



# PHILADELPHIA INSURANCE COMPANIES

A Member of the Tokio Marine Group

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

04/24/2023

Mangum City Hospital Authority  
dba Mangum Regional Medical Center  
PO Box 280  
Mangum, OK 73554-0280

**Tg<'PHPK2544394**

Dear Valued Customer:

Thank you very much for choosing Philadelphia Insurance Companies (PHLY) for your insurance needs. Our A++ (Superior) AM Best financial strength rating is one reason why over 700,000 policyholders have put their trust in us. We invite you to experience The PHLY Difference, which includes:

- Exceptional Customer Service
- Complimentary & Tailored Risk Management
- Best in Class Claims Experience
- Industry Leading Coverage
- Team PHLY Working for You!

We realize you have a choice in insurance companies, and we truly appreciate your business. Welcome to TeamPHLY, and please visit us at PHLY.com to learn more about The PHLY Difference!

Sincerely,

John W. Glomb, Jr.  
President & CEO  
Philadelphia Insurance Companies

JWG/sm



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

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

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

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

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

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

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



# PROPERTY – NOTICE OF LOSS

## SECTION I – REPORT OF LOSS

**Was the loss previously reported to us?**

☐ Yes ☐ No

If Yes, provide the claim or reference number if available:

**Was it previously reported to another insurer?**

☐ Yes ☐ No

If Yes, provide the name of that insurer and the claim or reference number if available:

## SECTION II – AGENT OR BROKER INFORMATION

**Name of Agent or Broker:**

**Address:**

**Daytime Phone No.:**

**Evening Phone No.:**

**E-Mail Address:**

**Fax No.:**

**Agency Code:**

**Agency Subcode:**

## SECTION III – NAMED INSURED AND PERSON TO CONTACT INFORMATION

**Named Insured:**

**Address:**

**Daytime Phone No.:**

**Evening Phone No.:**

**E-Mail Address:**

**Fax No.:**

**Agency Customer ID:**

**Site or Location Code:**

**Name of Contact** (if different from Named Insured):

**Address:**

**Daytime Phone No.:**

**Evening Phone No.:**

**E-Mail Address:**

**Fax No.:**

## SECTION IV – POLICY INFORMATION

**Insurance Company:**

**Policy No.:**

**Policy Effective Date:**

**Policy Expiration Date:**

**Type of Policy:**

☐  
☐

**Property**

☐

**Businessowners**

☐

**Flood**

☐

**Wind**

**Other (Describe):**



**SECTION V – LOSS INFORMATION****Date and Time of Loss:****Location of Loss** (Include City and State):**Specify the Cause of Loss** (Fire, Lightning, Hail, Theft, Wind, etc.):**Description of Loss:****Authorities Contacted** (if applicable):**SECTION VI – WITNESSES**

(if applicable)

**Name:****Address:****Daytime Phone No.:****Evening Phone No.:****Name:****Address:****Daytime Phone No.:****Evening Phone No.:**

Attach additional sheet(s) if necessary.

**SECTION VII – INFORMATION ON OTHER INSURANCE**

(whose policy may also apply to the loss)

**Insurance Company:****Named Insured:****Policy No.:****Policy Effective Date:****Policy Expiration Date:****Type of Policy:**☐  
☐**Property**☐**Businessowners**☐**Flood**☐**Wind****Other (Describe):****Are you an additional insured on this policy?**☐**Yes**☐**No**

Attach additional sheet(s) if more than two policies apply to the claim.



<b>SECTION VIII – ADDITIONAL COMMENTS</b>

<b>SECTION IX – NAMES AND SIGNATURE</b>
<b>Name of Person Reporting the Loss:</b>
<b>Name of Company or Agency Person the Loss Is Reported To:</b>
<b>Signature of Insured/Agent or Broker:</b>
<b>Date:</b>

**FRAUD STATEMENT**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**FRAUD STATEMENT TO ALABAMA APPLICANTS**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines or confinement in prison, or any combination thereof.

**FRAUD STATEMENT TO ARIZONA APPLICANTS**

For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**FRAUD STATEMENT TO ARKANSAS APPLICANTS**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**FRAUD STATEMENT TO COLORADO APPLICANTS**

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

**FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS**

**WARNING:** It is a crime to provide false, or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**FRAUD STATEMENT TO FLORIDA APPLICANTS**

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.



### **FRAUD STATEMENT TO HAWAII APPLICANTS**

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

### **FRAUD STATEMENT TO IDAHO APPLICANTS**

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

### **FRAUD STATEMENT TO KANSAS APPLICANTS**

Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

### **FRAUD STATEMENT TO KENTUCKY APPLICANTS**

Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

### **FRAUD STATEMENT TO LOUISIANA APPLICANTS**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **FRAUD STATEMENT TO MAINE APPLICANTS**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

### **FRAUD STATEMENT TO MARYLAND APPLICANTS**

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **FRAUD STATEMENT TO MINNESOTA APPLICANTS**

Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

### **FRAUD STATEMENT TO NEW HAMPSHIRE APPLICANTS**

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

### **FRAUD STATEMENT TO NEW JERSEY APPLICANTS**

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

### **FRAUD STATEMENT TO NEW MEXICO APPLICANTS**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

### **FRAUD STATEMENT TO OHIO APPLICANTS**

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

### **FRAUD STATEMENT TO OKLAHOMA APPLICANTS**

**WARNING:** Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.



### **FRAUD STATEMENT TO OREGON APPLICANTS**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- A.** The misinformation is material to the content of the policy;
- B.** We relied upon the misinformation; and
- C.** The information was either:
  - 1.** Material to the risk assumed by us; or
  - 2.** Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests.

With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional.

Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

### **FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

### **FRAUD STATEMENT TO TENNESSEE APPLICANTS**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

### **FRAUD STATEMENT TO VIRGINIA APPLICANTS**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

### **FRAUD STATEMENT TO WASHINGTON APPLICANTS**

It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.



## OKLAHOMA FRAUD STATEMENT

**WARNING** – Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.



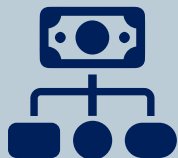
# PHLY Customer Service

VISIT **MyPHLY.COM** TO GET STARTED



## MyPHLY ONLINE PORTAL

- Enhanced Self Service Options and Mobile Browsing
- View Payment History, Invoices, and Policy Documents
- Report and Search Claims
- Direct Deposit Commission Payments
- Edit User Profile and Contact Information



## DIRECT CUSTOMER BILLING BENEFITS

- Receive invoice direct from PHLY
- Go Paperless with e-billing
- Never forget a payment with PHLY Recurring Payments
- Flexible Payment Plans
- Automated Payment Application for faster processing



## PAYMENT OPTIONS

- Online – PHLY.com/MyPHLY
- Phone – 877.438.7459, option 1
- Mail – P.O. Box 70251, Philadelphia, PA 19176-0251



## ON DEMAND CUSTOMER SERVICE ACCESS

- Live Chat - PHLY.com
- Phone - 877.438.7459
- Email - service@phly.com
- Hours: Monday - Friday 8:30 a.m. - 8:00 p.m. ET



A Member of the Tokio Marine Group

The PHLY *Difference*

800.873.4552  
**PHLY.com**

Philadelphia Insurance Companies is the marketing name for the insurance company subsidiaries of the Philadelphia Consolidated Holding Corp., a Member of the Tokio Marine Group. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. All coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds. | © 2007-2019 Philadelphia Consolidated Holding Corp., All Rights Reserved.





PHILADELPHIA  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

# The PHLY *Difference*



## PHLY Customer Service

### Exceptional Customer Service

- Net Promoter Score among the industry's best
- Voice of the Customer empowers customer feedback
- Self Service at MyPHLY.com
- Direct Bill with payment plans
- Dedicated billing representative

## PHLY RISK MANAGEMENT SERVICES

### Complimentary & Tailored Risk Management

- PHLYTrac GPS Program
- SmarterNow Online Learning Management System
- Abuse Prevention Systems Program
- PHLYSense Temperature/Water Monitoring Program



### Best in class Claims Experience

- 96%+ Customer Satisfaction Rating
- Industry and Type-of-Loss Claims Specialists
- In-house Recovery and Subrogation
- Claim-specific reserving practices

## TEAMPHLY

### TEAMPHLY - working for you!

- Marketing/Underwriting/Account Management team advocating on your behalf
- Account Stewardship
- Giving back to local communities



### Industry Leading coverages

- Full Suite of coverages - package, automobile, umbrella, D&O, Cyber, A&H, Environmental, Surety
- Industry specific coverage enhancements
- Admitted & Non-admitted



*Hear what our agents are saying about their experience with The PHLY Difference.*

Learn more: [ThePHLYDifference.com](https://www.thephllydifference.com)

800.873.4552 | **PHLY.com**

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TOKIO MARINE GROUP  
To Be a *Good Company*





# Risk Management Services

## PHLY RMS RESOURCES

Welcome to Philadelphia Insurance Companies (PHLY)! As a PHLY customer, your organization now has access to tools and services that can assist in your risk management efforts. Our Risk Management Services (RMS) Consultants can provide in-person assistance, from leading employee safety meetings to providing valuable guidance regarding safety best practices.

PHLY also provides various risk management tools and resources at little or no additional cost to your organization.

To access these resources, please take a moment to [register on our website](#). If you already have an account on PHLY.com, please [log in](#) to access Risk Management Services resources.

### Risk Management Resources

We encourage you to explore the following risk management resources:

#### PHLYTRAC

**PHLYTrac:** PHLY's telematics tool providing an online dashboard that tracks location, speeding, hard braking, and other fleet statistics - PROVIDED AT NO COST TO ELIGIBLE PHLY CUSTOMERS!

[PHLYTRAC](#)

#### PHLYSENSE

The **PHLYSense** System is a property monitoring tool that uses a sensor to provide immediate alerts to hazardous property conditions, such as low temperature or the presence of moisture. Provided at no cost to our customers with property coverage.

[PHLYSENSE](#)

#### ABUSEPREVENTIONSYSTEMS

**Abuse Prevention Resources:** Online training and policy support to help improve the safety of child-serving operations (at no cost to our customers with Abuse coverage)

[Abuse Prevention System](#)



**IntelliCorp:** Provides a discounted background check package as well as discounted pricing for add-on services, such as Motor Vehicle Reports (MVRs).

[IntelliCorp](#)

#### SMARTER**NOW!** RMS WEB-BASED TRAINING

**SmarterNow:** PHLY's no-cost Learning Management System that provides online training, assignment, and reporting capabilities. Trainings include defensive driver, discrimination in the workplace, security awareness, and many more

[SMARTERNOW!](#)



**Wilson Elser Hotline:** Provides two hours of legal consultation per occurrence. Provided at no cost for our Management and Professional and EPLI policyholders.

[Wilson Elser](#)

### CONTACT

For questions about your organization's risk management needs and information on PHLY's Risk Management Services please contact PHLY RMS:  
Phone: 1.800.873.4552 #4 (Mon-Fri 8:30 a.m. - 5:00 p.m. ET)

E-mail: [phlyrms@phly.com](mailto:phlyrms@phly.com)

800.873.4552 | **PHLY.com**

The PHLY *Difference*

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TOKIO MARINE GROUP  
To Be a *Good Company*



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## **Philadelphia Indemnity Insurance Company**

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# **Commercial Lines Policy**

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THIS POLICY CONSISTS OF:

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



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

A handwritten signature in black ink, appearing to read "John W. Glomb, Jr.", with a stylized, cursive script.

John W. Glomb, Jr.  
President & CEO

A handwritten signature in black ink, appearing to read "Ed Sar", with a stylized, cursive script.

Secretary





A Member of the Tokio Marine Group

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

Mangum City Hospital Authority  
dba Mangum Regional Medical Center  
PO Box 280  
Mangum, OK 73554-0280

## **OKLAHOMA NOTICE REGARDING: EARTHQUAKES RESULTING FROM OIL AND GAS ACTIVITIES**

The Oklahoma Department of Insurance is requiring all companies to send this notice.

The following applies if your policy contains Earthquake coverage:

Subject to all policy provisions, the coverage provided by this policy IS NOT intended to cover earthquake damage resulting from:

- a.** extracting oil or gas from below the earth's surface by any process, including but not limited to hydraulic fracturing or drilling; or
- b.** injecting or inserting any substance, including but not limited to, water and wastewater, below the earth's surface for any purpose; or
- c.** storage of any substance, including but not limited to, water and wastewater below the earth's surface for any purpose; or

**ANY COMBINATION OF A. - C. ABOVE.**

**Please note that your producer is also receiving this notice.**



**NOTICE  
LATE FEE  
NON-SUFFICIENT FUNDS FEE  
REINSTATEMENT FEE**

**Late Fee**

Please be advised that if your payment is late (payment is not received within five days of the payment due date indicated on the invoice), you will be charged a late fee of \$25\* (where permitted).

**Non-Sufficient Funds Fee**

Please be advised that if your payment is returned for non-sufficient funds, you will be charged a fee of \$25\*\* (where permitted).

**Reinstatement Fee**

Please be advised that if your policy is cancelled due to non-payment of the premium and we agree to reinstate your policy, you will be charged a reinstatement fee of \$50\*\*\* (where permitted).

These fees are in addition to any premium owed on the policy and each fee can apply more than once during the policy term.

\*\$10 in Florida, Maryland, South Carolina

\*\*\$15 in Florida and \$20 in New York

\*\*\*\$25 in Delaware, Georgia, New Hampshire and New Mexico; and \$15 in Kansas and Nebraska



ALL COMMERCIAL LINES

## PRIVACY NOTICE FOR COMMERCIAL LINES

This notice is provided on behalf of Philadelphia Indemnity Insurance Company

### **PURPOSE OF THIS NOTICE**

When you apply for or become an insured under, the insurance policies we issue, we gather certain non-public information or “NPI” about your business and its employees. We are committed to safeguarding the NPI you entrust to us. The purpose of this notice is, therefore, to let you know how we collect, use, share and protect the NPI you provide to us in those contexts.

That means this notice applies only to your business interactions with us involving your application for a quote or as a policy holder. NPI we may collect from you in connection with other interactions, such as when you or your employees visit one of our general interest, publicly accessible websites, is governed by the separate notices and policies we publish on those relevant sites or otherwise provide to you.

When we refer in this notice to your “NPI”, we mean non-public information as that term is generally defined and applied under the New York Department of Financial Services’ Cybersecurity Regulation, the Gramm-Leach-Bliley Act and the National Association of Insurance Commissioners’ Data Security Model Law which includes non-public information about your business, such as financial information, account numbers, loss history, personal non-public information of your employees including social security number, address or medical information and any proprietary information we obtain about your business or your customers.

Due to a variety of factors, including certain explicit exemptions they contain, this notice and the NPI we collect from you in connection with the above-described business interactions ***is not*** governed by the EU General Data Protection Regulation, its related EU and Swiss Privacy Shield or the California Consumer Privacy Act.

### **COLLECTING YOUR NPI**

In the course of, or as part of a business interaction, we collect your NPI both directly from you, or from the agents, brokers or other intermediaries acting on your or our behalf, as well as from a variety of additional sources including:

- the applications or other forms you provide to us (these forms may contain your name, address, social security number, marital status, date of birth, gender, length of employment, prior insurance information, home ownership, residency history, vehicle type, vehicle use, or driving history)
- your transactions with us, our other affiliates of the Tokio Marine Group as well as third parties (this information would include, for example, premium payment and claims history)
- consumer or independent reporting agencies (for example your motor vehicle report, property inspection report, accident report or claim report)

### **USING YOUR NPI**

We use your NPI in a variety of ways such as creating and issuing a quote, underwriting or otherwise processing and servicing your insurance policy, handling claims you may have and offering you additional products and services that we think may be of interest to you as well as for related research and analytics purposes.



### **SHARING YOUR NPI**

We do not disclose or share any NPI about our customers or former customers outside of the Tokio Marine Group, except as permitted by law. We do not sell or disclose or share your NPI for third party marketing purposes. We do, however, share your NPI with third parties that we use to service your account or process your insurance policy or your claim, or administer related transactions. These third parties may include:

- your agent, broker or producer
- independent claims adjusters, investigators, data processors or attorneys
- persons or organizations that conduct scientific research, including actuarial or underwriting studies
- an insurance support organization or another insurer, to prevent or prosecute fraud or to properly underwrite the risk
- another insurer, if you are involved in an accident with their insured
- State insurance departments or other governmental or law enforcement authorities, if required by law, to protect our legal interests or in cases of suspected fraud or illegal activities
- a court of law

We also are required to disclose your NPI if we receive a subpoena, search warrant or other court order.

