:
 - a. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license or order; or
 - b. Any loss due to fines or damages for breach of contract or for late or non-completion of orders or penalties of whatever nature; or
 - c. Delay caused by strikers or anyone else at the described premises, interfering with efforts to repair damage or resume business;
 - d. We will not pay for any other consequential or remote loss, other than as specifically set forth under this Section **VIII. Business Income and Extra Expense**.

5. Transit

We will not pay for any Business Income loss you sustain or Extra Expense you incur resulting from any loss or damage to property in transit.

IX. Limits

- A. The most that will be paid for loss or damage in any one "occurrence", including any insured Business Income and Extra Expense loss, is the Policy Limit shown in Paragraph **I.E.** of the Declarations. In no event shall the collective liability of all insurance companies exceed this limit or amount regardless of the number of locations, premises, coverages or Covered Causes of Loss that are involved.
- B. Except for Limits of Liability shown as applying in the Annual Aggregate, payment of a claim will not reduce the amount payable under this Policy for any subsequent covered loss.
- C. When a Limit of Insurance is shown as applying in the Annual Aggregate, the maximum limit of liability of all insurance companies will not exceed such limit during the Policy year regardless of the number of "occurrences", insureds, described premises or coverages involved.
- D. All sublimits stated on the Schedule of Sublimits are included within, and not in addition to, the Policy Limit shown in Paragraph **I.E.** of the Declarations. Each sublimit is the maximum amount recoverable from all insurance layers combined for all insured loss, damages, expenses, Business Income or Extra Expense or other insured interest arising from or relating to that aspect of the "occurrence".

If an "occurrence" applies to both an Additional Coverage (as shown in Paragraph **G.2.** of the Declarations) and an Additional Coverage applicable to a specified Covered Cause of Loss (as shown in Paragraph **G.1.** of the Declarations), then the most that will be paid by all insurance companies for the total of all loss or damage caused by that Covered Cause of Loss is the sublimit applicable to that Additional Coverage. However, each sublimit applicable to an Additional Coverage (as shown in Paragraph **G.2.** of the Declarations) is the total limit recoverable for that Additional Coverage.

- E. The special limits shown below are the total limits 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:
 - 1. \$2,000 for furs, fur garments and garments trimmed with fur.
 - 2. \$2,000 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry or watches worth \$100 or less per item.
 - 3. \$2,500 for patterns, dies, molds and forms.
 - 4. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the value of Covered Property as shown on the Statement of Values.

This Paragraph **E.** does not apply to Business Income or Extra Expense coverage.

X. Deductibles

- A. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by the Coinsurance Condition.

- B. The Deductible, as shown in the Schedule of Deductibles, applies to covered loss or damage caused directly or indirectly by the Covered Cause of Loss shown in the Schedule of Deductibles for that Deductible. The Deductible applies separately to each “occurrence”.
- C. When the “occurrence” involves loss to specified Covered Property caused by or resulting from a Covered Cause of Loss that is subject to a Sublimit(s) as stated in the Schedule of Sublimits, then any amount of such loss in excess of the applicable Sublimit(s) will not be considered to be part of the covered loss under this Policy for purposes of application of any Deductible(s) and, as such, will not offset, defray, or erode any Deductible(s) provided by this Policy.
- D. In the event that loss or damage by multiple Covered Causes of Loss applies to Covered Property as the result of one “occurrence”, the largest applicable deductible, as shown in the Schedule of Deductibles, will apply.

E. Calculation of the Deductible – Fixed Dollar Amount

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the dollar amount applicable to that Covered Cause of Loss shown in the Schedule of Deductibles from the loss or damage sustained, including Business Income and Extra Expense losses. If the deductible applies on a per “occurrence” basis, then the applicable Deductible for that Covered Cause of Loss will be subtracted from the total loss or damage to all Covered Property (including Business Income and Extra Expense) damaged in that “occurrence”. In the event that loss or damage occurs to Covered Property at more than one building location as a result of one “occurrence”, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule of Deductibles, will apply.

F. Calculation of the Deductible – Variable Dollar Amount

Variable Dollar deductibles only apply when Per Apartment Unit is chosen as the applicable deductible in the Schedule of Deductibles.

In determining the amount, if any, that we will pay for loss or damage, we will deduct from the total loss or damage (including Business Income and Extra Expense loss) sustained an amount equal to the dollar amount applicable to that Covered Cause of Loss shown in the Schedule of Deductibles, multiplied by the total number of units that sustain loss or damage.

Any common areas within an apartment building or structure will be considered a separate apartment unit with regards to the application of the deductible.

G. Calculation of the Deductible – Percentage Deductible

In determining the amount, if any, that we will pay for loss or damage:

1. If the Deductible applies on a Per Premises basis, we will deduct an amount equal to the applicable Deductible Percentage for that Covered Cause of Loss (as shown in the Schedule of Deductibles) multiplied by the total value(s) of all Covered Property (including Business Income and Extra Expense) at each premises that has sustained loss or damage. The deductible will be calculated separately for, and applied separately to, each premises that has sustained loss or damage.
2. If the Deductible applies on a Per Building basis, we will deduct an amount equal to the applicable Deductible Percentage for that Covered Cause of Loss (as shown in the Schedule of Deductibles) multiplied by the total value(s) of all Covered Property (including Business Income and Extra Expense) at each building that has sustained loss or damage. The deductible will be calculated separately for, and applied separately to, each building that has sustained loss or damage.

3. If the Deductible applies on a Per Unit basis, we will deduct an amount equal to the applicable Deductible Percentage for that Covered Cause of Loss (as shown in the Schedule of Deductibles) multiplied by the total value(s) of all Covered Property that has sustained loss or damage.