### **RETAINING YOUR NPI**

The NPI we collect is kept in your policy and/or claim files for as long as needed in connection with your business interactions with you and, if longer, as required by law.

### **HOW WE PROTECT YOUR NPI**

We have adopted and implemented a security and privacy program that includes technical, organizational, administrative, and other measures designed to protect, as required by applicable law and in accordance with industry standards, against reasonably anticipated or actual threats to the security of your NPI. Our security program was created by reference to widely recognized standards such as those published by the International Standards Organization and National Institute of Standards and Technology. It includes, among many other things, procedures for assessing the need for, and as appropriate, either employing encryption and multi-factor authentication or using equivalent compensating controls. As part of our security program, we have specific incident response and management procedures that are activated whenever we become aware that your NPI was likely to have been compromised.

### **CHANGES TO THIS NOTICE**

We may amend this notice from time to time and will inform you of these changes as required by law.

### **QUESTIONS AND CONTACT INFORMATION**

If you have any questions about this notice or how we collect, use, share and protect your NPI, please contact the Chief Privacy Officer of TMNA Services, LLC, who acts as the privacy and data security administrator for most of the Tokio Marine Group in North America. The Chief Privacy Officer's contact information is:

Attn: Privacy Office  
TMNA Services, LLC  
3 Bala Plaza East, Suite 400  
Bala Cynwyd, Pennsylvania 19004  
610-227-1300





A Member of the Tokio Marine Group

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

**Philadelphia Indemnity Insurance Company**  
**A Stock Company (Nonparticipating)**  
**COMMON POLICY DECLARATIONS**

**Policy Number:** PHPK2544394

**Named Insured and Mailing Address:**

Mangum City Hospital Authority  
dba Mangum Regional Medical Center  
PO Box 280  
Mangum, OK 73554-0280

**Producer:** 2852

INSURICA, Inc.  
5100 N Classen Blvd Ste 300  
Oklahoma City, OK 73118

**Policy Period From:** 05/01/2023 **To:** 05/01/2024

(405)523-2100

at 12:01 A.M. Standard Time at your mailing  
address shown above.

**Business Description:** Medical Facilities/Hospitals

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

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

**Commercial Property Coverage Part**

**Commercial General Liability Coverage Part**

**Commercial Crime Coverage Part**

**Commercial Inland Marine Coverage Part**

**Commercial Auto Coverage Part**

**Businessowners**

**Workers Compensation**

UltimateCover Property Coverage Part

**PREMIUM**

25,332.00

**Total \$ 25,332.00**

Total Includes Federal Terrorism Risk Insurance Act Coverage **613.00**

CPD-PIIC-CW (02/21)

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

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

A handwritten signature in black ink, appearing to read "Ed Sany", with a long horizontal stroke extending to the right.

**Secretary**

A handwritten signature in black ink, appearing to read "Gavriel", with a long horizontal stroke extending to the right.

**President and CEO**



Philadelphia Indemnity Insurance Company  
Form Schedule – Policy

**Policy Number:** PHPK2544394

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

Form	Edition	Description
BJP-190-1	1298	Commercial Lines Policy Jacket
OK Fracking Notice	1215	OK Notice: Earthquakes From Oil And Gas Activities
PI-FEES-NOTICE 1	1119	Notice Late/Non-Sufficient Funds/Reinstatement Fee
PP2020	0220	Privacy Notice For Commercial Lines
CPD-PIIC-CW	0221	Common Policy Declarations
PI-LOC-SCH	0820	Location Schedule
PI-NI-SCH	0820	Named Insured Schedule
PI-BELL-1	1109	Bell Endorsement
PI-CME-1	1009	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0174	0702	Oklahoma Changes - Appraisal
IL0179	1002	Oklahoma Notice
IL0236	0907	Oklahoma Changes - Cancellation and Nonrenewal
PI-ACL-001 OK	1218	Absolute Cyber Liability And Electronic Exclusion
PI-TER-DN1	0121	Disclosure Notice Of Terrorism Ins Coverage Rejection



Philadelphia Indemnity Insurance Company  
Locations Schedule

**Policy Number:** PHPK2544394

**Premis. Bldg.**

**No. No. Address**

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0001 0001 1 Wickersham St  
Mangum, OK 73554-9117

0001 0002 1 Wickersham St  
Mangum, OK 73554-9117

0002 0001 118 S Louis Tittle Ave  
Mangum, OK 73554-4441



Philadelphia Indemnity Insurance Company  
Named Insured Schedule

**Policy Number:** PHPK2544394

Cohesive Healthcare Management  
& Consulting LLC



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

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

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

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

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

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.



## ULTIMATECOVER PROPERTY COVERAGE PART DECLARATIONS

Policy Number PHPK2544394

Effective Date: 05/01/2023

Expiration Date: 05/01/2024  
12:01 a.m., Standard Time☐ Extension of Declarations is attached**Business Description**

Medical Facilities/Hospitals

**Description of Premises**

Prem. No.	Bldg. No.	Location, Construction and Occupancy	
0001	0001	1 Wickersham St Mangum, OK 73554-9117 HOSPICE FACILITIES	MASONRY NON-COMBUSTIBLE
0001	0002	1 Wickersham St Mangum, OK 73554-9117 HOSPICE FACILITIES	MASONRY NON-COMBUSTIBLE
0002	0001	118 S Louis Tittle Ave Mangum, OK 73554-4441 HOSPICE FACILITIES	MASONRY NON-COMBUSTIBLE

**Limits of Insurance**

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

**Property at Specified Premises**

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



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

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

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

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**Applications of Limits**

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- ☐ Specific ☒ Blanket - See Form PI-ULTD-006  
☐ Exceptions:

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**Deductibles**

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Building \$ Business Personal Property \$ Transit \$ 10,000

SEE MULTIPLE DEDUCTIBLE FORM(S)

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**Coinsurance**

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☐ 80% ☒ 90% ☐ 100% ☐ Agreed Value

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**Mortgage Holders**

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Prem. No.	Bldg. No.	Mortgage Holder Name and Address
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SEE SCHEDULE ATTACHED

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**Forms and Endorsement**

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

See Schedule of Forms and Endorsements attached.

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**Premium**

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Premium for this Coverage Part \$ 25,332.00



## ADDITIONAL COVERAGE SUMMARY DECLARATIONS

**Policy Number** PHPK2544394

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

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

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

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



# Philadelphia Indemnity Insurance Company

## Form Schedule – UltimateCover

**Policy Number:** PHPK2544394

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

Form	Edition	Description
CP P 003	0706	Excl of Loss Due to Virus or Bacteria Advisory Notice
PI-ULTD-002	1198	Property Coverage Part Declarations
PI-ULTD-005	0513	Additional Coverage Summary Declarations
PI-ULTD-006	1198	UltimateCover Program Blanket Limits
CP0090	0788	Commercial Property Conditions
CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
PI-SP-M-B	1005	Exclusion of Certain Earthquake Coverage
PI-SP-M-C	1005	Exclusion of Certain Flood Coverage
PI-ULT-007	1198	Property Coverage Form
PI-ULT-008	1198	Causes of Loss Form
PI-ULT-009	1198	Crime Coverage Form
PI-ULT-010	1198	Business Income with Extra Expense Coverage Form
ULT10COV	1198	Business Income with Extra Expense Coinsurance Sched
ULT10OPT	1198	Business Income with Extra Expense Optional Cov Sched
PI-ULT-018	0216	Windstorm Or Hail Percentage Deductible
PI-ULT-019	0906	Earthquake Endorsement
PI-ULT-021	1198	Flood Endorsement
PI-ULT-021A	0110	Flood Endorsement Location Schedule
PI-ULT-023	0701	Boiler and Machinery Endorsement
PI-ULT-056	0599	Oklahoma Changes - Replacement Cost Endorsement
PI-ULT-072	0321	Limitations On Fungus,Wet Rot, Dry Rot And Bacteria
PI-ULT-83	0401	Loss of Income due to Workplace Violence
PI-ULT-085	0516	Cap On Losses From Certified Acts Of Terrorism
PI-ULT-088	0419	Changes - Electronic Data
PI-ULT-089	0605	Multiple Deductible Form
PI-ULT-104	0908	Elite Property Enhancement: Nursing Homes/Medical Fac
PI-ULT-142	0814	Collapse - Exclusion And Additional Coverage Re-Stated
PI-ULT-148	1016	Boiler And Machinery - Separate Deductible Endorsement
PI-ULT-238	0119	Continuous Or Repeated Water Damage Exclusion



## UltimateCover Program Blanket Limits

Policy Number: PHPK2544394

Agent # 2852

### ULTIMATECOVER PROPERTY – BLANKET STATEMENT OF VALUES

Blanket No.	Coverage	Limit of Insurance	Co- Insurance
1	Building	\$ 64,400	90%
2	Bus Per Prop	\$ 5,625,000	90%
3	Bus Income-Ext	\$ 9,171,771	90%

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



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

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

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

**I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS**

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

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



## II. CONDITIONS

### A. Applicability of Coverage

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

### B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section I. **SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

### C. Claim Expenses

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

## III. ADDITIONAL COVERAGES

### A. Business Travel Accident Benefit

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

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

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

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

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

1. An intentional act by the insured;
2. An act of suicide or attempted suicide;
3. An act of war; or
4. A disease process.



**B. Conference Cancellation**

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

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

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

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

**C. Donation Assurance**

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

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

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
  - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
  - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

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

**D. Emergency Real Estate Consulting Fee**

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



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

#### **E. Fundraising Event Blackout**

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

#### **F. Identity Theft Expense**

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

#### **G. Image Restoration and Counseling**

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

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of “improper acts”; and
3. The costs of restoring the named insured’s reputation and consumer confidence through image consulting.

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

#### **H. Key Individual Replacement Expenses**

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

#### **I. Kidnap Expense**

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

Reasonable fees will include:



1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
  - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
  - b. Discovery of their death;
  - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
  - d. Twelve (12) months after the date of the kidnapping.

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

#### **J. Political Unrest Coverage**

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

#### **K. Temporary Meeting Space Reimbursement**

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

#### **L. Terrorism Travel Reimbursement**

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



**M. Travel Delay Reimbursement**

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

**N. Workplace Violence Counseling**

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

1. Your employees who were victims of, or witnesses to the “workplace violence”;
2. The spouse, “domestic partner,” parents or children of your employees who were victims of, or witnesses to the “workplace violence”; and
3. Any other person or persons who directly witnessed the “workplace violence” incident.

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

**IV. DEFINITIONS**

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

- A. “Certified act of terrorism” means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B. “Communicable disease” means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire’s Disease.
- C. “Domestic partner” means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D. “Emergency evacuation expenses” mean:
  1. Additional lodging expenses;
  2. Additional transportation costs;
  3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of “political unrest”; and
  4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

- E. “Emergency travel expenses” mean:



1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and
2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";

provided that these expenses are not otherwise reimbursable.

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

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

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

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

**I.** "Identity theft expenses" mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

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

1. Sexual abuse;
2. Sexual intimacy;
3. Sexual molestation; or
4. Sexual assault;

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

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



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

- L.** “Key individual replacement expenses” mean the following necessary expenses:
1. Costs of advertising the employment position opening;
  2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
  3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

**M.** “Natural catastrophe” means hurricane, tornado, earthquake or flood.

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

1. Meals and lodging;
2. Alternative transportation;
3. Clothing and necessary toiletries; and
4. Emergency prescription and non-prescription drug expenses.

**O.** “Political unrest” means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government’s ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

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

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

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

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



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

**CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT**

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

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

**I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS**

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

Crisis Management Expense	\$25,000
---------------------------	----------

**II. CONDITIONS**

**A. Applicability of Coverage**

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

**B. Limits of Liability or Limits of Insurance**

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability or Limit of Insurance.

**C. Claim Expenses**

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

**III. ADDITIONAL COVERAGES**

- A.** We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section **II. CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.
- B.** We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.



#### **IV. DEFINITIONS**

- A.** "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.
- B.** "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C.** "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D.** "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E.** "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.



## COMMON POLICY CONDITIONS

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

### A. Cancellation

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

### B. Changes

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

### C. Examination Of Your Books And Records

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

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

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

### F. Transfer Of Your Rights And Duties Under This Policy

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

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



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

## **OKLAHOMA CHANGES – APPRAISAL**

This endorsement modifies insurance provided under the following:

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

- A.** Except as provided in **B.** below, the APPRAISAL Condition is replaced by the following:

### **APPRAISAL**

If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make written demand for an appraisal of the loss. In this event, only the party which demanded the appraisal will be bound by the results of that appraisal.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after the written demand for an appraisal has been made. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either you or us, and after notice of hearing to the nonrequesting party by certified mail, selection of the umpire will be made by a judge of a district court in the county where the loss ("loss") occurred. The appraisers will state separately the value of the property and amount of loss ("loss"). If the appraisers submit a written report of agreement to us, the amounts agreed upon will be the value of the property and the amount of loss ("loss") and will be binding on the party which demanded the appraisal. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on the party which demanded the appraisal. Each party will:

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

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

- B.** The APPRAISAL Condition in the:

- 1.** Business Income Coverage Form (And Extra Expense) **CP 00 30**;

- 2.** Business Income Coverage Form (Without Extra Expense) **CP 00 32**; and

- 3.** Capital Assets Program Coverage Form (Output Policy), **OP 00 01**, Paragraph **A.7.** Business Income And Extra Expense

is replaced by the following:

### **APPRAISAL**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make written demand for an appraisal of the loss. In this event, only the party which demanded the appraisal will be bound by the results of that appraisal.

Each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days after the written demand for an appraisal has been made. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, then, at the request of either you or us, and after notice of hearing to the nonrequesting party by certified mail, selection of the umpire will be made by a judge of a district court in the county where the loss occurred. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If the appraisers submit a written report of agreement to us, the amounts agreed upon will be the value of the property and the amount of loss and will be binding on the party which demanded the appraisal. If the appraisers fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding on the party which demanded the appraisal. Each party will:

- (1)** Pay its chosen appraiser; 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.



## OKLAHOMA NOTICE

The following statement is added to the policy:

**WARNING:**

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.



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

## **OKLAHOMA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

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

**A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:**

**2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:**

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or**
- b. 30 days before the effective date of cancellation if we cancel for any other reason.**

After coverage has been in effect for more than 45 business days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;**
- (2) Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted under it;**
- (3) Discovery of willful or reckless acts or omissions by you that increase any hazard insured against;**
- (4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;**

**(5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;**

**(6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the insurance laws of this state;**

**(7) Your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against; or**

**(8) Loss of or substantial changes in applicable reinsurance.**

**B. The following are added to the Common Policy Conditions and supersede any provisions to the contrary:**

**1. Nonrenewal**

**a. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured at least 45 days before:**

**(1) The expiration date of this policy; or**

**(2) An anniversary date of this policy, if it is written for a term longer than one year or with no fixed expiration date.**



- b. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us.
- c. If notice is mailed:
  - (1) It will be considered to have been given to the first Named Insured on the day it is mailed.
  - (2) Proof of mailing will be sufficient proof of notice.
- d. If notice of nonrenewal is **not** mailed or delivered at least 45 days before the expiration date or an anniversary date of this policy, coverage will remain in effect until 45 days after notice is given. Earned premium for such extended period of coverage will be calculated pro rata based on the rates applicable to the expiring policy.
- e. We will **not** provide notice of nonrenewal if:
  - (1) We, or another company within the same insurance group, have offered to issue a renewal policy; or
  - (2) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- f. If we have provided the required notice of nonrenewal as described in **B.1.a.** above, and thereafter extend the policy for a period of 90 days or less, we will **not** provide an additional nonrenewal notice with respect to the period of extension.

## 2. Premium Or Coverage Changes At Renewal

- a. If we elect to renew this policy, we will give written notice of any premium increase, change in deductible, or reduction in limits or coverage, to the first Named Insured, at the last mailing address known to us.
- b. Any such notice will be mailed or delivered to the first Named Insured at least 45 days before:
  - (1) The expiration date of this policy; or
  - (2) An anniversary date of this policy, if it is written for a term longer than one year or with no fixed expiration date.

- c. If notice is mailed:
  - (1) It will be considered to have been given to the first Named Insured on the day it is mailed.
  - (2) Proof of mailing will be sufficient proof of notice.
- d. If the first Named Insured accepts the renewal, the premium increase or coverage changes will be effective the day following the prior policy's expiration or anniversary date.
- e. If notice is **not** mailed or delivered at least 45 days before the expiration date or anniversary date of this policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until:
  - (1) 45 days after notice is given; or
  - (2) The effective date of replacement coverage obtained by the insured;
 whichever occurs first.  
 If the first Named Insured then elects **not** to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
- f. We will **not** provide notice of the following:
  - (1) Changes in a rate or plan filed pursuant to the Property and Casualty Competitive Loss Cost Rating Act applicable to an entire class of business;
  - (2) Changes which are based upon the altered nature or extent of the risk insured; or
  - (3) Changes in policy forms filed with or approved by the Insurance Commissioner and applicable to an entire class of business.



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

**ABSOLUTE CYBER LIABILITY AND ELECTRONIC EXCLUSION**

This endorsement modifies insurance provided under the following:

**Business Auto Coverage Form**

**Auto Dealers Coverage Form**

**Building and Personal Property Coverage Form**

**Condominium Association Coverage Form**

**Condominium Commercial Unit-Owners Coverage Form**

**Commercial Businessowners Coverage Form**

**Builders Risk Coverage Form**

**Business Income (And Extra Expense) Coverage Form**

**Business Income (Without Extra Expense) Coverage Form**

**Commercial Excess Liability Policy**

**Legal Liability Coverage Form**

**Extra Expense Coverage Form**

**Human Services Organization Professional Liability Claims Made Coverage Form**

**Leasehold Interest Coverage Form**

**Standard Property Policy**

**Property Coverage Form**

**Crime Coverage Form**

**Business Income with Extra Expense Coverage Form**

**Business Income Coverage Form**

**Extra Expenses Coverage Form**

**Legal Liability Coverage Form**

**Commercial General Liability Coverage Form Occurrence**

**Commercial General Liability Coverage Form Claims Made**

**Owners and Contractors Protective Liability Coverage Form**

**Electronic Data Liability Coverage Form**

**Hired and Non Owned Auto Liability Coverage Form**

**Camp Operators Professional Liability Coverage Form**

**Cemetery and/or Crematory Professional Liability Coverage Form**

**Day Care Organization Professional Liability Coverage Form**

**Health and Fitness Professional Liability Coverage Form**

**Social Human Services Organization Professional Liability Coverage Form**

**Social Human Services Organization Professional Liability Claims-Made Coverage Form**

**Religious Organization Professional Liability Coverage Form**

**Religious Organization Professional Liability Claims Made Coverage Form**

**Religious Organization Directors & Officers Liability Insurance**

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**Commercial Articles Coverage Form**  
**Physicians and Surgeons Equipment Coverage Form**  
**Signs Coverage Form**  
**Film Coverage Form**  
**Accounts Receivable Coverage Form**  
**Valuable Papers and Records Coverage Form**  
**Commercial Crime Coverage Form (Loss Sustained Form)**  
**Government Crime Coverage Form (Loss Sustained Form)**  
**Employee Theft and Forgery Policy (Loss Sustained Form)**  
**Contractors Environmental and Professional Coverage Form**  
**Contractors Environmental Coverage Form**  
**Difference In Conditions Coverage Form**  
**Premises Environmental Coverage**  
**Educators Protection Plus**  
**Educators Professional Select Insurance Policy**  
**Volunteer Fire Department Commercial General Liability Coverage Form**  
**Mobile Property Coverage Form**  
**Volunteer Fire Department Property Coverage Form**  
**Property and Inland Marine Coverage Part – Water Districts Insurance Program**  
**Commercial Liability Coverage Form Water Districts Insurance Program**  
**Employment-Related Practices Liability Coverage Form Water Districts Insurance Program**  
**Employment-Related Practices Liability Coverage Form Water Districts Insurance Program**  
**(Separate Limits for Defense and Indemnity)**

The following exclusion applies to all coverages afforded under this policy:

This insurance does not apply to any loss, cost, expense, fine, penalty, error and omission, or damage alleging, arising out of or from, attributable to, or giving rise to:

- (1)** Any access to, collection or disclosure of, or failure to erase any person's or organization's confidential or personal information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometrics, or any other type of nonpublic information; or
- (2)** Business interruption or suspension of operations as caused by any access, unauthorized access, lack of access, delay in access, damage, manipulation, loss, or impairment to **Electronic Data or Electronic Media**; or
- (3)** **Cyber Extortion**; or
- (4)** A **Privacy Breach**; or
- (5)** A **Security Breach**; or



- (6) Any fraudulent communication through **Electronic Media** that impersonates any person or organization, including but not limited to phishing or other social engineering techniques or otherwise; or
- (7) Any computer code, software, or programming; or
- (8) Any **Security Breach** that results in any electronic thing or device or **Electronic Media** malfunctioning, improperly functioning, non-functioning, failing to perform as the intended user desired, or being electronically manipulated to perform in a way that causes harm to the insured or others; or
- (9) The loss, loss of use, misuse, delay, manipulation, corruption, damage, alteration, destruction, distortion, erasure, or theft of, or inability to access or manipulate **Electronic Data** or **Electronic Media** as a result of **Cyber Extortion**; or **Privacy Breach**; or **Security Breach**
- (10) Any failure of utilities based upon, arising out of, or attributable to any mechanical or electrical failure, interruption, or outage, however caused, including but not limited to any electrical power interruption or surge, brownout, blackout, short circuit, over voltage, or power fluctuation or outage to gas, water, telephone, cable, satellite, telecommunications, the internet, or any component thereof, including but not limited to hardware, software, or any other infrastructure as a result of **Cyber Extortion**; or **Privacy Breach**; or **Security Breach**.
- (11) This exclusion applies even if damages are claimed for notification costs, errors or omissions, credit monitoring expenses, forensic expenses, public relations expenses, or any other loss, cost, or expense incurred by the insured or others arising out of that which is described in Paragraphs (1) through (10) above.

As used in this exclusion, the following definitions apply:

**Computer hardware** means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

**Computer system** means an electronic, wireless, web or similar systems (including all **computer hardware**, computer programs and **electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by the insured or operated by an independent contractor authorized to provide Business Process Outsourcing services or outsourced Information Technology services for the insured.

**Corporate Information Breach** means the public disclosure of an organization's non-public information.

**Cyber Extortion** means any threat or connected series of threats communicated to the insured for the purpose of demanding money, securities, or property, including but not limited to threats to release, divulge, disseminate, corrupt, damage or destroy **Electronic Data** or **Electronic Media**; introduce malware or **malicious code** into the insured's computer system; electronically



communicate with the insured's customers in order to fraudulently obtain personal information, money, securities or property; or restrict or hinder access to the insured's computer system, **Electronic Data** or **Electronic Media**, including but not limited to ransomware.

**Denial of service** means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **electronic data**.

**Electronic Data** means information, facts, blockchain, crypto currencies, or computer programs stored as or on, created or used on, or transmitted to or from computer software, including but not limited to systems and applications software, hard or floppy disks, CD-ROMs, DVDs, external drives, USB sticks, tapes, drives, cells, microchip, data processing devices, or any other media 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.

**Electronic Media** means broadcast or storage media that take advantage of electronic technology. They include television, radio, Internet, fax, Bluetooth, GPS, audio beacons, electronic data, and any other medium that requires electricity or digital encoding of information.

**Malicious code** means unauthorized and corrupting or harmful computer code, including but not limited to computer viruses, spyware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.

**Privacy Breach** means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of a privacy policy, breach of a person's right of publicity, misappropriation of likeness, false light, intrusion upon a person's seclusion, or public disclosure of a person's or animal's private information. Privacy Breach will also include a **Corporate Information Breach**.

**Security breach** means:

1. **Unauthorized access** of the insured's **computer system** or **unauthorized use of computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from the insured's **computer system**;
2. A **denial of service** attack against your **computer systems**; or
3. Infection of the insured's **computer system** by **malicious code** or transmission of **malicious code** from the insured's **computer systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

**Unauthorized access** means the gaining of access to a **computer system** by an unauthorized person or persons.



**Unauthorized use** means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

This Endorsement is an absolute exclusion for cyber liability, **Electronic Data**, **Electronic Media** and **Security Breaches**. This Endorsement applies except if coverage is specifically and affirmatively provided in the following coverage forms or endorsements issued by us and only in respect to the coverage afforded in those coverage forms or endorsements. In no event will this Endorsement broaden any coverage afforded in any coverage form or endorsement:

- **Cyber Security Liability Coverage Form**
- **Cyber Security Liability Endorsement**
- **Building and Personal Property Coverage Form**
- **Fraudulent Inducement Insuring Agreement**
- **Fraudulent Inducement Insuring Agreement - Broad Form**
- **Fraudulent Impersonation**
- **Fraudulent Impersonation Ultimate Cover**
- **Business Income and Extra Expense Coverage Form**
- **Computer Coverage Form**

All other terms and conditions remain unchanged.



Policy Number: PHPK2544394Named Insured: Mangum City Hospital Authority
**PHILADELPHIA  
INSURANCE COMPANIES**

A Member of the Tokio Marine Group

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

Terrorism Premium (Certified Acts) \$ <u>613.00</u>
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## DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT’S FEDERAL SHARE OF TERRORISM LOSSES IS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an “X” in the box below.**

**NOTE 1:** If “included” is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

**NOTE 2:** You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

**EXCEPTION:** If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, MA, ME, MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.



	I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from “certified” acts of terrorism, EXCEPT as noted above.
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**You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of “terrorism” coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.**

**REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES** (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)

The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE\_\_\_\_\_

DATE\_\_\_\_\_



## COMMERCIAL PROPERTY CONDITIONS

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

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

### B. CONTROL OF PROPERTY

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

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

### C. INSURANCE UNDER TWO OR MORE COVERAGES

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

### D. LEGAL ACTION AGAINST US

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

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

### E. LIBERALIZATION

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

### F. NO BENEFIT TO BAILEE

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

### G. OTHER INSURANCE

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

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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



## **I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

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

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



P

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

## **EXCLUSION OF CERTAIN EARTHQUAKE COVERAGE**

This endorsement modifies insurance provided under the following:

### **Earthquake Endorsement**

No Earthquake coverage applies for any Insured location in an Earthquake Zone 9, 10, 11, and 12 according to the modified Mercalli Zones.



P

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

## **EXCLUSION OF CERTAIN FLOOD COVERAGE**

This endorsement modifies insurance provided under the following:

### **Flood Endorsement**

No Flood coverage applies for any Insured location in a Flood Zone A, A1-30, AE, AH, AO, A99, AR, AR/AE, AR/AH, AR/AO, AR/A1-30, AR/A, V, V1-30, VE, VO, and D as designated by the Federal Emergency Management Agency's National Flood Insurance Program.



## PROPERTY COVERAGE FORM

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

Throughout this Coverage Form the words **"you"** and **"your"** refer to the Named Insured shown in the Declarations. The words **"we"**, **"us"** and **"our"** refer to the Company providing this Insurance.

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

### A. Coverage

We will pay for direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

#### 1. Covered Property

Covered Property, as used in this Coverage Form, means the following types of property for which a Limit of Insurance is shown in the Declarations.

**a. Your Business Personal Property**, and similar property of others in your care, custody or control:

- (1) Located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises;
- (2) In transit; and
- (3) Property at locations not specifically identified, including property in the care, custody or control of salespersons, property at exhibitions, and trade shows;

Consisting of the following:

- (a) Furniture and fixtures;
- (b) Machinery and equipment;
- (c) **"Stock"**;
- (d) **"Fine Arts"**

If the total value of **"Fine Arts"** is over \$25,000 they must be listed in a schedule on file with us;

- (e) **"Computer Property"**;
- (f) All other personal property owned by you and used in your business;
- (g) Labor, materials or services furnished or arranged by you on personal property of others;



- (h) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (i) Made a part of the **"buildings"** you occupy but do not own; and
  - (ii) You acquired or made at your expense but cannot legally remove;
- (i) Building glass for which you have a contractual responsibility as tenant, including encasement frames, alarm tape, lettering and ornamentation;
- (j) Communication towers, antennas or satellite dishes including their lead-in wiring, masts and guy wires; and
- (k) Signs.

**b. "Buildings"** described in the Declarations including:

- (1) Building glass;
- (2) Completed additions;
- (3) Permanently installed;
  - (a) Fixtures;
  - (b) Machinery; and
  - (c) Equipment;
- (4) Outdoor fixtures, including awnings;
- (5) Fences;
- (6) Personal property owned by you that is used to maintain or service the **"buildings"** or their premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
  - (e) Alarm, communication and monitoring systems;
- (7) If not covered by other insurance:
  - (a) Alterations within, or on the exterior of, the existing **"buildings"**;
  - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making alterations to the existing **"buildings"**;



- (8) Foundations of covered **"buildings"**, machinery and boilers and foundations of equipment and machinery, whether above or below ground;
- (9) Underground pipes, flues and drains.
- (10) Retaining walls that are not part of **"buildings"**;
- (11) Bridges, roadways, walks, patios, and other paved surfaces, including in-ground pools.

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, watercraft, or railroad rolling stock;
- b. Animals, birds or fish;
- c. Automobiles held for sale;
- d. Pilings, piers, wharves or docks;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. **"Money"** or **"securities"**;
- g. The cost of excavations, grading, filling or backfilling, all except as provided under the Coverage Extensions;
- h. Land (including land on which the property is located), water, growing crops, standing timber or lawns;
- i. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- j. Vehicles or self-propelled machines that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse; or
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale;
- k. The following property while outside of **"buildings"**:
  - (1) Grain, hay, straw or other crops;
  - (2) Trees, shrubs or plants (other than **"stock"** of trees, shrubs or plants) except as provided in the Coverage Extensions;



- l. Property that is covered under any import or export ocean marine insurance policy;
- m. After delivery to customers, property that you have sold under a conditional sale or trust agreement, installment payment or other deferred payment plan;
- n. Property of others for which you are responsible as a:
  - (1) Carrier for hire; or
  - (2) Carloader, consolidator, transportation broker, freight forwarder, shipping association or arranger of transportation.
- o. **"Fine Arts"**, if the total value of such property is greater than \$25,000, unless such property is listed in a Schedule on file with us;
- p. **"Data"** and **"media"** which cannot be reproduced or replaced with others of the same kind or quality;
- q. Property which is intended for installation at a premises you do not own, lease or control, after it has left your premises: and
- r. (1) **"Buildings"**; or
  - (2) Additions to existing **"buildings"**;

In the course of construction, except as provided in the Additional Coverages.

### 3. Covered Causes of Loss

See the Causes of Loss Form.

### 4. Additional Coverages

The most we will pay in any one occurrence for each of the following Additional Coverages is as stated under each, unless a different limit is shown in the Superseding Limits section of the Additional Coverage Summary Declarations.

#### a. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical **"loss"**.
- (2) (a) The most we will pay under this Additional Coverage in any one occurrence is 25% of :
  - (i) The amount we pay for the direct physical **"loss"** to Covered Property; plus
  - (ii) The Deductible in this Coverage Form applicable to that **"loss"**.

This limit does not increase any applicable Limits of Insurance provided by this Coverage Form.



**(b) But if either:**

- (i)** The sum of direct physical **"loss"** and Debris Removal expenses exceeds the applicable Limit of Insurance; or
- (ii)** The Debris Removal expenses exceed the amount payable under the 25% limitation in subparagraph **(2) (a)** above;

We will pay up to an additional \$250,000 for each described premises in any one occurrence.

This limit is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**(3) This Additional Coverage does not apply to costs to:**

- (a)** Extract **"pollutants"** from land or water; or
- (b)** Remove, restore or replace polluted land or water.

**b. Preservation of Property**

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

- (1)** While it is being moved or while temporarily stored at another premises; and
- (2)** Only if the **"loss"** occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from any of the Covered Causes of Loss, we will pay for your liability of fire department service charges:

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

The most we will pay under this Additional Coverage in any one occurrence is \$50,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.



**d. Fines for False Alarms**

We will pay any fines your are assessed that you are legally obligated to pay under local or state ordinances, regulations or laws, for any false alarms sent in to police or fire stations or to central monitoring stations by fire, burglar or sprinkler alarms installed to protect Covered Property at described premises or in safes or vaults on described premises.

The most we will pay in any one occurrence is \$2,500, but no more than \$5,000 in any one policy year. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No Deductible applies to this Additional Coverage.

**e. Fire, Sprinkler or Burglar Alarm Upgrade**

In the event of a total **"loss"** to covered fire, sprinkler or burglar alarm systems at described premises caused by or resulting from any of the Covered Causes of Loss, we will pay for the cost to purchase upgraded equipment.