The deductible will be calculated separately for, and applied separately to:

- a. Each building that has sustained loss or damage;
- b. The personal property at each building at which there is loss or damage to personal property;
- c. Personal property in the open; and
- d. Business income coverage applicable to each building that sustains loss or damage.

The value(s) to be used in calculating the deductible are those value(s) shown on the most recent Statement of Value(s) on file with us. For buildings or structures while in the course of construction, the actual cash value(s) of the property as of the time of loss or damage will be used in calculating the deductible.

The value(s) to be used in calculating the deductible under the Coverage for Newly Acquired Property, Errors and Omissions, or Miscellaneous Unnamed Locations, are the value(s) of the property at the time of the loss. The applicable percentage is the highest percentage shown in the Schedule of Deductibles for any described premises.

XI. Loss Payment

- A. 1. In the event of loss or damage to Covered Property:
 - a. if the values on the Statement of Values are reported per building, we will pay the lesser of:
 - (1) The actual adjusted amount of loss, less applicable deductible(s);
 - (2) The total stated value(s) for the covered property involved as shown on the latest Statement of Values, less applicable deductible(s) multiplied by the Margin Percentage shown in Section I.J. of the **Declarations**;
 - (3) The applicable Limit of Insurance; or
 - (4) The remaining amount of any applicable Aggregate Limit.
 - b. if the values on the Statement of Values are reported per described premises, we will pay the lesser of:
 - (1) The actual adjusted amount of loss, less applicable deductible(s);
 - (2) The Covered Property's respective proportional value of the total Covered Property value for that premises as shown on the latest Statement of Values on file with us, less applicable deductible(s);
 - (3) The applicable Limit of Insurance; or
 - (4) The remaining amount of any applicable Aggregate Limit.
 - c. If necessary, the Covered Property's respective proportional value shall be calculated by:

- (1) Dividing the property's value reported for the premises involved, as shown on the latest Statement of Values on file with us, by the square footage reported on the Statement of Values to arrive at a dollar per square foot number for the premises.
- (2) Multiplying the dollar per square foot calculated in paragraph **1.c.(1)** above by the square footage of the specific property(ies) damaged.
- (3) Multiplying the result of paragraph **1.c.(2)** above by the Margin Percentage shown in Section **I.J.** of the **Declarations**.

The proportional value will be calculated separately for the building, business personal property and business income and extra expense.

B. In the event of loss or damage to Covered Property, at our option, we will either:

1. Pay the value of the lost or damaged property;
2. Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraph **XI.C.** 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 Paragraph **XI.C.** 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 Section **XII. Valuation** or any applicable provision which amends or supersedes Section **XII. Valuation**.

- C.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property unless a sublimit is shown on the Schedule of Sublimits for Ordinance or Law.
- D.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- E.** We will not pay you more than your financial interest in the Covered Property.
- F.** 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.
- G.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- H.** 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 Policy, and:
1. We have reached agreement with you on the amount of loss; or
 2. An appraisal award has been made.

Pending final adjustment of an insured loss, the insured may collect partial payments by filing a proof of loss for each partial payment.

- I.** The full amount of the actual cash value shall be due and payable no later than 30 days after presentation and acceptance of a proof of loss for the actual cash value. Collecting the actual

cash value portion of any claim shall not affect the rights of the insured under this Policy to collect amounts in excess of the actual cash value upon presentation and acceptance of proof of loss.

XII.Valuation

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

1. “Fine Art”

We shall not pay more than the least of:

- a.** The cost to repair or restore the article to the condition that existed immediately prior to the loss;
- b.** The cost to replace the article;
- c.** The value designated for the article on the Schedule of “Fine Arts”, if any, on file with us; or
- d.** The market value at the time of loss or damage. The market value is the price which the property might be expected to realize if offered for sale in a fair market.

In the event an insured article is damaged or destroyed and cannot be repaired or restored to the condition that existed immediately prior to the loss or damage, we shall be liable for the full amount of the value of the article(s) and you agree to surrender the article(s) to us. You may, at your sole option, accept payment by us for the reduction in value of any “fine art” caused by damage by a Covered Cause of Loss insured by this Policy, and retain ownership of the property.

2. Historic Landmark

With respect to buildings designated by a local, state, or federal authority to be of historical significance or of historical value, we will pay the cost to replace, repair or restore them using the same materials, workmanship and architectural features and details that existed before such loss, damage or destruction, provided they are available and including the use of skilled labor. However, if any materials or workmanship needed to replace, repair or restore a building or structure are not available, this Policy will pay the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building or structure to a condition that most closely resembles the condition which existed immediately before the loss, damage or destruction occurred.

The insured shall have the sole discretion as to the means by which such property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to replace, repair or restore the building(s) using the same materials, workmanship and architectural features and details that existed before such loss, damage, or destruction.

3. Pairs or Sets

If Covered Property that is part of a pair or set is physically damaged by a Covered Cause of Loss and cannot be replaced, or cannot be repaired or restored to the condition that existed immediately prior to the loss, then we will pay the full value of the pair or set. You will surrender the pair or set to us.

4. Personal Property of Others

Personal property of others in your care, custody or control will be valued at the lesser of your liability, your liability as stipulated in a contract, lease or agreement, or the replacement cost.