The most we will pay in any one occurrence is \$50,000. This Additional Coverage does not increase the Limits of Insurance provided under this Coverage Form.

**f. Pollutant Clean Up and Removal**

We will pay your expenses to extract **"pollutants"** from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the **"pollutants"** is caused by or results from any of the Covered Causes of Loss that occur during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Causes of Loss occur.

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

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is in addition to the applicable limits of insurance provided by this Coverage Form.

**g. Recharge or Refill of Fire Protection System**

We will pay your expenses to recharge or refill automatic fire protection systems when such systems are discharged as the result of any of the Covered Causes of Loss.

We will not pay recharging or refilling expenses if the discharge occurred while the system was being tested.

No Deductible applies to this Additional Coverage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.



#### **h. Theft Damage to "Buildings"**

We will pay for **"loss"** to **"buildings"** (including equipment within the **"buildings"** used to maintain or service the **"buildings"**) caused by theft or attempted theft of Covered Business Personal Property.

This Additional Coverage is applicable only to the premises where you are a tenant and are liable for such damage.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

#### **i. Brands and Labels**

If your **"stock"** is damaged as a result of any of the Covered Causes of Loss, you have two options when you do not want to sell it under your brand or label even though it has a salvage value. You can:

- (1) Remove the brand or label and then relabel the **"stock"** to comply with the law; or
- (2) Label the damaged **"stock"** as salvage but, in doing so, cause no further damage to the damaged **"stock"**.

We will pay the cost of removing and relabeling your **"stock"**.

In either case, we will pay the difference between the salvage value of the damaged **"stock"** with the brand and label attached, and the salvage value of the damaged **"stock"** with the brand and label removed.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

#### **j. Consequential Damage**

We will pay for **"consequential damage"** to covered Business Personal Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000.

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

#### **k. Arson Reward**

In the event that a covered fire **"loss"** was the result of an act of arson, we will reimburse you up to \$25,000 for rewards you pay for information leading to conviction of the person or persons responsible for that act of arson. This is additional insurance. The Coinsurance Condition and Deductible do not apply to this Additional Coverage.



#### **l. Computer Virus Extraction Expense**

We will pay:

Your expenses to extract a **"computer virus"** from covered electronic data processing **"hardware"**, **"data"** and **"media"**.

The most we will pay under this Coverage Extension in any one occurrence is \$2,500.

This Additional Coverage is the only portion of this policy that provides coverage for a **"computer virus"** extraction loss, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"**.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

#### **m. Computer Upgrade**

- (1) In the event of **"loss"** to covered electronic data processing **"hardware"** caused by or resulting from a Covered Cause of Loss, we will allow you to use the amount we pay you for that **"loss"** to purchase upgraded electronic data processing **"hardware"**.
- (2) If you choose to upgrade that equipment, we will pay for the expenses you incur to convert your **"data"** and **"media"** to the upgraded system.

#### **n. Contract Penalty Clause**

We will pay for any contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must result solely from direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss.

The most we will pay for penalties for all contracts in any one occurrence is \$25,000.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

#### **o. Claim Expenses**

In the event of a covered **"loss"**, we will pay for all reasonable expenses you incur at our request to assist us in:

- (1) The investigation of a claim; or
- (2) The determination of the amount of **"loss"**, such as taking inventory.

We will not pay for:

- (1) Expenses to prove that **"loss"** is covered;
- (2) Expenses incurred under Loss Condition **E.2., Appraisal**; or
- (3) Expenses billed by and payable to independent or public adjusters.



The most we will pay under this Additional Coverage is \$10,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

No deductible applies to this Additional Coverage.

**p. Worldwide Coverage**

We will pay for **"loss"** to Covered Property:

(1) In transit, other than in the custody of a mail carrier, to or from:

(a) The United States of America;

(b) Canada; or

(c) Territories or possessions of the United States of America; and

Points worldwide, except those excluded below. This coverage applies from the delivery of the Covered Property at the point of origin shown in the bill of lading until it is discharged at the destination shown in the bill of lading.

(2) At locations outside the Coverage Territory, while it is in the custody of directors, officers or employees who are traveling in the conduct of your business, except in those countries listed below.

(3) This Additional Coverage does not apply to property located in, or in transit to, from or within, Afghanistan, Albania, Cambodia, Cuba, El Salvador, Guatemala, Haiti, Honduras, Iraq, Iran, Laos, Lebanon, Libya, Myanmar, Nicaragua, North Korea, Syria, Republics formerly a part of the Union of Soviet Socialist Republics, Vietnam, or Yugoslavia or Republics formerly a part of Yugoslavia.

The most we will pay in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance under this Coverage Form.

**5. Coverage Extensions**

Except as otherwise provided, the following Coverage Extensions apply to property located in or on the **"buildings"** described in the Declarations or within 1,000 feet of the described premises.

The most we will pay in any one occurrence for each of the following Coverage Extensions is as stated under each, unless a different limit is shown in the Superseding Limits column of the Additional Coverage Summary Declarations.

**a. Newly Acquired Property**

We will pay for direct physical **"loss"** to:

(1) **"Buildings"** and business personal property you acquire; and

(2) **"Buildings"** which you have had constructed after:

(a) Construction is completed; and

(b) You have accepted the **"buildings"** for occupancy; and



- (c) A Certificate of Occupancy has been issued by a civil or regulatory agency or authority that has jurisdiction over the **"buildings"**;

At any premises caused by or resulting from any of the Covered Causes of Loss.

The most we will pay under this Coverage Extension for **"loss"** to **"buildings"** and business personal property combined in any one occurrence is \$1,000,000.

This Coverage Extension does not increase the Limit of Insurance for **"buildings"** and business personal property at unspecified premises.

This Coverage Extension for each Newly Acquired or Constructed Property will end when any of the following first occurs:

- (1) This policy expires;
- (2) 180 days expire after you acquire the property or have completed construction; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or construction is completed.

#### **b. New Construction**

We will pay for direct physical **"loss"** caused by or resulting from any of the Covered Causes of Loss to:

- (1) **"Buildings"**; or
- (2) Additions to existing **"buildings"**;

In the course of construction at any premises, if the construction began after the inception date of this policy. We do not cover **"buildings"** which you construct to sell to others or for the account of others.

The most we will pay in any one occurrence is \$500,000.

This Additional Coverage will end when any of the following first occurs:

- (1) This policy expires;
- (2) 60 days expire after construction begins; or
- (3) You report the new construction to us;

We will charge you additional premium for values reported from the date construction begins.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.



**c. Personal Effects**

- (1) We will pay for direct physical **"loss"** to cellular phones and other portable electronic equipment owned by your employees and used in your business, while they are away from described premises, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is \$1,000 for property of any one employee and \$2,500 in any one occurrence.
- (2) We will pay for direct physical **"loss"** to personal effects of your directors, officers, (partners) and employees, while they are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** in any one occurrence is \$1,000.
- (3) We will pay for direct physical **"loss"** to personal effects owned by you, your officers, your partners or your employees caused by or resulting from any of the Covered Cause of Loss at a described premises. The most we will pay for such **"loss"** is \$25,000 at any one described premises.

No Deductible applies to this Coverage Extension.

**d. Personal Effects - Spouses**

We will pay for direct physical **"loss"** to personal effects belonging to spouses of your directors, officers or partners when such spouses are traveling with your directors, officers or partners who are traveling anywhere in the world in the conduct of your business, caused by or resulting from any of the Covered Causes of Loss. The most we will pay for such **"loss"** is \$500 for any one person or \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

**e. Accounts Receivable**

We will pay the following loss and expenses which are the direct result of **"loss"** to accounts receivable records caused by or resulting from any of the Covered Causes of Loss:

- (1) All sums due you from customers, provided you are unable to collect;
- (2) Interest charges on any loan to offset amounts you are unable to collect pending our payments of these accounts;
- (3) Collection expenses in excess of your normal collection expenses made necessary because of **"loss"**; and
- (4) Other reasonable expenses you incur to re-establish your records of accounts receivable following such **"loss"**.

We will not pay for **"loss"** that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000.



**f. Excavations and Landscaping**

We will pay for:

- (1) Your reasonable costs for excavations, grading, filling or backfilling at a described premises made necessary by direct physical **"loss"** to Covered Property caused by or resulting from any of the Covered Causes of Loss; and
- (2) Direct physical **"loss"** to your outdoor trees, shrubs and plants, including debris removal expenses, caused by or resulting from any of the following Causes of Loss:
  - (a) Fire;
  - (b) Lightning;
  - (c) Explosion;
  - (d) Riot or Civil Commotion; or
  - (e) Aircraft.

This Coverage Extension does not apply to **"stock"** of trees, shrubs and plants.

The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

**g. Valuable Papers and Records - Cost of Research**

We will pay your expenses to research, replace, or restore the lost information on **"valuable papers and records"**, including those converted to electronic data format, that are lost or damaged as a result of any of the Covered Causes of Loss.

We will not pay for such expenses arising out of **"loss"** caused by or resulting from errors or omissions in processing or copying **"valuable papers and records"**. But we will pay for expenses arising out of **"loss"** caused by resulting fire or explosion.

The most we will pay under this Coverage Extension in any one occurrence is \$250,000 at each described premises.

**h. Guard Dogs**

We will pay for direct death or destruction of a **"guard dog"** caused by or resulting from, or made necessary by, any of the following Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion
- (4) Theft;
- (5) Vandalism (including shooting or poisoning);



(6) Vehicles; or

(7) Collision, upset or overturn of the vehicle transporting the **"guard dog"**.

The Cause of Loss must occur at described premises and during other than normal business hours, or while the **"guard dog"** is being transported to or from the described premises. This Additional Coverage does not apply to death or destruction of **"stock"** held for sale.

The most we will pay for any one **"guard dog"** is \$500, but not more than \$1,000 in any one occurrence.

No Deductible applies to this Coverage Extension.

#### i. Fish in Aquariums

We will pay for direct death or destruction of fish in aquariums caused by or resulting from, or made necessary by, any of the following Causes of Loss at the described premises:

(1) Fire;

(2) Lightning;

(3) Explosion

(4) Riot or Civil Commotion;

(5) Aircraft; or

(6) Interruption of power supply service to the described premises, when the cause of the event occurs more than 1,000 feet from the premises.

This Coverage Extension does not apply to death or destruction of **"stock"** held for sale.

The most we will pay in any one occurrence is \$1,000.

No deductible applies to this Coverage Extension.

#### j. Ordinance or Law

If a Covered Cause of Loss occurs to a covered **"building"**, we will pay for:

(1) Loss to the undamaged portion of the **"building"** caused by enforcement of any ordinance or law that:

(a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss; and

(b) Regulates the construction or repair of **"buildings"** or establishes zoning or land use requirements at the described premises.

This coverage is included within the Limit of Insurance applicable to the covered **"buildings"** shown in the UltimateCover Program Declarations.

(2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.



The most we will pay for such demolition costs is \$250,000 in any one occurrence.

- (3) We will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

However, we will not pay for the increased cost of construction if the **"building"** is not repaired or replaced.

The most we will pay for such increased cost of construction is \$250,000 in any one occurrence.

Insurance under this Coverage Extension applies only with respect to an ordinance or law that is in effect at the time of **"loss"**. Insurance under this Additional Coverage does not apply to costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way to respond to or assess the effects of **"pollutants"**.

#### k. Lost Key Replacement

In the event of the theft or disappearance of a master key to **"buildings"**, rooms or compartments at described premises in which covered Business Personal Property is located, we will pay the actual and necessary expenses you incur to:

- (1) Replace the key; and
- (2) (a) Adjust existing locks to accept the new key; or
- (b) Replace the lock;

Whichever is less.

The most we will pay under this Coverage Extension is \$2,500.

No deductible applies to this Coverage Extension.

Each of these Coverage Extensions is additional insurance, unless otherwise indicated.

The Additional Condition, Coinsurance (if applicable to this Coverage Form), does not apply to these Coverage Extensions.

#### B. Exclusions

See the Causes of Loss Form.

#### C. Limits of Insurance

The most we will pay for **"loss"** in any one occurrence:

- 1. For each Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.



2. For each Coverage Extension is the Limit of Insurance applicable to that Coverage Extension;
3. For **"Fine Arts"** is:
  - a. \$25,000; or
  - b. The amount shown in the **"Fine Arts"** Schedule on file with us;
 Whichever is greater; and
4. For all other coverage provided under this Coverage Form is the applicable Limit of Insurance shown in the Property Coverage Part Declarations.

#### **D. Deductible**

We will not pay for **"loss"** in any one occurrence until the amount of the **"loss"** exceeds the Deductible shown in the Declarations or schedules. We will then pay the amount of the **"loss"** in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by any of the following:

1. Coinsurance Condition;
2. Agreed Value Optional Coverage; or
3. Reporting Endorsement.

If more than one Deductible is applicable under this Coverage Form to **"loss"** in any one occurrence, we will only apply the highest applicable Deductible.

#### **E. Loss Conditions**

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

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

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

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

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



### 3. Duties in the Event of Loss

a. You must see that the following are done in the event of **"loss"** to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the **"loss"**. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the **"loss"** occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property, including quantities, costs, values and amount of **"loss"** claimed.
- (6) As often as may be reasonably required, permit us to inspect the property and records proving the **"loss"**.

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

- (7) Make no statement that will assume any liability, for any **"loss"** for which we may be liable, without our consent.
- (8) Promptly send us any legal papers or notices received concerning the **"loss"**.
- (9) Send us a signed sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (10) Cooperate with us in the investigation or settlement of the claim.

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

### 4. Loss Payment

a. In the event of **"loss"** to Covered Property covered by this Coverage form, at our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality.



- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. We may adjust the **"loss"** with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered **"loss"** within 30 days after we receive the sworn proof of loss, if:
  - (1) You have complied with all of the terms of this coverage form; and
  - (2) (a) We have reached agreement with you on the amount of **"loss"**;
  - (b) An appraisal award has been made; or
  - (c) Final judgment has been entered.

#### 5. a. Recovered Property

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

#### b. Recoveries

The following applies only to the Accounts Receivable Coverage Extension:

You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

#### 6. Vacancy

If the **"building"** where **"loss"** occurs has been vacant for more than 60 consecutive days before that **"loss,"** we will:

- a. Not pay for any **"loss"** caused by any of the following even if they are Covered Causes of Loss:
  - (1) Vandalism;
  - (2) Sprinkler leakage, unless you have protected the system against freezing;
  - (3) Building glass breakage;
  - (4) Water damage;
  - (5) Theft; or
  - (6) Attempted theft.



- b. Reduce the amount we would otherwise pay for the **"loss"** by 15%.

**"Buildings"** are vacant when they do not contain enough business personal property to conduct customary operations.

## 7. Valuation

We will determine the value of Covered Property in the event of **"loss"** as follows:

- a. At replacement cost (without deduction for depreciation) as of the time of **"loss"**, except as provided in **b.**, **c.**, **d.**, **e.**, **f.**, **g.**, and **h.** below.

- (1) We will not pay more for **"loss"** on a replacement costs basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;

- (b) The cost to replace the lost or damaged property with other property:

- (i) Of comparable material and quality; and

- (ii) Used for the same purpose; or

- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

- (2) We will not pay on a replacement cost basis for any **"loss"**:

- (a) Until the lost or damaged property is actually repaired or replaced; and

- (b) Unless the repairs or replacement are made as soon as reasonably possible after the **"loss"**.

If the repairs or replacement are not made as soon as reasonably possible after the **"loss"**, the value of the property will be actual cash value.

- b. **"Fine Arts"** as stated in a Schedule on file with us. If there is no schedule on file, valuation will be at fair market value as of the time of **"loss"**.

- c. **"Stock"** as follows:

- (1) **"Finished Stock"** you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

- (2) **"Merchandise"** you have sold but not delivered, at selling price less discounts and expenses you otherwise would have had;

- (3) **"Stock in process"** at the cost to replace plus labor and overhead expenses you have actually incurred.

- d. Glass at the cost of replacement with safety glazing material if required by law.

- e. **"Valuable Papers and Records"** at the cost of:



- (1) Blank materials for reproducing the records; and
  - (2) Labor to transcribe or copy the records when there is a duplicate.
- f. **"Data"** and **"media"** (other than prepackaged software programs)
- The value of the property will be either:
- (1) The actual cost of reproducing or replacing the lost or damaged **"data"** and **"media"**, if you actually reproduce or replace them; or
  - (2) The cost to replace the blank **"media"** with substantially identical property.
- g. Accounts Receivable
- (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the **"loss"** the following method will be used:
    - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the **"loss"** occurred; and
    - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the **"loss"** occurred or any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established.
    - (a) The amount of the accounts for which there is no **"loss"**;
    - (b) The amount of the accounts that you are able to re-establish or collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- h. Tenant's Improvements and Betterments at:
- (1) Replacement cost (without deduction for depreciation) of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the **"loss"** to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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



(3) Nothing, if others pay for repairs or replacement for your benefit and at no cost to you.

## 8. Pair, Sets or Parts

a. Pair or set. In case of **"loss"** to any part of a pair or set we may:

- (1) Repair or replace any part to restore the pair or set to its value before the **"loss"**; or
- (2) Pay the difference between the value of the pair or set before and after the **"loss"**

b. Parts. In case of **"loss"** to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

## F. General Conditions

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

### 1. Coinsurance

If a Coinsurance percentage is shown in the Premium Property Program Declarations, the following condition applies.

a. We will not pay the full amount of any **"loss"** if the value of Covered Property (except property in transit and Business Personal Property of others in your care, custody or control) at the time of **"loss"** times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for that property.

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

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

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

Step (3) will not apply to property in transit or to Business Personal Property of others in your care, custody or control.

### Example No. 1 (Underinsurance)

When:

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



The Amount of **"Loss"** is \$ 40,000

<b>Step (1)</b>	\$250,000	X	80%	=	\$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
<b>Step (2)</b>	\$100,000.	÷	\$200,000	=	.50
<b>Step (3)</b>	\$40,000	X	.50	=	\$ 20,000
<b>Step (4)</b>	\$20,000.	–	\$250	=	\$ 19,750

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

### Example No. 2 (Adequate Insurance)

When:

The Value of the Property is \$250,000  
 The Coinsurance percentage for it is 80%  
 The Limit of Insurance for it is \$200,000  
 The Deductible is \$ 250  
 The Amount of **"Loss"** is \$ 40,000

<b>Step (1)</b>	\$250,000	X	80%	=	\$200,000
(The minimum amount of insurance to meet your Coinsurance requirements.)					
<b>Step (2)</b>	\$200,000	÷	\$200,000	=	1.00
<b>Step (3)</b>	\$40,000	X	1.00	=	\$ 40,000
<b>Step (4)</b>	\$40,000	–	\$250	=	\$ 39,750

We will cover the \$39,750 **"loss"** in excess of the Deductible. No penalty applies.

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

### Example No. 3:

The Value of the property is:  
**"Building"** at Premises No. 1 \$ 75,000  
**"Building"** at Premises No. 2 \$100,000  
 Personal Property at Premises No. 2 \$ 75,000  
 \$250,000  
 The Coinsurance percentage for it is 90%  
 The Limit of Insurance for:  
**"Buildings"** and Personal Property at  
 Premises No. 1 and 2. \$180,000  
 The Deductible is \$ 1,000  
 The Amount of **" Loss"** is:  
**"Building"** at Premises No. 2 \$ 30,000  
 Personal Property at Premises No. 2 \$ 20,000  
 \$ 50,000

<b>Step (1)</b>	\$250,000	X	90%	=	\$225,000
(The minimum amount of Insurance to meet your Coinsurance requirements)					
<b>Step (2)</b>	\$180,000	÷	\$225,000	=	.80
<b>Step (3)</b>	\$50,000	X	.80	=	\$ 40,000
<b>Step (4)</b>	\$40,000	–	\$1,000	=	\$ 39,000



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

## 2. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered **"loss"** to **"buildings"** to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive **"loss"** payment even if the mortgage holder has started foreclosure or similar action on the **"buildings"**.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Form, the mortgage holder will still have the right to receive **"loss"** payment if the mortgage holder:
  - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All other terms of this Coverage Form will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any **"loss"** and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form;
  - (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

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

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

## 3. Other Insurance

The following is added to subparagraph 2. of Commercial Property Condition **G., Other Insurance**:



But this provision does not apply to **"loss"** to personal property of others in your care, custody or control.

#### 4. Policy Period, Coverage Territory

Commercial Property Condition H., **Policy Period, Coverage Territory**, is replaced by the following:

a. We cover **"loss"** commencing:

- (1) During the Policy Period shown in the UltimateCover Program Declarations; and
- (2) Within the Coverage Territory.

b. The Coverage Territory is:

- (1) The United States of America; and
- (2) Canada.

#### G. Definitions

1. **"Buildings"** means buildings or structures.
2. **"Computer Virus"** means unauthorized intrusive codes or programming that are entered into covered **"hardware"**, **"data"** and **"media"** and interrupt your operations at the described premises.
3. **"Consequential Damage"** means the decrease in value to the undamaged part or parts of Business Personal Property which is unmarketable as a complete product.
4. **Computer Property** means **"data"**, **"hardware"** and **"media"**.
  - a. **"Data"** means facts, figures, concepts, or instructions that are in a form that can be communicated, interpreted or processed by computer systems (including records of accounts receivable and **"valuable papers and records"** when they are converted into **"data"** form).
  - b. **"Hardware"** means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer **"media"**, or manufacturing or production machinery or equipment.
  - c. **"Media"** means materials on which **"data"** can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.

**"Data"** and **"media"** include pre-packaged software and any instructional manuals for that software.
5. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, and similar property, of rarity, historical value or artistic merit.



6. **"Guard Dog"** means a dog that is trained to protect premises from intruders and kept on your premises when they are not open for business.
7. **"Loss"** means accidental loss or damage.
8. **"Money"** means:
  - a. Currency, coins and bank notes whether or not in current use; and
  - b. Travelers' checks, register checks and money orders held for sale to the public.
9. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
10. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and includes:
  - a. Tokens, tickets, revenue and other stamps whether or not in current use;
  - b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.
11. **"Stock"** means **"finished stock"**, **"merchandise"** and **"stock in process"**.
  - a. **"Finished Stock"** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
  - b. **"Merchandise"** means goods kept for sale by you that are not the product of your manufacturing or processing operations.
  - c. **"Stock in Process"** means raw materials that have undergone any processing or manufacturing but which has not become **"finished stock."**
12. **"Valuable Papers and Records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But **"valuable papers and records"** does not mean **"money"** or **"securities"**.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****CAUSES OF LOSS FORM**

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

**A. Covered Causes of Loss**

**Covered Causes of Loss** means Risks of Direct Physical Loss unless the **"loss"** is:

1. Excluded in Section **B., Exclusions**; or
2. Limited in Section **C., Limitations**;

that follow.

**B. Exclusions**

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

**a. Ordinance or Law**

The enforcement of any ordinance or law:

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

**b. Earth Movement**

Any earth movement (other than sinkhole collapse or volcanic action, eruption, explosion or effusion), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if **"loss"** by fire or explosion results, we will pay for that resulting **"loss"**.

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease, rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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



**d. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct **"loss"** caused by resulting fire if the fire would be covered under this Policy.

**e. Utility Services**

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

But if **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss"**.

This exclusion does not apply to the following Coverages:

- (1) Accounts Receivable Coverage Extension;
- (2) **"Computer Property"** for interruption of electrical power supply when the cause of such event occurs within 1,000 feet of the premises; or
- (3) Utility Services - Direct Damage Additional Coverage Extension.

**f. War and Military Action**

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

**g. Flood**

**"Flood"**.

But if **"loss"** by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting **"loss"**.

This exclusion does not apply to the following:

- (1) Business Personal Property in transit or away from premises you own, lease rent or control;
- (2) The Accounts Receivable Coverage Extension; or
- (3) The Valuable Papers and Records - Cost to Research Coverage Extension.

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



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

But if **"loss"** by fire or explosion results, we will pay for that resulting **"loss"**.

This exclusion does not apply to **"computer property"**.

- b. Delay, loss of use, loss of market or any other consequential loss.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations. This exclusion does not apply to **"computer property"**.
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, spoilage, contamination, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting **"loss"** caused by elevator collision;
- (7) Dampness or dryness of atmosphere; changes in or extremes of temperature; freezing or thawing.

Paragraphs d. (3), (4), (6) and (7) do not apply to **"computer property"**.

But if **"loss"** by the **"specified causes of loss"** or building glass breakage results, we will pay for that resulting **"loss"**.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if **"loss"** by fire or combustion explosion results, we will pay for that resulting **"loss"**. We will also pay for **"loss"** caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air-conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the **"buildings"**; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.

This exclusion does not apply to **"computer property"**.

- g. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or



(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to:

- (1) Acts of destruction by your employees (but theft by employees is not covered);
- (2) Property in the custody of a carrier for hire (provided the carrier is not in collusion with you, any of your partners, directors, trustees or authorized representatives); or
- (3) **"Loss"** to **"computer property"** (provided your employees are not in collusion with you, any of your partners, directors, trustees or authorized representatives).

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

i. Collapse, except as provided below in the Additional Coverage for Collapse. But if **"loss"** by any of the Covered Causes of Loss results at the described premises, we will pay for that resulting **"loss"**.

j. Discharge, dispersal, seepage, migration, release or escape of **"pollutants"**.

But we will pay for resulting **"loss"** to Covered Property when the discharge, dispersal, seepage, migration, release or escape of **"pollutants"** is caused by any of the **"specified causes of loss"**.

k. Processing or work upon the property.

But we will pay for **"loss"** caused by resulting fire or explosion.

This exclusion does not apply to **"computer property"**.

l. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of **"money"**, **"securities"** or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

m. Bookkeeping, accounting or billing errors or omissions.

n. Unexplained disappearance. This exclusion does not apply to **"computer hardware"**.

o. Shortage found upon taking inventory or audit. This exclusion does not apply to **"computer hardware"**.

p. Electrical or magnetic disturbance or erasure of records of accounts receivable that have been converted into electronic format, when such **"loss"** is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts; or
- (3) An occurrence that took place more than 1,000 feet from your premises.

But we will pay for such **"loss"** caused by lightning.

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



- r. Changes in your electrical power supply to **"computer property"**, including interruption of power, power surge, blackout or brownout, if the cause of such event originates more than 1,000 feet from any of the premises listed in the Declarations, Extension of Declarations or attached Schedule.
3. We will not pay for **"loss"** caused by or resulting from any of the following. But if **"loss"** by a Covered Cause of Loss results, we will pay for that resulting **"loss."**
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the **"loss"**.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;

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

This exclusion does not apply to **"computer property"**.

#### 4. Special Exclusions

The following provisions apply only to the Coverage Forms listed below, if these Coverage Forms are attached to this Policy.

**a. Business Income, Extra Expenses and Business Income with Extra Expenses Coverage Forms.**

We will not pay for:

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

This exclusion does not apply to Extra Expenses.

- (2) Any loss caused by or resulting from direct physical **"loss"** to communication antennas or satellite dishes, including their lead-in wiring masts or towers.
- (3) Any increase of loss caused by or resulting from:



- (a) Delay in rebuilding, repairing or replacing the property or resuming **"operations"** due to interference at the premises of the rebuilding, repair or replacement by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of **"operations"**, we will cover such loss that affects your Business Income during the **"period of restoration"**.
- (4) Any Extra Expenses caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the **"period of restoration"**.
- (5) Any other consequential loss.
- (6) Any loss caused by or resulting from error in machine programming or instructions to any machine.
- (7) Any loss caused by or resulting from direct physical **"loss"** to property at locations not specifically identified. This exclusion does not apply to coverage provided to Business Income from Dependent Property - Additional Coverage.
- (8) Any loss caused by or resulting from direct physical **"loss"** to:
  - (a) **"Buildings"**; or
  - (b) Additions to existing **"buildings"**;
 That are under the course of construction.

**b. Legal Liability Coverage Form**

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

We will not defend any claim or **"suit"** or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.
  - (b) **Nuclear Hazard**

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



### C. Limitations

1. We will not pay for **"loss"** to:
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for **"loss"** to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any **"buildings"**, or to personal property in **"buildings"**, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The **"buildings"** first sustain damage by a Covered Cause of Loss to their roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The **"loss"** is caused by or results from thawing of snow, sleet or ice on the **"buildings"**.
2. For **"loss"** by theft, the following types of property are covered only up to the Limits of Insurance shown:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This Limit of Insurance does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
3. We will not pay for **"loss"** to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, molded, rusted, frosted, rotted, soured, steamed or changed in flavor.

But we will pay for such **"loss"** caused by: the **"specified causes of loss"**; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

### D. Additional Coverage - Collapse

We will pay for **"loss"** caused by or resulting from risks of direct physical **"loss"** involving collapse of **"buildings"** or any part of **"buildings"** caused only by one or more of the following:

1. The **"specified causes of loss"** or breakage of building glass, all only as insured against in this form;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;



**5. Weight of rain that collects on a roof.**

We will not pay for **"loss"** to the following types of property, if otherwise covered in this Policy, under items **2., 3., 4. and 5.,** unless the **"loss"** is a direct result of the collapse of **"buildings"**; outdoor communication antennas or satellite dishes, including their masts or lead - in wiring; awnings, gutters and downspouts; yard fixtures; outdoor swimming pools; fences; beach or diving platforms or appurtenances; retaining walls.

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

This Additional Coverage will not increase the Limits of Insurance provided by this Policy.

**E. Additional Coverage Extensions**

**1. Water Damage, Other Liquids, Powder or Molten Material Damage**

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

We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

**2. Utility Services - Direct Damage**

We will pay for direct physical **"loss"** caused by interruption of utility service to the described premises. The interruption must be caused by direct physical **"loss"** by any of the Covered Causes of Loss to the following types of property not on the described premises supplying water, communication and power to the described premises.

**Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described premises.

- a. Utility Generating Plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission Lines.

But not overhead transmission lines.

**Water Supply Services**, meaning the following types of property supplying water to the described premises.

- a. Pumping Stations; and



- b. Water mains.

**Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- a. Communication transmission lines, including optical fiber transmission lines;
- b. Coaxial cables; and
- c. Microwave radio relays except satellites.

But not overhead transmission lines.

The most we will pay under this Coverage Extension for the sum of all occurrences at all premises during each separate 12 month period of this policy is \$10,000.

This Coverage Extension is in addition to the Limits of Insurance provided by this Policy.

### 3. Voluntary Parting

We will pay for "**loss**" caused by or resulting from voluntary parting with any property by you, or by anyone else to whom you have entrusted the property, if induced to do so by any fraudulent scheme, trick, device or false pretense.

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

This Coverage Extension will not increase the Limits of Insurance provided by this Policy.

## F. Definitions

1. "**Buildings**" means buildings or structures.
2. "**Computer Property**" means "**data**", "**hardware**" and "**media**".
  - a. "**Data**" means facts, figures, concepts or instructions that are in a form that can be communicated, interpreted, or processed by computer systems (including records of accounts receivable and "**valuable papers and records**" when they are converted into "**data**" form).
 

It does not include Valuable Papers unless converted to electronic form.
  - b. "**Hardware**" means a network of equipment and components which accept information, process and analyze that information according to a plan, and then produces the desired results. It includes disk and tape drives, printers, display screens, remote terminals, computers which control manufacturing or production equipment or machinery, and computerized telephone systems, but it does not include computer "**media**", or production machinery or equipment.
  - c. "**Media**" means materials on which "**data**" can be recorded, such as magnetic tapes, disk packs, paper tapes and cards.
3. "**Flood**" means:
  - a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or



- b. Mudslide or mudflow.
- 4. **"Loss"** means accidental loss or damage.
- 5. **"Money"** means:
  - a. Currency, coins and bank notes whether or not in current use; and
  - b. Travelers' checks, register checks and money orders held for sale to the public.
- 6. **"Operations"** means:
  - a. Business activities you perform at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.
- 7. **"Period Of Restoration"** means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical **"loss"** for Business Income Coverage; or;
    - (2) Immediately after the time of direct physical **"loss"** for Extra Expense Coverage;
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.
  - c. **"Period of Restoration"** does not include any increased period required due to the enforcement of any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **"pollutants"**.

The expiration date of this policy will not cut short the **"period restoration"**.
- 8. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 9. **"Rental Value"** means
  - a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
  - b. Amount of all charges which are legal obligation of the tenant(s) and which would otherwise be your obligations; and
  - c. Fair rental value of any portion of the described premises which is occupied by you.



10. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and includes:

- a. Tokens, tickets, revenue and other stamps whether or not in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which are not of your own issue;

But does not include **"money"**. Lottery tickets held for sale are not **"securities"**.

11. **"Specified Causes of Loss"** means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

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

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

- b. Falling objects does not include **"loss"** to:

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

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

12. **"Stock"** means **"finished stock"**, **"merchandise"**, and **"stock in process"**.