5. Replacement Cost (Without Deduction for Depreciation)

a. We will not pay more for loss or damage than the least of **(1)**, **(2)**, or **(3)** 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 location, the cost described in **a.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original location.

b. Replacement Cost valuation applies unless another valuation methodology as described in Section **XII. Valuation** of this Policy applies.

c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of a replacement cost basis. In the event that you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the replacement cost value if you notify us of your intent to do so within 180 days after the loss or damage.

d. If Covered Property is not repaired, rebuilt or replaced within two years after the date of loss (unless such requirement is waived in writing), the value of the property will be determined on an actual cash value basis.

e. 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 repair or replacement is made as soon as reasonably possible after the loss or damage.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property unless a sublimit is shown in the Schedule of Sublimits for Ordinance or Law.

g. The following property will be valued at actual cash value:

(1) Awnings or floor coverings;

(2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) Outdoor equipment or furniture.

- h. Roof(s), roof coatings, roof canopies, or any materials or components used in conjunction with a roof's construction or re-covering will be valued at actual cash value if, at the time of the loss, they are over 12 years old.

If there is a question as to the age of the roof(s), roof coatings, roof canopies, or any materials or components used in conjunction with a roof's construction or re-covering, the insured must provide documentation establishing that the roof is not more than 12 years old, or recovery is limited to the actual cash value as of the time of the loss or damage.

6. "Stock"

"Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

7. Technologically Obsolete

On property that is deemed to be technologically obsolete, or is unavailable because it is no longer in production, the cost of new property that shall perform the same functions as the original property, including any betterment inherent in the design of such property.

8. Tenant's Improvements and Betterments:

- a. Actual cash value of the lost or damaged property if you make repairs promptly.
- b. A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (1) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (2) Divide the amount determined in b.(1) above by the number of days from the installation of improvements to the expiration of the lease.

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

- c. Nothing if others pay for repairs or replacement.

B. Business Income and Extra Expense

- 1. The amount of Business Income loss will be determined based on:
 - a. The Net Income of the business before the direct physical loss or damage occurred;
 - b. 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 other businesses;
 - c. 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
 - d. Other relevant sources of information, including:
 - (1) Your financial records and accounting procedures;

- (2) Bills, invoices and other vouchers; and
- (3) Deeds, liens or contracts.

2. The amount of Extra Expense will be determined based on:

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

3. Resumption of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your “operations”, in whole or in part, by using damaged or undamaged property (including merchandise or “stock”) at the described premises or elsewhere.
 - b. Extra Expense loss to the extent you can return “operations” to normal and discontinue such Extra Expense.
4. 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.

XIII. Conditions

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

A. Abandonment

There can be no abandonment of any property to us.

B. Additional Insureds or Loss Payees

- 1. If pursuant to a written contract in effect prior to a loss to your Covered Property, you are required to add a person or entity as an additional insured or loss payee to this Policy that was not already added, then this Policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions, Limits of Insurance and exclusions of this Policy, as such person or entity’s interests may appear.
- 2. If the person or entity was required to be added to this Policy as a loss payee, we will pay for covered loss or damage to Covered Property in which such loss payee has an interest in their order of precedence, as interests may appear.
- 3. No written endorsement to this Policy shall be required in order for paragraphs **B.1.** and **B.2.** above to be effective as to such person or entity subject to the following:

- a. Within 30 days after we are notified of a loss which may be covered under this Policy, you or your representative:
 - (1) Provide us with the identities of all persons or entities with interests in the property that is the subject of the loss; and
 - (2) Provide us with any copies of all contracts (predating the date of the loss) requiring that such persons or entities be added to this Policy as additional insureds or loss payees.
 - b. If you reasonably require more than 30 days to produce the information required under paragraphs **3.a.(1)** and **3.a.(2)** above, we will provide extensions of time that are reasonable and appropriate under the circumstances. However, all such requests must be made in writing to us.
 - c. If you or your authorized representative fail to comply with paragraph **3.a.** above, then we will assume that there are no such persons or entities and we will not be liable for any failure to take such person or entity's interest into account in the adjustment or payment of any loss.
 - d. We will only accept copies of those contracts which require the addition of a person or entity as an additional insured or loss payee that are directly related to the property which is subject to the loss.
4. This Condition does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance to such persons or entities, including, but not limited to, the payment of claims.

C. Appraisal

If we and you disagree on the value of the property or the amount of the loss, within 60 days after receipt of proof of loss by us, 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 then select an umpire. If they cannot agree on an umpire after 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser and its own costs and expenses; and
2. 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.

D. Brands and Labels

1. In case of direct physical loss or damage by a Covered Cause of Loss, personal property bearing a brand or trademark or the name of the insured (which in any way carries or implies the guarantee or the responsibility of the manufacturer or the insured), the salvage value of such damaged property shall be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics.

With regard to branded or labeled Covered Property, you must, at your own expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brand or labels;

If doing so will not damage the property. In either event, you must re-label such property or its containers in compliance with any applicable law.

2. You shall have the full right to the possession of all Covered Property involved in any claims under this Policy and you shall retain control of all lost, damaged, or personal property. You, exercising reasonable discretion, shall be the sole judge as to whether the Covered Property involved in any loss under this Policy is fit for sale or use. No Covered Property so deemed by you to be unfit for sale or use shall be sold or otherwise disposed of except by you or with your consent, but you shall allow us any salvage obtained by you on any sale or disposal of such personal property.