- a. **"Finished Stock"** means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
- b. **"Merchandise"** means goods kept for sale by you that are not the product of your manufacturing or processing operations.
- c. **"Stock in Process"** means raw materials that have undergone any processing or manufacturing but which have not become **"finished stock."**

13. **"Suit"** includes an arbitration proceeding to which you must submit or submit with our consent.



## CRIME COVERAGE FORM

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

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

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

### Coverage Summary

	Basic Limit Of Insurance	Basic Deductible	Superseding Limit Of Insurance	Superseding Deductible
<b>"Money"</b> and <b>"Securities"</b> - Inside the Premises	\$ 5,000	\$ 500		
<b>"Money"</b> and <b>"Securities"</b> - Outside the Premises	\$ 5,000	\$500		
Money Orders and Counterfeit Paper Currency	\$ 5,000	\$500		
Kidnap and Ransom – Extortion	\$25,000	None		

### Optional Coverage Summary

	Limit of Insurance	Deductible
Forgery or Alteration		
Computer Fraud		
Employee Dishonesty		

☐ If this box is marked with **"X"**, **Clause B.1.f., Coverage Extension - Welfare and Pension Plan ERISA Compliance**, applies to this policy.

### A. Coverage

#### 1. Money and Securities

Covered Property, as used in this Coverage, means **"money"** and **"securities"** used in your business.

**a.** We will pay for all loss to Covered Property:

**(1) Inside the Premises** - while at a bank or savings institution, at the **"premises"**, or

**(2) Outside the Premises** - in transit between any of the places described in **1. a. (1)** above; resulting directly from:



- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

b. In addition to the General Exclusions of this Form, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions.
- (2) Due to the giving or surrendering of property in any exchange or purchase.
- (3) Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- (4) Resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:
  - (a) Acting alone or in collusion with other persons; or
  - (b) While performing services for you or otherwise.
- (5) Of Covered Property after it has been transferred or surrendered to a person or place outside the **"premises"** or a bank or savings institution on the basis of unauthorized instructions.
- (6) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**c. Additional Definition**

As respects Money and Securities coverage:

**"Occurrence"** means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

**2. Money Orders and Counterfeit Paper Currency**

We will pay for loss due to the acceptance in good faith of Covered Property.

a. Covered Property, as used in this Coverage, means:

- (1) Any post office or express money order accepted in exchange for merchandise, **"money"** or services issued, or purporting to have been issued, by any post office or express company, if such money order is not paid upon presentation; or
- (2) Counterfeit United States or Canadian paper currency accepted in the regular course of business.

b. In addition to the General Exclusions of this Form, we will not pay for loss resulting from:

- (1) Any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:



- (a) Acting alone or in collusion with other persons; or
  - (b) While performing services for you or otherwise.
- (2) Your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**c. Additional Definition**

As respects Money Orders and Counterfeit Paper Currency coverage:

**"Occurrence"** means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

**3. Kidnap and Ransom-Extortion**

- a. We will pay for loss of **"money"**, **"securities"**, and **"property other than money and securities"** resulting directly from **"extortion"**. Loss is covered only if:
  - (1) The threat to do bodily harm is first communicated to you during the Policy Period; and
  - (2) The capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.
- b. We will not pay for loss as specified below:
  - (1) Loss resulting from any dishonest or criminal acts committed by any of your **"employees"**, directors, trustees, or authorized representatives:
    - (a) Acting alone or in collusion with other persons; or
    - (b) While performing services for you or otherwise.
  - (2) Loss of property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:
    - (a) An associate;
    - (b) The Federal Bureau of Investigation; and
    - (c) Local law enforcement authorities.
- c. The most we will pay for loss in any one **"occurrence"** is \$25,000.

**d. Additional Definition**

**"Occurrence"** means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or event not involving any person.



## B. Optional Coverages

The following Optional Coverages for which a limit of insurance is shown in the Coverage Summary are also provided:

### 1. Employee Dishonesty

We will pay for loss of, and loss from damage to Covered Property resulting directly from **"employee dishonesty"**.

- a. Covered Property, as used in this Coverage, means **"money"**, **"securities"** and **"property other than money and securities"**.
- b. We will pay for loss caused by any **"employee"** while temporarily outside the Coverage Territory for a period not more than 90 days.
- c. We will not pay for:
  - (1) Loss caused by any **"employee"** of yours, or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.
  - (2) Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (a) An inventory computation; or
    - (b) A profit and loss computation.

### d. Additional Condition

The following applies in addition to the General Conditions of this Form.

#### Cancellation As To Any Employee

This insurance is canceled as to any **"employee"**:

- (1) Immediately upon discovery by:
  - (a) You; or
  - (b) Any of your partners, officers or directors not in collusion with the **"employee"**;
 of any dishonest act committed by that **"employee"** whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.



**e. Additional Definition**

As respects Employee Dishonesty coverage:

**"Occurrence"** means all loss caused by, or involving, one or more **"employees"**, whether the result of a single act or series of acts.

**f. Coverage Extension - Welfare and Pension Plan ERISA Compliance**

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

(1) **"Employee"** also includes any natural person who is:

- (a) A trustee, officer, employee, administrator or a manager, except an administrator or a manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan ( hereinafter called Plan) insured under this insurance; and
- (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.

(2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

(4) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
- (b) Of commingled funds or other property of two or more Plans;

that arises out of one **"occurrence"** is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of those amounts.

(5) The Deductible provision does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

**2. Forgery or Alteration**

We will pay for loss due to forgery or alteration of, on or in any Covered Property.

a. Covered Property, as used in this Coverage, means **"Covered Instruments"** that are:

- (1) Made or drawn by or drawn upon you;
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.



b. If you are sued for refusing to pay any **"covered instrument"** on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay is in addition to the Limit of Insurance applicable to this insurance.

c. The following applies in addition to the General Exclusions of this Form:

We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

- (1) Acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise.

**d. Additional Conditions**

The following apply in addition to the General Conditions of this Form.

**(1) Facsimile Signatures**

We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

**(2) Proof of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**(3) Territory**

We will cover loss you sustain anywhere in the world.

The **Territory General Condition** does not apply to this Optional Coverage.

**e. Additional Definition**

As respects Forgery or Alteration coverage:

**"Occurrence"** means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

**3. Computer Fraud**

We will pay for loss of, and loss from damage to, Covered Property resulting directly from **"computer fraud"**.

a. Covered Property, as used in this Coverage means **"money"**, **"securities"** and **"property other than money and securities"**.

b. The following apply in addition to the General Exclusions of this Form:

(1) We will not pay for loss resulting from any dishonest or criminal act committed by any of your **"employees"**, directors, trustees or authorized representatives:

- (a) Acting alone or in collusion with other persons; or



(b) While performing services for you or otherwise.

(2) We will not pay for loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(a) An inventory computation; or

(b) A profit and loss computation.

**d. Additional Conditions**

The following apply in addition to the General Conditions of this Form:

**(1) Duties in the Event of Loss**

If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

**(2) Special Limit of Insurance for Specified Property**

For loss of, or loss from damage to, manuscripts, drawings or records of any kind the most we will pay in any one **"occurrence"** is the lesser of the following amounts:

(a) The cost of reconstructing such property or reproducing any information contained in such property; or

(b) \$5,000.

**e. Additional Definition**

As respects Computer Fraud coverage:

**"Occurrence"** means an:

(1) Act or series of related acts involving one or more persons; or

(2) Act or event, or a series of related acts or events not involving any person.

**C. Limits of Insurance**

The most we will pay for loss in any one **"occurrence"** is the applicable Limit of Insurance shown in the Coverage Summary.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Limit of Insurance is:

a. The Basic Limit of Insurance shown in the Coverage Summary if no Superseding Limit of Insurance is shown; or

b. The Superseding Limit of Insurance if a Superseding Limit is shown in the Coverage Summary.

2. For all other coverages, the applicable Limit of Insurance is the Limit shown in the Coverage Summary.



**D. Deductible**

We will not pay for loss in any one **"occurrence"** until the amount of the loss exceeds the applicable Deductible shown in the Coverage Summary. We will then pay the amount of the loss in excess of the applicable Deductible, up to the applicable Limit of Insurance.

1. For Money and Securities Coverage and for Money Orders and Counterfeit Paper Currency Coverage, the applicable Deductible is:
  - a. The Basic Deductible shown in the Coverage Summary if no Superseding Deductible is shown; or
  - b. The Superseding Deductible if a Superseding Deductible is shown in the Coverage Summary.
2. For all other coverages, the applicable Deductible is the Deductible shown in the Coverage Summary.

**E. General Exclusions**

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Exclusions apply to all Coverages and Optional Coverages provided by this Coverage Form.

We will not pay for loss as specified below:

**1. Acts Committed by You or Your Partners**

Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

**2. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**3. Indirect Loss**

Loss that is an indirect result of any act or **"occurrence"** covered by this insurance including, but not limited to, loss resulting from;

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**4. Legal Expenses**

Expenses related to any legal action, except as provided in the Forgery or Alteration Optional Coverage, if the coverage is applicable to this policy.



## 5. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

## 6. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

## F. General Conditions

Unless stated otherwise in any Coverage or Optional Coverage in this Crime Coverage Form, the Policy Declarations or an endorsement, the following General Conditions apply to all Coverages and Optional Coverages provided by this Coverage Form:

### 1. Concealment, Misrepresentation or Fraud

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

- a. This insurance;
- b. The Covered Property;
- c. Your interest in the Covered property; or
- d. A claim under this insurance.

### 2. Consolidation - Merger

If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "**employee**"; or
- b. You acquire the use and control of any additional "**premises**";

Any insurance afforded for "**employees**" or "**premises**" also applies to those additional "**employees**" and "**premises**", but only if you:

- a. Give us written notice within 30 days thereafter; and
- b. Pay us an additional premium.

### 3. Discovery Period for Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

### 4. Duties in the Event of Loss

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:



- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

## 5. Joint Insured

- a. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next named Insured will become the first Named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An **"employee"** of any Insured is considered to be an **"employee"** of every Insured.
- d. If this insurance or any of its coverages is canceled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

## 6. Legal Action Against Us

You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance;
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

## 7. Liberalization

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

## 8. Loss Covered Under More Than One Coverages Of This Insurance

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

## 9. Loss Sustained During Prior Insurance

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that



the time within which to discover loss had expired, we will pay for it under this insurance, provided:

- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

- (1) This insurance as of its effective date; or
- (2) The prior insurance had it remained in effect.

#### **10. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate**

If any loss is covered:

- a. Partly by this insurance; and
- b. Partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

The most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

#### **11. Non-Cumulation of Limit of Insurance**

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.

#### **12. Other Insurance**

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Coverage Summary or the Optional Coverage Summary.

#### **13. Ownership of Property; Interests Covered**

The property covered under this insurance is limited to property:

- a. That you own or hold; or
- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.



**14. Policy Period**

- a. The Policy Period is shown in the Common Policy Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

**15. Records**

You must keep records of all Covered Property so we can verify the amount of any loss.

**16. Recoveries**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made;
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
  - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (2) Of original "**securities**" after duplicates of them have been issued.

**17. Territory**

This insurance covers only acts committed or events occurring within the United States of America, and Canada.

**18. Transfer of Your Rights of Recovery Against Others to Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**19. Valuation - Settlement**

- a. Subject to the applicable Limit of Insurance provision we will pay for:
  - (1) Loss of "**money**" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
    - (a) At face value in the "**money**" issued by that country; or
    - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
  - (2) Loss of "**securities**" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:



- (a) Pay the value of such **"securities"** or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **"securities"**; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **"securities"**. However, we will be liable only for the payment of so much of the cost of the bond having a penalty not exceeding the lesser of the;
  - (i) Value of the **"securities"** at the close of business on the day the loss was discovered; or
  - (ii) Limit of Insurance.
- (3) Loss of, or loss from damage to, **"property other than money and securities"** or loss from damage to the **"premises"** for not more than the;
  - (a) Actual cash value of the property on the day the loss was discovered;
  - (b) Cost of repairing the property or **"premises"**; or
  - (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.
- b. We may, at our option, pay for loss of, or loss from damage to, property other than **"money"**:
  - (1) In the **"money"** of the country in which the loss occurred; or
  - (2) In the United States of America dollar equivalent of the **"money"** of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
  - (3) Any property that we pay for or replace becomes our property.

## G. Definitions

- 1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- 2. **"Computer Fraud"** means **"theft"** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **"premises"** or **"banking premises"** to a person (other than a **"messenger"**) outside those **"premises"** or to a place outside those **"premises"**.
- 3. **"Covered Instrument(s)"** means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **"money"**.
- 4. **"Employee"** means:
  - a. Any natural person:
    - (1) While in your service (and for 30 days after termination of service); and



- (2) Whom you compensate directly by salary, wages or commissions; and
  - (3) Whom you have the right to direct and control while performing services for you; or
  - b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however any such person while having care and custody of property outside the **"premises"**.
- But **"employee"** does not mean any:
- a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - b. Director or trustee except while performing acts coming within the scope of the usual duties of an employee.
5. **"Employee Dishonesty"** means only dishonest acts committed by an **"employee"**, whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:
- a. Cause you to sustain loss; and also
  - b. Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:
- (1) The **"employee"**; or
  - (2) Any person or organization intended by the **"employee"** to receive that benefit.
6. **"Extortion"** means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an **"employee"**, or to a relative or invitee of either, who is, or allegedly is, being held captive.
7. **"Messenger"** means you, any of your partners or any **"employee"** while having care and custody of the property outside the **"premises"**.
8. **"Money"** means:
- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
9. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
10. **"Property Other Than Money and Securities"** means any tangible property other than **"money"** and **"securities"** that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.
11. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either **"money"** or other property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and



b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include **"money"**.

**12. "Theft"** means any act of stealing.



## BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM

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

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

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

### COVERAGE SUMMARY

**Coinurance Option** - applicable only if a percentage is indicated in the schedule below.

Premises No.	Building No.	Coverage	Limit of Insurance	Coinurance Option
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SEE SCHEDULE

**Optional Coverages** - applicable only when entries are made in the schedule below.

Premises No.	Building No.	Monthly Limit Of Indemnity (Fraction)	Maximum Period of Indemnity (X)	Extended Period of Indemnity (Days)	Agreed Value Amount (\$)
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SEE SCHEDULE

### A. Coverage

- Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Coverage Summary above:

- Business Income including **"Rental Value."**
- Business Income other than **"Rental Value."**
- "Rental Value."**

If option (i) above is selected, the term Business Income will include **"Rental Value."** If option (iii) above is selected, the term Business Income will mean **"Rental Value"** only.

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

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **"operations"** during the **"period of restoration"**. The suspension must be caused by direct physical **"loss"** to property at the premises described in the Declarations, or within 1000 feet of the premises, caused by or resulting from any of the Covered Causes of Loss.



If you are a tenant, your premises is the portion of **"buildings"** which you rent, lease or occupy, including:

- a. All routes within **"buildings"** to gain access to the described premises; and
- b. Your personal property within 1000 feet of the premises.

## 2. Business Income

Business Income means the:

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

## 3. Covered Causes Of Loss

See the Causes of Loss Form.

## 4. Additional Coverages

### a. Extra Expenses

Extra Expenses means necessary expenses you incur during the **"period of restoration"** that you would not have incurred if there had been no direct physical **"loss"** to property caused by or resulting from any of the Covered Causes of Loss.

- (1) We will pay any Extra Expenses to avoid or minimize the suspension of business and to continue **"operations"**:

- (a) At the described premises; or

- (b) At replacement premises or at temporary locations, including:

- (i) Relocation expenses; and

- (ii) Costs to equip and operate the replacement or temporary locations.

- (2) We will pay any Extra Expenses to minimize the suspension of business if you cannot continue **"operations"**.

- (3) We will pay any Extra Expenses to:

- (a) Repair or replace any property; or

- (b) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### b. Civil Authority



We will pay for the actual loss of Business Income you sustain and necessary Extra Expenses you incur caused by action of Civil Authority that prohibits access to the described premises due to direct physical **"loss"** to property other than at the described premises caused by or resulting from any of the Covered Causes of Loss.

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

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

- (1) Three consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

Whichever is later.

#### c. Alterations

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

- (1) Alterations within, or on the exterior of, existing **"buildings"**; and
- (2) Machinery, equipment, supplies or building materials located on or within 1000 feet of the described premises and used in the alterations.

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

#### d. Extended Business Income

##### (1) Business Income Other Than **"Rental Value"**

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

(a) Begins on the date property (except **"finished stock"**) is actually repaired, rebuilt or replaced and **"operations"** are resumed; and

(b) Ends on the earlier of:

- (i) The date you could restore your **"operations"** with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical **"loss"** had occurred; or
- (ii) 60 consecutive days after the date determined in (1)(a) above.



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

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**(2) "Rental Value"**

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

**(a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

**(b)** Ends on the earlier of:

**(i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the **"Rental Value"** that would have existed if no direct physical **"loss"** had occurred; or

**(ii)** 60 consecutive days after the date determined in **(2)(a)** above.

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

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

This Additional Coverage does not increase the Limits of Insurance provided by this Coverage Form.

**e. Business Income From Dependent Properties**

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your **"operations"** during the **"period of restoration."** The suspension must be caused by direct physical **"loss"** at the premises of a **"contingent business property,"** caused by or resulting from any of the Covered Causes of Loss. But we will not pay more than .3% (three-tenths of one percent) of the Business Income Limit of Insurance for each day's suspension of **"operations"** at a described premises due to direct physical **"loss"** at any one **"contingent business property."**

The most we will pay under this Additional Coverage is \$25,000 per Policy Period.

This Additional Coverage does not apply to **"contingent business property"** for which you have more specific insurance either under this policy or another.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.



**f. Property in Transit**

In the event of direct physical **"loss"** to your property in transit within the Coverage Territory, we will pay for loss of Business Income and necessary Extra Expenses you incur during the **"period of restoration"**.

This Additional Coverage does not apply to property of others in your care, custody or control.

The most we will pay under this Additional Coverage in any one occurrence is \$25,000. This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

**5. Coverage Extension - Newly Acquired Premises**

- a. We will pay for the actual loss of Business Income you sustain caused by direct physical **"loss"** to property at any premises you acquire other than at fairs or exhibitions.
- b. The most we will pay for loss under this Extension is 10% of the sum of the Limits of Insurance for Business Income shown in the Coverage Summary above, but not more than \$100,000 at each premises.
- c. Insurance under this Coverage Extension for each newly acquired premises will end when any of the following first occurs:
  - (1) This policy expires;
  - (2) 90 days expire after you acquire the property; or
  - (3) You report values to us.

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

This Coverage Extension is in addition to the applicable Limits of Insurance provided by this Coverage Form. The Coinsurance Option does not apply to this Extension.

**B. Exclusions**

See the Causes of Loss Form.

**C. Limits of Insurance**

The most we will pay for loss in any one occurrence:

- 1. For the Business Income From Dependent Properties Additional Coverage is the Limit of Insurance applicable to that Additional Coverage.
- 2. For the Coverage Extension - Newly Acquired Premises is the Limit of Insurance applicable to that Coverage Extension.
- 3. For all other coverages provided under this Coverage Form is the applicable Limit of Insurance shown in the Coverage Summary.



## D. Loss Conditions

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

### 1. Appraisal

If we and you disagree on the amount of net income and operating expenses or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of net income and operating expenses or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

### 2. Duties in the Event of Loss

You must see that the following are done in the event of loss:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the direct physical **"loss"**. Include a description of the property involved.
- c. As soon as possible, give us a description of how, when and where the direct physical **"loss"** occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage by any of the Covered Causes of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- e. As often as may be reasonably required, permit us to inspect the property proving the **"loss"** and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- f. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
- g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.



- h. Cooperate with us in the investigation or settlement of the claim.
- i. If you intend to continue your business, you must resume all or part of your **"operations"** as quickly as possible.

### 3. Loss Determination

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

- (1) The net income of the business before the direct physical **"loss"** occurred;
- (2) The likely net income of the business if no physical **"loss"** occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume **"operations"** with the same quality of service that existed just before the direct physical **"loss"**; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

### b. Resumption of Operations

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

- (1) Damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere;
  - (2) Any other available sources of material or outlets for your product.
- c. If you do not resume **"operations,"** or do not resume **"operations"** as quickly as possible, we will pay based on the length of time it would have taken to resume **"operations"** as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms applicable to this Coverage Form; and
- b. (1) We have reached agreement with you in the amount of loss; or
- (2) An appraisal award has been made.

### E. Coinsurance Option



1. If a Coinsurance percentage is shown in the Coverage Summary, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.
  - a. We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:
    - (1) The Coinsurance percentage shown in the Coverage Summary; times
    - (2) The sum of:
      - (a) The net income (net profit or loss before income taxes); and
      - (b) All operating expenses, including payroll expenses;
 

that would have been earned or incurred (had no **"loss"** occurred) by your **"operations"** at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).
  - b. Instead, we will determine the most we will pay using the following steps:
    - (1) Multiply the net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
    - (2) Divide the Limit of Insurance for the described premises by the figure determined in step 1; and
    - (3) Multiply the total amount of loss by the figure determined in step 2.

We will pay the amount determined in step 3., or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.
2. In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:
  - a. Prepaid freight - outgoing;
  - b. Returns and allowances;
  - c. Discounts;
  - d. Bad debts;
  - e. Collection expenses;
  - f. Cost of raw stock and factory supplies consumed (including transportation charges);
  - g. Cost of merchandise sold (including transportation charges);
  - h. Cost of other supplies consumed (including transportation charges);
  - i. Cost of services purchased from outsider (not employees) to resell, that do not continue under contract;
  - j. All ordinary payroll expense excluded (if form **PI-ULT-011** is attached); and



- k. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion--not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

**Example No. 1 (Underinsurance):**

When:

The net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the

described premises would have been	\$400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	\$150,000
The amount of loss is	\$ 80,000

Step 1: \$400,000 X 50% = \$200,000  
 (the minimum amount of insurance to meet your Coinsurance requirements)  
 Step 2: \$150,000 ÷ \$200,000 = .75  
 Step 3: \$ 80,000 X .75 = \$60,000

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

**Example No. 2 (Adequate Insurance):**

When:

The net income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the

described premises would have been	\$400,000
The Coinsurance percentage is	50%
The Limit of Insurance is	\$200,000
The amount of loss is	\$ 80,000

Step 1: \$400,000 X 50% = \$200,000  
 (the minimum amount of insurance to meet your Coinsurance requirements)  
 Step 2: \$200,000 ÷ \$200,000 = 1.00  
 Step 3: \$80,000 X 1.00 = \$80,000

We will pay the \$80,000 loss. No penalty applies.

This condition does not apply to the Extra Expense Additional Coverage.



### 3. Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Work Sheet must be made a part of this policy and must show financial data for your **"operations"**:
    - (a) During the 12 months prior to the date of the Business Income Work Sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
  - (2) An Agreed Value must be shown in the Coverage Summary. The Agreed Value should be at least equal to:
    - (a) The Coinsurance percentage shown in the Coverage Summary; multiplied by
    - (b) The amount of Net Income and Operating Expenses for the following 12 months you report on the Business Income Work Sheet.
- b. The Coinsurance Option is suspended until the expiration date of this policy.
- c. We will reinstate the Coinsurance Option automatically if you do not submit a new Business Income Work Sheet and Agreed Value:
  - (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
  - (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

#### Example:

When:

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

Step (a)	\$100,000	÷	\$200,000	=	.50
Step (b)	.50	X	\$80,000	=	\$40,000

We will pay \$40,000. The remaining \$40,000 is not covered.



## F. Optional Coverages

If shown in the Coverage Summary, the following Optional Coverages apply separately to each item.

### 1. Maximum Period of Indemnity

- a. The Coinsurance Option does not apply at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
  - (1) The amount of loss sustained during the 120 days immediately following the beginning of the **"period of restoration"**; or
  - (2) The Limit of Insurance shown in the Coverage Summary.

### 2. Monthly Limit of Indemnity

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

#### Example:

When:

The Limit of Insurance is	\$120,000
The fraction shown in the Coverage Summary for this Optional Coverage is	1/4
The most we will pay for loss in each period of 30 consecutive days is:	
\$120,000 X 1/4 =	\$30,000

If, in this example, the actual amount of loss is:

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

We will pay:

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

The remaining \$10,000 is not covered.



### 3. Extended Period of Indemnity

Under paragraph **A.4.d.**, Extended Business Income, the number "60" in subparagraphs **(1)(b)** and **(2)(b)** is replaced by the number shown in the Coverage Summary for this Optional Coverage.

### G. Definitions

1. **"Buildings"** means buildings or structures.
2. **"Contingent Business Property"** means property operated by others you depend on to:
  - a. Deliver materials or services (other than water, communications or power supply) to you, or to others for your account (Contributing Locations);
  - b. Accept your products or services (Recipient Locations); or
  - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations).
3. **"Finished Stock"** means stock you have manufactured.

**"Finished Stock"** also includes whiskey and alcoholic products being aged.

**"Finished Stock"** does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.

4. **"Loss"** means accidental loss or damage.
5. **"Operations"** means:
  - a. Business activities you perform at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income including **"Rental Value"** or **"Rental Value"** applies.
6. **"Period of Restoration"** means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical **"loss"** for Business Income coverage; or
    - (2) Immediately after the time of direct physical **"loss"** for Extra Expense coverage; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.
  - c. **"Period of Restoration"** does not include any increased period required due to the enforcement of any ordinance or law that:
    - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or



- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **"pollutants."**

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

7. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. **"Rental Value"** means:
- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you; and
  - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
  - c. Fair rental value of any portion of the described premises which is occupied by you.



**Policy Number:** PHPK2544394  
**Named Insured:** Mangum City Hospital Authority

**SCHEDULE -**  
**Business Income with Extra Expense Coverage Form**

**Coverage Summary**

**Coinsurance Option** – applicable only if a percentage is indicated in the schedule below.

<b>Premises No.</b>	<b>Building No.</b>	<b>Coverage</b>	<b>Limit of Insurance</b>	<b>Coinsurance Option</b>
0001	0001	(i)	BKT # 3	90%
0001	0002	(i)	BKT # 3	90%
0002	0001	(i)	BKT # 3	90%



**Policy Number:** PHPK2544394  
**Named Insured:** Mangum City Hospital Authority

**SCHEDULE -**  
**Business Income with Extra Expense Coverage Form**

**Coverage Summary**

**Optional Coverages** – applicable only when entries are made in the schedule below.

<b>Premises No.</b>	<b>Building No.</b>	<b>Monthly Limit Of Indemnity (Fraction)</b>	<b>Maximum Period of Indemnity (X)</b>	<b>Extended Period Of Indemnity (Days)</b>	<b>Agreed Value Amount (\$)</b>
0001	0001	NONE		NONE	
0001	0002	NONE		NONE	
0002	0001	NONE		NONE	



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies coverage provided under the following:

**Property Coverage Form****COVERAGE SUMMARY**

<b>Premises No.</b>	<b>Bldg. No.</b>	<b>Windstorm or Hail Deductible Percentage (enter 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10%)</b>
0001	0001	2%
0001	0002	2%
0001	0002	2%
0002	0001	2%

The Windstorm or Hail Deductible, as shown in the Schedule, applies to direct physical **"loss"** to Covered Property, caused by or resulting from Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the **"loss"** or damage. If **"loss"** from a covered weather condition other than Windstorm or Hail occurs, and that **"loss"** would not have occurred but for the Windstorm or Hail such **"loss"** shall be considered to be caused by Windstorm or Hail and therefore part of the Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

As used in this endorsement the terms **"specific insurance"** and **"blanket insurance"** have the following meanings. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of insurance are shown in the Declarations.



## Windstorm or Hail Deductible Clause

### A. All Policies

1. A deductible is calculated separately for and applies separately to:
  - a. Each building, if two or more buildings sustain "**loss**".
  - b. The building and to personal Property in that building, if both sustain "**loss**".
  - c. Personal property at each building, if personal property at two or more buildings sustains "**loss**".
  - d. Personal Property in the open.
2. We will not pay for "**loss**" until the amount of "**loss**" exceeds the applicable Deductible. We will then pay the amount of "**loss**" in excess of that Deductible up to the applicable Limit of Insurance, after any reduction required by any of the following;
  - a. Coinsurance Condition
  - b. Agreed Value Option Coverage
  - c. Reporting Endorsement
3. For property covered under the Coverage Extension for Newly Acquired or Constructed Property: When we determine the amount, if any, that we will pay for "**loss**", we will deduct an amount equal to a percentage of the value(s) of the property at time of "**loss**". The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

### B. Calculation of the Deductible - Specific Insurance

#### 1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for "**loss**", we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained "**loss**".

#### 2. Property Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for "**loss**", we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained "**loss**". The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Value shows less than the full value (s) of the property in the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to "**loss**", we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.



## C. Calculation of the Deductible - Blanket Insurance

### 1. Property Not Subject to Reporting Endorsement

When we determine the amount, if any, that we will pay for **"loss"**, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of the property that has sustained **"loss"**. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

### 2. Property Subject to Value Reporting Endorsement

When we determine the amount, if any, that we will pay for property that has sustained **"loss"** or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9% or 10% (as shown in the Schedule) of the value(s) of that property as of the time of loss .

## EXAMPLES - APPLICATION OF DEDUCTIBLE

### Example #1 - Specific Insurance (B.1)

The amount of **"loss"** to the damaged building is \$60,000.

The value of the damaged building at time of **"loss"** is \$100,000. The Coinsurance percentage shown in the Declarations is 80%, the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000. (80% of \$100,000.)

The actual Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%

$$\text{Step (1)} \quad \$70,000 \div \$80,000 = .875$$

$$\text{Step (2)} \quad \$60,000 \times .875 = \$52,500$$

$$\text{Step (3)} \quad \$70,000 \times 1\% = \$700$$

$$\text{Step (4)} \quad \$52,500 - \$700 = \$51,800$$

The most we will pay is \$51,800. The remainder of the **"loss"**, \$8,200 is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

### Example #2 - Specific Insurance (B.1)

The amounts of **"loss"** to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of **"loss"** is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000 ) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).



The Deductible is 2%

#### **Building**

$$\text{Step (1)} \quad \$80,000 \quad \times \quad 2\% \quad = \quad \$1,600$$

$$\text{Step (2)} \quad \$60,000 \quad - \quad \$1,600 \quad = \quad \$58,400$$

#### **Business Personal Property**

$$\text{Step (1)} \quad \$64,000 \quad \times \quad 2\% \quad = \quad \$1,280$$

$$\text{Step (2)} \quad \$40,000 \quad - \quad 1,280 \quad = \quad \$38,720$$

The most we will pay is \$97,120. That portion of the total **"loss"** not covered due to application of the Deductible is \$2,880.

#### **Example #3 - Blanket Insurance (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the declarations is 90%, the minimum Blanket of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of **"loss"** to these buildings are \$40,000 (Building #1) and \$20,000 (Building #2).

The Deductible is 2%

#### **Building #1**

$$\text{Step (1)} \quad \$500,000 \quad \times \quad 2\% \quad = \quad \$10,000$$

$$\text{Step (2)} \quad \$40,000 \quad - \quad \$10,000 \quad = \quad \$30,000$$

#### **Building #2**

$$\text{Step (1)} \quad \$500,000 \quad \times \quad 2\% \quad = \quad \$10,000$$

$$\text{Step (2)} \quad \$20,000 \quad - \quad \$10,000 \quad = \quad \$10,000$$

The most we will pay is \$40,000. That portion of the total **"loss"** not covered due to application of the Deductible is \$20,000.



**Example #4 - Blanket Insurance (C.1.)**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Building #1 and #2 shown in the Declarations is \$1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of "loss" are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 5%

**Building**

**Step (1)** \$500,000 X 5% = \$25,000

**Step (2)** \$95,000 – \$25,000 = \$70,000

**Business Personal Property**

**Step (1)** \$250,000 X 5% = \$12,500

The loss of \$5,000 does not exceed the deductible.

The most we will pay is \$70,000. The remainder of the building "loss", \$25,000, is not covered due to application of the Deductible. There is no "loss" payment for the business personal property.



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

**EARTHQUAKE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**CAUSES OF LOSS FORM  
PROPERTY COVERAGE FORM  
BUSINESS INCOME COVERAGE FORM  
BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM  
EXTRA EXPENSES COVERAGE FORM**

**SCHEDULE**

**Limits of Insurance**

Any One Covered Premises	\$	2,000,000
All Covered Premises in Any Single Policy Year	\$	2,000,000

Coverage Applies at Locations:

1-1, 1-2, 2-1

<b>Dollar Deductible</b>	\$	50,000
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**Percentage Deductible**

**Special Earthquake Provision, if Any:**



**A. Coverage**

Sinkhole collapse, Earthquake or Volcanic Eruption, explosion or effusion are included as covered causes of loss.