E. Cancellation and Nonrenewal

1. The first Named Insured shown in Section I. **Declarations** may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel or nonrenew this Policy by mailing or delivering to the first Named Insured written notice of cancellation or nonrenewal in compliance with any and all applicable state laws.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. 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. Return of any unearned premium will be made as soon as practicable. The cancellation will be effective even if we have not made or offered a refund.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

F. Certificates of Insurance

1. Any certificate of insurance issued in connection with this Policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate. A certificate of insurance does not confer any rights upon any person or entity, nor alter any term or Condition of this Policy.
2. In the event any additional insured(s) or loss payee(s) are named, this Policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and exclusions stated in this Policy. The certificate of insurance must be issued prior to a loss.
3. Persons or entities named as additional insureds or loss payees on a certificate of insurance do not have the same rights and obligations under this Policy as a Named Insured or a first Named Insured, and this provision does not confer any such rights or obligations on those persons or entities. Persons or entities can only be added to this Policy as Named Insureds by a separate written endorsement issued by us.
4. If any certificates of insurance are issued with a deductible other than the Policy deductible to satisfy the contractual obligation of the Insured to a mortgagee or other third-party for covered property under this Policy, losses will be adjusted with you and payable to you or appropriate loss payee(s) as their interest may appear and will be adjusted based on the Policy deductible. You are responsible for the difference between the Policy deductible and any deductible evidenced to a mortgagee or other third-party that is lower than the Policy deductible.

5. Certificates of insurance may be issued by the licensed surplus lines broker shown in Section **I. Declarations** or by the retail broker hired by you. A copy of all certificates should be sent to us within 30 days of when they are issued or within 30 days after we are notified of a loss which may be covered under this Policy.

G. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in Section **I. 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.

H. Coinsurance

If a Coinsurance percentage is shown in Section **I.I.** of the **Declarations**, the following condition applies:

1. We will not pay the full amount of any loss if the value of Covered Property at the time of the loss times the Coinsurance percentage shown for it in Section **I.I.** of the **Declarations** is greater than the value for the property as shown in the Statement of Values.

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

- a. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- b. Divide the value shown on the latest Statement of Values for the property by the figure determined in Step **a.**;
- c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step **b.**; and
- d. Subtract the deductible from the figure determined in Step **c.**

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

2. If one value on the Statement of Values applies to two or more separate items, this Condition will apply to the total of all property to which the value applies.
3. We will not pay the full amount of any Business Income loss if the Business Income value (as shown on the Statement of Values) is less than:
 - a. The Coinsurance percentage shown in Section **I.I.** of 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 the last previous anniversary date, of this Policy (whichever is later).

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

Step (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;

Step (2): Divide the Business Income value for the described premises by the figure determined in Step (1); and

Step (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 Business Income value, 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:

- a. Prepaid freight – outgoing;
- b. Returns and allowances;
- c. Discounts;
- d. Bad debts;
- e. Collection expenses;
- f. Cost of raw stock and factory supplies consumed (including transportation charges);
- g. Cost of merchandise sold (including transportation charges);
- h. Cost of other supplies consumed (including transportation charges);
- i. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- j. 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).

Coinsurance does not apply to Extra Expense Coverage.

4. For buildings in the course of construction, we will not pay a greater share of any loss than the proportion that the building's value (as shown in the Statement of Values) bears to the building's value on the date of completion.

I. Concealment, Misrepresentation or Fraud

1. By accepting this Policy, you agree:
 - a. The statements and warranties in this Policy, including but not limited to warranties contained within the Policy forms, and any statements in Section I. **Declarations** are accurate and complete;
 - b. Those statements and warranties constitute representations made by the first Named Insured shown in Section I. **Declarations** to us; and
 - c. We have issued the Policy in reliance upon those representations.
2. This Policy is void in any case of fraud by you as it relates to this Policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
 - a. This Policy;
 - b. The Covered Property;
 - c. Your interest in the Covered Property; or

- d. A claim under this Policy.

J. Control of Property

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

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

K. Coverage Territory

We cover loss or damage occurring within the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

L. Duties in the Event of Loss or Damage

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

- a. Notify the police if the law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
- d. 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.
- e. At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of loss claimed.
- f. 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.

- g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after the request. We will supply you with the necessary forms.
- h. Cooperate with us in the investigation or settlement of the claim.

2. 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.

M. Errors and Omissions

Any error or inadvertent omission made by you shall not void or impair this insurance, provided you report such error or inadvertent omission as soon as reasonably possible after it is discovered.

N. 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 afterwards.

O. Inspections and Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions that we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. We have no obligation to provide you with copies of inspections, surveys, reports or recommendations unless otherwise agreed.

P. Insurance Under Two or More Coverages

If two or more of this Policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage. The insured may allocate such loss or damage to any of such coverages.

Q. Joint Loss Agreement

1. In the event of loss or damage to covered property at a premises insured by this Policy and also insured in a separate Boiler and Machinery insurance policy and there is a disagreement between the insurers with respect to:
 - a. Whether such loss or damage is insured against by this Policy or by such Boiler and Machinery insurance policy, or
 - b. The extent of participation of this Policy and of such Boiler and Machinery insurance policy in a loss which is insured against partially or wholly by any or all of said policies.

We shall, upon written request from you, pay one-half of the amount of the loss which is in disagreement, but in no event more than we would have paid if there had been no Boiler and Machinery insurance policy in effect.

2. This agreement is subject to the following additional conditions:
- a. The amount of such loss which is in disagreement, after making provisions for any undisputed claims payable under said policies, and after the amount of the loss is agreed upon by us, is limited to the minimum amount remaining payable under the Boiler and Machinery policy.
 - b. The Boiler and Machinery insurer shall simultaneously pay you one-half of said amount, which is in disagreement.
 - c. Such payments by the insurers and acceptance of same by you signifies the agreement of the insurers to submit to and proceed with arbitration within ninety (90) days of such payments. The arbitrators shall be three in number, one of whom shall be appointed by the Boiler and Machinery insurer and one of whom shall be appointed by us and the third appointed by the consent of the other two. The decision of the arbitrators shall be binding on the insurers and the judgment upon such award may be entered in any court of competent jurisdiction.
 - d. You agree to cooperate in connection with such arbitration but not to intervene therein.
 - e. The provisions of this condition shall not apply unless a similar provision is included in, or endorsed to, the Boiler and Machinery insurance policy.
 - f. Acceptance by you of the sums paid pursuant to the provisions of this condition, including any arbitration award, shall not operate to alter, waive, surrender or in any way affect your rights against any of the insurers.

3. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Monday Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

R. Legal Action Against Us

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

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

S. Mortgageholders

1. The term mortgageholder includes trustee.
2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Schedule of Mortgageholders in their order of precedence, as interests may appear.

3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. Pays any premium due under this Policy at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. 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.

6. If we cancel or nonrenew this Policy, we will give written notice to the mortgageholder in compliance with any and all applicable state laws.

T. No Benefit to Bailee

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

U. Other Insurance

1. You may have other insurance subject to substantially the same plan, terms, conditions and provisions of this Policy. If you do, we will only pay our share of the covered loss or damage. Our share of the loss is the percentage described in Section **I.F.** of the Declarations.
2. If there is other insurance covering the same loss or damage, other than 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 our share of the Policy Limit shown in Section **I.E.** of the Declarations.
3. When you are a condominium association, this insurance is primary and does not contribute to other insurance when a unit-owner has other insurance covering the same property.

V. Policy Period

We cover loss or damage commencing during the Policy Period shown in Section **I. Declarations.** If you knew or reasonably should have known that such loss or damage had

occurred, in whole or in part, prior to the start of the Policy Period, then any continuation, change or resumption of such loss or damage during or after the Policy Period will be deemed to have been known prior to the Policy Period, and will not be covered under this Policy.

If covered loss or damage begins during the Policy Period and continues after the end of the Policy Period, the ending of the Policy Period will not cut short coverage under this Policy for such loss or damage.

W. Premium

The first Named Insured shown in Section **I. Declarations**:

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

X. Representations On Aluminum Wiring And Circuit Breakers

1. As a condition precedent to coverage, you agree that the following conditions are satisfied at Policy inception and will not exist or will continue to be satisfied throughout the Policy Period.
 - a. There is no aluminum wiring in any building or other structure other than:
 - (1) stranded aluminum wiring used for 220/240 volt circuits or the main power lines coming into the building or structure; and/or
 - (2) the aluminum wiring has been remediated by a licensed electrician using either COPALUM installation, AlumiConn connectors, or Model 65 Ideal purple wire nuts and all such remediation, including modifications and additions to installed wiring was completed, inspected, approved and is in compliance with all applicable local codes and laws; and
 - b. There are no Federal Pacific, Stab Lok, Zinsco, Sylvania, Challenger or GTE-Sylvania circuit breakers in any building or structure.
2. Paragraphs **1.a.** and **1.b.** above are deemed material to the acceptance of the risk or hazard under this Policy and the Policy has been issued in reliance on the truth of those paragraphs.
3. In the event that one or more of paragraphs **1.a.** or **1.b.** above are not true, we may:
 - a. Reevaluate the risk or hazard, revise our coverage and/or rating and, if you agree, continue coverage under this Policy;
 - b. Decide to remove the building or structure from our Policy entirely; or
 - c. Void the Policy, if you or any other insured, concealed or intentionally misrepresented the existence of the items listed in paragraphs **1.a.** or **1.b.** above.

Y. Representations on Application Warranty

1. You agree, represent and warrant that the statements and information contained in the application for insurance, including all statements, information and documents accompanying or relating to the application are:
 - a. Accurate and complete and no facts have been suppressed, omitted or misstated; and
 - b. Material to us, and we have issued this Policy in reliance upon them.

2. You also agree that any failure to fully disclose the information requested in the application for insurance, whether by omission or suppression, or any misrepresentation in the statements and information contained in the application for insurance, including all statements, information and documents accompanying or relating to the application, renders coverage for any claim(s) null and void and entitles us to rescind the Policy from its inception; and
3. The application (including the Statement of Values) for this Policy is incorporated and made part of the Policy by reference.

Z. Salvages and Recoveries

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 property value as shown on the Statement of Values. Any property that is recovered prior to a loss settlement shall reduce the loss accordingly.

AA. Service of Suit

It is agreed that in the event of the failure of General Star Indemnity Company (the "Insurer") to pay any amount claimed to be due hereunder, the Insurer, at the request of the insured, will submit to the jurisdiction of any Court of competent jurisdiction in the United States of America and will comply with all requirements necessary to give such Court jurisdiction. However, nothing in this provision constitutes a waiver of the Insurer's rights to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States of America or of any State in the United States.

It is further agreed that service of process in such suit may be made upon the Insurer by certified mail, return receipt requested, addressed to the Insurer in care of its **Corporate Secretary**, Attention: Legal Department, General Star Indemnity Company, 120 Long Ridge Road, Stamford, CT 06902-1843. In any suit instituted under this contract, Insurer will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-referenced Corporate Secretary, or his designee, is authorized and directed to accept service of process on behalf of the Insurer that it will enter a general appearance upon the Insurer's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefore, the Insurer hereby designated the Superintendent, Commissioner or Director of Insurance, or such other insurance department representative, or such other governmental officer, such as the Secretary of State, specified for that purpose in the statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the Insurer's Corporate Secretary as the person to whom the said insurance department representative is authorized to mail such process or true copy thereof.

BB. Severability of Interests

Each of the insureds insured by this Policy will have the same protection and obligations as if the Policy has been issued individually to each of them, except as respects the obligations associated with the Cancellation provision. However, the inclusion of more than one insured will not operate to increase our liability beyond the Policy Limit as shown in Section **I.E.** of the Declarations.

If the premises described in this Policy includes two or more buildings or the business personal property of two or more buildings, the breach of any condition of this Policy in respect to any one or more of the buildings insured or containing the Covered Property shall not prejudice the right to recover for physical loss or damage occurring in any building insured or containing Covered Property where, at the time of such loss or damage, a breach of condition does not exist.

CC. Several Liability Clause

1. Our liability under this Policy for covered losses is several and not joint with other insurer's party to this contract. We are only liable for the proportion of liability that we have underwritten. We are not jointly liable for the proportion of liability underwritten by any other insurer. Nor are we otherwise responsible for any liability of any other insurer that may underwrite this Policy.
2. Our liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.

DD. Statement of Values

You shall provide to us, at Policy inception and each subsequent anniversary date of this Policy, a Statement of Values which consists of the current property and Business Income values for all insured premises. You are responsible for providing to us a revised Statement of Values for all Covered Property if you wish to add any additional Covered Property, and otherwise in the event that the value of Covered Property changes during the Policy Period. We shall review all revised Statement of Values, and it is within our sole discretion whether to approve any additions to the list of Covered Property, or any increase in the value of any Covered Property. In the event that we agree to changes in the Statement of Values, we shall recalculate your premium and adjust it pro rata for the remainder of the Policy Period. No changes in coverage shall be effective unless and until we have issued an endorsement reflecting approved changes to the Statement of Values. In the event of loss, our liability will be calculated based upon the most recent Statement of Values approved by us prior to the date of loss.

Such values shall be reported separately for each premises, with separate figures shown for each type of coverage at each premises, in accordance with the terms of the applicable coverage provisions.

Upon inception and at each anniversary date of this Policy, the annual premium shall be due and payable to us. Receipt of such Statement of Values by us shall be considered as authorization by the named insured for premiums under this Policy to be calculated.

The premium for this Policy is based upon the Statement of Values on file with us or attached to this Policy.

EE. Subrogation

1. If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
 - a. Prior to a loss to your Covered Property or Covered Income;
 - b. After a loss to your Covered Property or Covered Income only if, at the time of loss, that party is one of the following.

- (1) Someone insured by this insurance;
 - (2) A business firm owned or controlled by you, or a business firm that owns or controls you;
 - (3) Your affiliated business;
 - (4) Your tenant; or
 - (5) A unit-owner of a condominium shown on the Statement of Values.
2. You are required to cooperate in any subrogation proceedings.
 3. Any recovery from subrogation proceedings, less costs incurred by us in such proceedings, will be payable to you in the proportion that the amount of any applicable deductible or any provable uninsured loss bears to the entire provable loss amount.

This will not restrict your insurance.

FF. Total Loss

In the event of a constructive total loss of the Covered Property, the full Policy premium for that property shall be deemed fully earned for all coverages insured hereunder. No return premium shall be payable to the insured for the unexpired term of the Policy.

GG. 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.

HH. Vacancy

1. Description of Terms

- a. As used in this Vacancy Condition, the term premises and the term vacant have the meanings set forth in **a.(1)** and **a.(2)** below:
 - (1) When this Policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, premises means the unit or suite rented or leased to the tenant. Such premises is vacant when it does not contain enough business personal property to conduct customary operations.
 - (2) When this Policy is issued to the owner or general lessee of a premises, premises means the entire premises. Such premises is vacant unless at least 35% of its total rentable square footage is:
 - (a) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (b) Used by the premises owner to conduct customary operations.

- b. Premises under construction or renovation are not considered vacant.

2. Vacancy Provisions

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

- a. We will not pay for loss or damage caused by any of the following, even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Sprinkler leakage, unless you have protected the system against freezing;
- (3) Building glass breakage;
- (4) Water damage;
- (5) Theft; or
- (6) Attempted theft.

- b. With respect to Covered Causes of Loss other than those listed in 2.a.(1) through 2.a.(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

3. Vacancy Permit

The Vacancy Provisions in Paragraphs 2.a. and 2.b. above do not apply to buildings or structures shown as vacant on the latest Statement of Values on file with us.

XIV. Definitions

- A. "Earthquake" means the sudden shaking or trembling of the earth's crust caused by underground tectonic forces, or by breaking or shifting of rock beneath the surface of the ground from natural causes, that create seismic waves. "Earthquake" does not include any volcanic activity or forces.
- 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.
- C. "Fine Arts" means paintings; etchings; pictures; tapestries; rare glass windows; art glass windows; valuable rugs; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value or artistic merit.
- D. "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 Section I.I. of 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 Policy.

- E. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:

1. The overflow of inland or tidal waters:
 2. The unusual or rapid accumulation or runoff of surface waters from any source; or
 3. Mudslides or mudflows which are caused by flooding as defined in **E.2.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- F.** "Fungus" includes, but is not limited to, any form or type of mildew, mold, wet or dry rot, bacteria, mushroom, rust, smuts, or yeast, including any allergens, irritants, mycotoxins, or scents, byproducts, microbial volatile organic compounds produced by or associated therewith.
- G.** "High Hazard Hail Zone" means the following counties (unless otherwise stated) within the following states:

Colorado: Counties of Adams, Arapahoe, Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Phillips, Prowers, Sedgwick, Washington, Weld and Yuma;

Kansas: Counties of Barber, Barton, Butler, Cheyenne, Clark, Comanche, Cowley, Decatur, Dickinson, Edwards, Ellis, Ellsworth, Finney, Ford, Gove, Graham, Grant, Gray, Greeley, Hamilton, Harper, Harvey, Haskell, Hodgeman, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, McPherson, Meade, Mitchell, Morton, Ness, Norton, Osborne, Ottawa, Pawnee, Phillips, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Sheridan, Sherman, Smith, Stafford, Stanton, Stevens, Summer, Thomas, Trego, Wallace and Wichita;

Nebraska: Counties of Arthur, Banner, Blaine, Box Butte, Brown, Buffalo, Chase, Cherry, Cheyenne, Custer, Dawes, Deuel, Dundy, Franklin, Frontier, Furnas, Garden, Gosper, Grant, Harlan, Hayes, Hitchcock, Hooker, Kearney, Keith, Kimball, Lincoln, Logan, Loup, McPherson, Morrill, Perkins, Phelps, Red Willow, Rock, Scotts Bluff, Sheridan, Sherman, Sioux, Thomas and Valley;

New Mexico: Counties of Chaves, Curry, Eddy, Lea, Quay and Roosevelt;

Oklahoma: Counties of Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Carter, Cimarron, Cleveland, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Garvin, Grady, Grant, Greer, Harmon, Harper, Jackson, Jefferson, Kay, Kingfisher, Kiowa, Lincoln, Logan, Love, Major, Marshall, McClain, Murray, Noble, Oklahoma, Osage, Pawnee, Payne, Pottawatomie, Roger Mills, Stephens, Texas, Tillman, Washita, Woods and Woodward;

South Dakota: Counties of Bennet, Butte, Custer, Fall River, Haakon, Harding, Jackson, Lawrence, Meade, Oglala Lakota, Pennington, Perkins, Todd and Ziebach;

Texas: Counties of Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Bosque, Brewster, Briscoe, Brown, Callahan, Carson, Castro, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Comanche, Concho, Cooke, Cottle, Crane, Crosby, Dallas, Dawson, Deaf Smith, Denton, Dickens, Donley, Eastland, Ector, Ellis, Erath, Fisher, Floyd, Foard, Gaines, Garza, Glasscock, Gray, Grayson, Hale, Hall, Hamilton, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hill, Hockley, Hood, Howard, Hutchinson, Jack, Johnson, Jones, Kent, King, Knox, Lamb, Lampasas, Lipscomb, Loving, Lubbock, Lynn, Martin, McCulloch, Midland, Mills, Mitchell, Montague, Moore, Motely, Nolan, Ochiltree, Oldham,

Palo Pinto, Parker, Parmer, Pecos, Potter, Randall, Roberts, Rockwall, Runnels, San Saba, Scurry, Shackelford, Sherman, Somervell, Stephens, Sterling, Stonewall, Swisher, Tarrant, Taylor, Terrell, Terry, Throckmorton, Tom Green, Upton, Ward, Wheeler, Wichita, Wilbarger, Winkler, Wise, Yoakum and Young; and

Wyoming: Counties of Campbell, Crook, Goshen, Laramie, Niobrara, Platte and Weston.

- H. "Moderate Flood Hazard Area" means the area identified on the Flood Insurance Rate Map that will be inundated by the flood event having a 0.2-percent chance of being equaled or exceeded in any given year. The MFHAs are labeled as Zone B or Zone X (shaded).
- I. "Named Storm" means a weather-related event that has been named, designated or identified by the U.S. National Weather Service or the National Hurricane Center. It only includes a hurricane, tropical storm or tropical depression. Any storm or weather-related event given a name by another person or entity does not qualify as a "Named Storm".
- J. "New Madrid Earthquake Zone" means the following counties (unless otherwise stated) within the following states:

Arkansas: Counties of Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph and Sharp;

Illinois: Counties of Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington and Williamson;

Indiana: Counties of Gibson, Pike, Posey, Vanderburgh and Warrick;

Kentucky: Counties of Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall and McCracken;

Mississippi: Counties of Bolivar, Coahoma, Desoto, Marshall, Tate and Tunica;

Missouri: Counties of Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, Scott, Stoddard, St. Charles, St. Francois, St. Genevieve, St. Louis, Warren, Washington, Wayne, and the City of St. Louis; and

Tennessee: Counties of Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby and Tipton.

- K. "Occurrence" means any one loss, disaster, casualty or series of losses, disasters, or casualties arising from one event. However:
1. If Windstorm or Hail is covered under this Policy, all windstorm or hail events occurring within any 72-hour period will constitute a single "occurrence".
 2. If "Earthquake" or Volcanic Eruption is covered under this Policy, all "earthquake" shocks or volcanic eruptions that occur within any 168-hour period will constitute a single "occurrence".
 3. If "Flood" is covered under this Policy, all flooding in a continuous or protracted event will constitute a single "occurrence".

4. If riot, riot attending a strike, civil commotion, vandalism and/or malicious mischief are covered under this Policy, all loss arising during a continuous period of 72-hours will constitute a single "occurrence".
5. If "Wildfire" is covered under this Policy, all "wildfire" losses sustained by you and arising out of and directly occasioned by "wildfire" which occurs during any period of 240 consecutive hours and within a 150 mile radius of any one fixed point selected by us will constitute a single "occurrence". The fixed point must be the location of an individual "wildfire" loss covered hereunder.

When filing a proof of loss you may choose the time when any such period of consecutive hours commences and, if any event is of greater duration than the applicable time period above, you may divide that event into two or more "occurrences" provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to you in that event during the Policy Period.

With respect to an "occurrence" which begins in one Policy Period and continues or results in additional loss or damage in a subsequent Policy Period(s), all loss or damage is deemed to be sustained in the Policy Period in which the "occurrence" began.

L. "Operations" means:

1. Your business activities occurring at the described premises; and
2. The tenantability of the described premises.

M. "Pacific Northwest Earthquake Zone" means the following counties in Washington state:

Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom.

N. "Period of Restoration" means the period of time that:

1. Begins:

- a. 72 hours after the time of direct physical loss or damage for Business Income Coverage;
or
- b. Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
Caused by or resulting from any Covered Cause of Loss at the described premises; and

2. Ends on the earlier of:

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

Unless a sublimit is shown in Section **G.3.** of the Declarations for the Additional Coverage – Ordinance or Law, "Period of Restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. Regulates the construction, use or repair, or requires the tearing down, of any property;
or

- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”.

The expiration date of this Policy will not cut short the “period of restoration”.

- O. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- P. “Rental value” means Business Income that consists of:
 - 1. 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 Schedule as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - 2. Continuing normal operating expenses incurred in connection with that premises, including:
 - a. Payroll; and
 - b. The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
- Q. “Special Flood Hazard Area” means the area identified on the Flood Insurance Rate Map that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The SFHAs are labeled as Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE and Zones V1-V30.
- R. “Specified Cause 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 object; weight of snow, ice or sleet; water damage.
 - 1. 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:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into manmade underground cavities.
 - 2. Falling objects does not include 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.
 - 3. Water damage means:
 - a. 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; and
 - b. Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable

water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this Policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

- S. "Spore(s)" means any reproductive body produced by or arising out of any "fungus".
- T. "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.
- U. "Suspension" means:
 - 1. The slowdown or cessation of your business activities; or
 - 2. That a part or all of the described premises is rendered untenable.
- V. "Tier 1 High Hazard Wind Zone" means the following counties (unless otherwise stated) within the following states:

Alabama: Counties of Baldwin and Mobile;

Connecticut: Counties of Fairfield, Middlesex, New Haven and New London;

Delaware: Counties of Kent and Sussex;

Florida: Entire State

Georgia: Counties of Bryan, Camden, Chatham, Glynn, Liberty and McIntosh;

Hawaii: Counties of Hawaii, Honolulu, Kauai and Maui;

Louisiana: Parishes of Cameron, East Baton Rouge, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Terrebonne and Vermilion;

Massachusetts: Counties of Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth and Suffolk;

Maryland: County of Worcester;

Maine: Counties of Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington and York;

Mississippi: Counties of Hancock, Harrison and Jackson;

North Carolina: Counties of Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans and Washington;

New Hampshire: County of Rockingham;

New Jersey: Counties of Atlantic, Cape May, Middlesex, Monmouth and Ocean;

New York: Counties of Kings, Nassau, New York, Queens, Richmond and Suffolk;

Rhode Island: Counties of Newport and Washington;

South Carolina: Counties of Beaufort, Charleston, Colleton, Georgetown, Horry and Jasper;

Texas: Counties of Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jefferson, Kenedy, Kleberg, Matagorda, Nueces and Willacy; and

Virginia: Counties of Accomack, Hampton, Newport News, Norfolk, Northampton and Virginia Beach.

W. "Tier 2 High Hazard Wind Zone" means the following counties (unless otherwise stated) within the following states:

Alabama: Counties of Calhoun, Clarke, Conecuh, Covington, Geneva, Jackson, Monroe and Washington;

Connecticut: Counties of Hartford, Litchfield, Tolland and Windham;

Georgia: Counties of Brantley, Brooks, Bulloch, Charlton, Effingham, Evans, Long, Thomas and Wayne;

Louisiana: Parishes of Acadia, Ascension, Assumption, Calcasieu, Iberville, Jefferson Davis, Lafayette, St. Martin, Tangipahoa and Washington;

Massachusetts: County of Worcester;

Maryland: Counties of Anne Arundel, Calvert, Caroline, Charles, Howard, Somerset and Wicomico;

Maine: Counties of Androscoggin, Aroostook, Franklin, Kennebec, Oxford, Penobscot, Piscataquis, Somerset, George, Pearl River and Stone;

North Carolina: Counties of Bertie, Bladen, Columbus, Duplin, Gates, Hertford, Jones, Lenoir, Martin, Pitt, Robeson, Sampson and Tyrell;

New Hampshire: Counties of Belknap, Carroll, Hillsborough, Merrimack, Strafford;

New Jersey: Counties of Bergen, Burlington, Camden, Cumberland, Essex, Gloucester, Hudson, Mercer, Morris, Passaic and Union;

New York: Counties of Bronx, Dutchess, Orange and Putnam;

Rhode Island: Counties of Bristol, Kent and Providence;

South Carolina: Counties of Bamberg, Berkeley, Dillon, Dorchester, Hampton and Marion;

Texas: Counties of Bee, Brooks, Fort Bend, Hardin, Hidalgo, Jackson, Jim Wells, Liberty, Montgomery, Orange, Refugio, San Patricio, Victoria, Waller and Wharton; and

Virginia: Counties of Fairfax, Gloucester, James City, King and Queen, Portsmouth, Richmond, Spotsylvania, Stafford and Suffolk.

- X. "Wildfire" means a spread of fire, whether controlled or uncontrolled, in an area of combustible vegetation (such as tree, grass, brush or bush) causing damage to property, wherever located and of any type and kind, regardless of the original source of ignition of the fire. "Wildfire" includes loss or damage resulting from firefighting, suppressing or bringing under control any "wildfire".

"Wildfire" also includes any "pollutant", smoke, heat, fumes, soot, ash, char, dust, ember, odor, particle or any other material (whether or not settled, airborne, windborne or wind-driven), that is produced, discharged, emitted or released by, or otherwise caused by a "wildfire".

SPECIMEN