All Earthquake shocks that occur within a 168-hour period will constitute a single Earthquake or Volcanic Eruption occurrence. The expiration of this policy will not reduce the 168-hour period.

**B. Exclusions**

For coverage provided under this endorsement only, the **CAUSES OF LOSS FORM** is revised as follows:

1. Exclusion **B.1.b., Earth Movement**, is deleted and replaced by the following:

**b. Earth Movement**

Any earth movement (other than sinkhole collapse, Earthquake or Volcanic Eruption, explosion or effusion) such as landslide, mine subsidence or earth sinking, rising or shifting.

But if loss or damage by fire or explosion results, we will pay for that resulting loss or damage.

2. The following exclusions are added:

- a. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this endorsement.

**b. High Hazard Areas**

- (1) Unless we agree in writing, we will not pay for any loss or damage arising out of direct physical "**loss**" to property at any premises in the states of Alaska, California or Hawaii.

- (2) We will not pay for such loss or damage, even if the premises location is specifically listed in a schedule of locations that is:

- (a) Attached to this policy; or

- (b) On file with us.

**c. Unspecified or Newly Acquired Premises**

- (1) We will not pay for any loss or damage arising out of direct physical "**loss**" to property at any premises that is not listed in a schedule of locations:

- (a) Attached to this policy; or

- (b) On file with us.

- (2) We will not pay for such loss or damage, even if a limit of insurance for personal property at premises not specifically identified is shown in the Declarations.

- (3) Coverage under this endorsement does not apply to:

- (a) The Newly Acquired Property Coverage Extension in the **PROPERTY COVERAGE FORM**, if such newly acquired property is at any premises that is not listed in the schedule of locations; or



- (b) The Newly Acquired Premises Coverage Extension in the **BUSINESS INCOME COVERAGE FORM, BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM** or the **EXTRA EXPENSES COVERAGE FORM**.

**d. New Construction**

- (1) We will not pay for any loss or damage arising out of direct physical "**loss**" to

(a) "**Buildings**"; or

(b) Additions to existing "**buildings**";

In the course of construction.

- (2) Coverage under this endorsement does not apply to the New Construction Coverage Extension.

**C. Limits of Insurance**

1. The most we will pay in any one occurrence at Any One Covered Premises for the sum of:

a. All direct physical "**loss**"; and

b. All loss of business income and all extra expenses incurred, if business income and extra expenses are covered by this policy;

Caused by or resulting from Earthquake or Volcanic Eruption is the Earthquake Limit of Insurance for Any One Covered Premises shown in the schedule above.

2. The most we will pay for the sum of all such "**loss**" occurrences caused by or resulting from Earthquake or Volcanic Eruption at all premises during each separate policy period is the Earthquake Limit of Insurance for All Covered Premises in Any Single Policy Year shown in the schedule above.

3. This endorsement does not increase the limits of insurance provided by this policy.

**D. Deductible**

**1. Dollar Deductible**

We will not pay for loss or damage caused by or resulting from Earthquake or Volcanic Eruption in any one occurrence until the total amount of the loss or damage exceeds the dollar deductible shown in the schedule above. We will then pay the amount of the loss or damage in excess of the Deductible, up to the applicable Earthquake Limit of Insurance shown in the schedule above, after any deduction required by any of the following:

a. Coinsurance Condition;

b. Agreed Value Optional Coverage; or

c. Reporting Endorsement.

**2. Percentage Deductible**



Only for those locations listed in the Schedule above, paragraph **D.1.**, **Dollar Deductible**, is deleted and replaced by the following:

**a.** The provisions of paragraph **D.2.b.** are applicable to the **PROPERTY COVERAGE FORM**.

**b. (1) All Policies**

**(a)** A Deductible is calculated separately for, and applies separately to:

- (i)** Each "**building**," if two or more "**buildings**" sustain "**loss**";
- (ii)** The "**building**" and to personal property in that building, if both sustain "**loss**";
- (iii)** Personal property at each "**building**," if personal property at two or more "**buildings**" sustains "**loss**";
- (iv)** Personal property in the open.

**(b)** We will not pay for direct physical "**loss**" caused by or resulting from Earthquake or Volcanic Eruption in any one occurrence until the amount of the "**loss**" exceeds the applicable Deductible amount. We will then pay the excess of that Deductible, up to the applicable limit of insurance shown in the schedule of the Earthquake Coverage Form, after any reduction required by any of the following:

- (i)** Coinsurance Condition;
- (ii)** Agreed Value Optional Coverage; or
- (iii)** Reporting Endorsement.

**(2) Calculation of the Deductible - Specific Insurance**

**(a) Property Other Than "Stock" Subject to the Reporting Endorsement**

In determining the amount, if any, that we will pay for "**loss**," we will deduct an amount equal to a percentage (shown in the Schedule above) of the limit(s) of insurance shown in the Property Coverage Part Declarations applicable to the property that has sustained "**loss**."

**(b) "Stock" Subject to the Reporting Endorsement**

In determining the amount, if any, that we will pay for "**loss**," we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained "**loss**." The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

However:

- (i)** If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report date.
- (ii)** If the first Report of Values is not filed with us prior to the "**loss**," we will determine the deductible amount as a percentage of the applicable limit(s) of insurance.



**(3) Calculation of the Deductible - Blanket Insurance****(a) Property Other Than "Stock" Subject to the Reporting Endorsement**

In determining the amount, if any, that we will pay for "**loss**," we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained "**loss**." The value(s) to be used are those shown in the most recent Statement of Values on file with us.

**(b) "Stock" Subject to the Reporting Endorsement**

In determining the amount, if any, that we will pay for "**loss**," we will deduct an amount equal to a percentage (shown in the schedule above) of the value(s) of the property that has sustained "**loss**" as of the time of the "**loss**."

**c. Business Income**

The following apply to the **BUSINESS INCOME COVERAGE FORM** and the **BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM**:

The definition of the "**period of restoration**" for Business Income coverage is amended to begin 168 hours after the time of direct physical "**loss**."

**d. Examples - Application of Deductibles in D.2.b.:****Example #1 - Specific Insurance (D.2.b.(2)(a))**

The amount of "**loss**" to the damaged building is \$60,000.

The value of the damaged building at the time of the "**loss**" is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum limit of insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The actual limit of insurance of the damaged building is \$70,000.

The Deductible is 5%.

Step (1):	\$70,000	÷	\$80,000	=	.875
Step (2):	\$60,000	X	.875	=	\$52,500
Step (3):	\$70,000	X	5%	=	\$3,500
Step (4):	\$52,500	–	\$3,500	=	\$49,000

The most we will pay is \$49,000. The remainder of the "**loss**," \$11,000, is not covered due to the Coinsurance penalty for the inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

**Example #2 - Specific Insurance (D.2.b.(2)(a))**

The amounts of "**loss**" to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at the time of "**loss**" is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum limits of insurance needed to meet the coinsurance



requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

#### **Building**

Step (1): \$80,000 X 10% = \$8,000  
 Step (2): \$60,000 – \$8,000 = \$52,000

#### **Business Personal Property**

Step (1): \$64,000 X 10% = \$6,400  
 Step (2): \$40,000 – \$6,400 = \$33,600

The most we will pay is \$85,600. That portion of the total "**loss**" not covered due to application of the Deductible is \$14,400.

#### **Example #3 - Blanket Insurance (D.2.b.(3)(a))**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance Requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit of Insurance covering Buildings #1, #2 and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance Penalty).

Buildings #1 and #2 have sustained damage; the amount of "**loss**" to these buildings is \$40,000 (Building #1) and \$60,000 (Building #2).

The Deductible is 5%.

#### **Building #1**

Step (1): \$500,000 X 5% = \$25,000  
 Step (2): \$40,000 – \$25,000 = \$15,000

#### **Building #2**

Step (1): \$500,000 X 5% = \$25,000  
 Step (2): \$60,000 – \$25,000 = \$35,000

The most we will pay is \$50,000. That proportion of the total "**loss**" not covered due to application of the Deductible is \$50,000.

#### **Example #4 - Blanket Insurance (D.2.b.(3)(a))**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the Statement of Values on file with us, is \$1,500,000.



The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000 (therefore no Coinsurance penalty).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of "**loss**" are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

#### **Building**

Step (1): \$500,000 X 10% = \$50,000.

Step (2): \$95,000 – \$50,000 = \$45,000.

#### **Business Personal Property**

Step (1): \$250,000 X 10% = \$25,000.

The "**loss**," \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building "**loss**," \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

### **E. Definitions**

1. "**Blanket insurance**" means insurance that covers two or more items of insurance (for example a building and personal property in that building or two buildings) under a single limit of insurance. Items of insurance and corresponding limit(s) of insurance are shown in the Declarations or in the Blanket Limits endorsement.
2. "**Buildings**" means buildings or structures.
3. "**Loss**" means accidental loss or damage.
4. "**Specific insurance**" means insurance that covers each item of insurance (for example, each building or personal property in a building) under a separate limit of insurance. Items of insurance and corresponding limits(s) are shown in the Declarations.
5. "**Stock**" means:
  - a. "**Finished Stock**" means property that you manufactured or processed which in the ordinary course of your business is ready for packing, shipment or sale.
  - b. "**Merchandise**" means goods kept for sale by you that are not the product of your manufacturing or processing operations.



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

## FLOOD ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Causes of Loss Form**  
**Property Coverage Form**  
**Business Income Coverage Form**  
**Business Income with Extra Expenses Coverage Form**  
**Extra Expenses Coverage Form**

### SCHEDULE

#### Limits of Insurance

Any One Premises	\$	1,000,000
All Premises in Any Single Policy Year	\$	1,000,000

#### Deductible

This deductible will apply except at those **"buildings"** listed below under Special **"Flood"** Deductible

\$ 50,000

#### Special Flood Deductible

On each of the **"buildings"** listed below:

<b>Premises No.</b>	<b>Building No.</b>
---------------------	---------------------

On Business Personal Property located in or on each of the **"buildings"** listed below, or within 1,000 feet of the premises.

<b>Premises No.</b>	<b>Building No.</b>
---------------------	---------------------

**Special Flood Provisions, If Any**  
**(See Schedule PI-ULT-021A For Applicable Covered Locations)**



**A. Covered Causes of Loss**

"Flood" is included as a Covered Cause of Loss.

**B. Exclusions**

For coverage provided under this Endorsement only:

1. Exclusion **B.1.g.**, "Flood", is deleted.

2. The following exclusions are added:

**a. Unspecified Premises and Newly Acquired Premises**

(1) We will not pay for any loss or damage arising out of direct physical "**loss**" to property at any premises that is not listed in a Schedule of Locations:

(a) Attached to this policy; or

(b) On file with us.

(2) We will not pay for such loss or damage, even if a Limit of Insurance for Personal Property at Locations Not Specifically Identified is shown in the Declarations.

(3) Coverage under this Endorsement does not apply to:

(a) The Newly Acquired Property Coverage Extension in the Property Coverage Form, if such newly acquired property is at any premises that is not listed in the Schedule of Locations; or

(b) The Newly Acquired Premises Coverage Extension in the Business Income Coverage Form, Business Income with Extra Expense Coverage Form or the Extra Expenses Coverage Form.

**b. New Construction**

(1) We will not pay for any loss or damage arising out of direct physical "**loss**" to

(a) "**Buildings**"; or

(b) Additions to existing "**buildings**";

In the course of construction.

(2) Coverage under this endorsement does not apply to the New Construction Coverage Extension.

**C. Limits of Insurance**

1. The most we will pay in any one occurrence for the sum of:

a. All direct physical "**loss**"; and

b. All loss of business income and all extra expenses incurred, if business income and extra expenses are covered by this policy;



Caused by or resulting from **"flood"** is the Flood Limit of Insurance for Any One Premises shown in the Schedule above.

2. The most we will pay for the sum of all such **"loss"** occurrences caused by or resulting from **"flood"** at all premises during each policy period is the Flood Limit of Insurance for All Premises in Any Single Policy Year shown in the Schedule above.
3. This Endorsement does not increase the Limits of Insurance provided by this policy.

#### D. Deductible

We will not pay for loss or damage caused by or resulting from **"flood"** in any one occurrence until the total amount of the loss or damage exceeds the Deductible shown in the Schedule above. We will then pay the total amount of the loss or damage in excess of the Deductible, up to the applicable Limit of Insurance shown in the Schedule above, after any deduction required by any of the following:

1. Coinsurance Condition;
2. Agreed Value Optional Coverage; or
3. Reporting Endorsement.

#### E. Special Flood Deductible

We will not pay for loss or damage caused by or resulting from **"flood"** until the total amount of the loss or damage exceeds the Special **"Flood"** Deductible shown in the Schedule above. We will then pay the total amount of the loss or damage in excess of the Deductible, up to the applicable Limit of Insurance shown in the Schedule above, after any deduction required by any of the following:

1. Coinsurance Condition;
2. Agreed Value Optional Coverage; or
3. Reporting Endorsement.

This Special **"Flood"** Deductible applies separately to each of the **"buildings"** listed above in the Schedule and separately to Business Personal Property located in or on each of the **"buildings"** listed above in the Schedule, or within 1,000 feet of the premises.

All other terms and conditions remain unchanged.



Policy Number: PHPK2544394

PI-ULT-021A (0110)

### **FLOOD ENDORSEMENT LOCATION SCHEDULE**

Flood Coverage applies to the following locations:

Loc #	Bldg#
0001	0001
0001	0002
0002	0001



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****BOILER AND MACHINERY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Property Coverage Form  
 Causes of Loss Form  
 Business Income and Extra Expense Coverage Form  
 Business Income Coverage Form  
 Extra Expenses Coverage Form

**SCHEDULE**

<b>Coverage Description</b>	<b>Limit of Insurance</b>
Property Damage	\$ 5,689,400
Property Damage and Business Income/Extra Expense	\$
Business Income and Extra Expense	\$ 9,171,771
Business Income	\$
Extra Expense	\$

**Sublimits of Insurance applicable to each covered location. These sublimits are part of and not in addition to the Limits of Insurance shown above.**

<b>Coverage</b>	<b>Sublimit of Insurance</b>
Ammonia Contamination	\$ 100,000
Water Damage	\$ 100,000
Hazardous Substances	\$ 100,000
Spoilage	\$ 100,000
Expediting Expense	\$ 250,000
Newly Acquired Location Coverage	\$ 1,000,000
Off Premises Service Interruption	
Business Income	\$
Business Income and Extra Expense	\$ 9,171,771
Extra Expense	\$
Spoilage	\$ 25,000
Ordinance or Law	\$ 300,000

**Deductibles**

<b>Coverage</b>	<b>Deductible</b>
Property Damage	\$ 5,000
Business Income and Extra Expense	72 hours
Business Income	hours
Extra Expense	\$
Spoilage	COMBINED W/PD
Off Premises Service Interruption	72 hours
Ammonia Contamination	COMBINED W/PD
Other (DIAGNOSTIC EQUIP )	\$ 2XPD DED
<b>Premium</b>	<b>\$ 1,330</b>



## A. Coverage

For the purposes of this endorsement, the following exclusions and limitations, or parts thereof, are deleted as respects to the Boilers, Pressure Vessels and Machinery and Equipment at the described premises:

- |                     |   |
|---------------------|---|
| Exclusion B.2.a.    | Artificially generated electric current, including electric arcing, that disturbs electrical devices, wiring or wires.                  |
| Exclusion B.2.d.(2) | The word latent is deleted.   |
| Exclusion B.2.d.(6) | Mechanical breakdown, including rupture or bursting caused by centrifugal force.  |
| Exclusion B.2.e.    | Explosion of steam boilers, steam pipes, steam engines, steam turbines owned or leased by your, or operated under your control.         |
| Limitation C.1.a.   | Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from a condition or event inside such equipment.     |
| Limitation C.1.b.   | Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment. |

## B. Exclusions

As respects the Boiler and Machinery coverage provided by this endorsement, coverage shall not include **"loss"** caused by or resulting from:

1. Damage while any boiler, fired or unfired vessel or electrical steam generator is undergoing a hydrostatic or gas pressure test;
2. Damage while any type of electrical or electronic equipment is undergoing an insulation breakdown test;
3. Damage to or destruction of media, however caused, and regardless of the function of that media;
- 4/ Depletion, deterioration, corrosion, erosion or wear or tear, and other gradually developing conditions. But if **"loss"** or damage otherwise covered by this endorsement ensues, we will pay for such ensuing **"loss"**;

## C. Limits

The most we will pay under this endorsement for direct **"loss"** to Covered Property is the Property Damage Limit of Insurance shown in the schedule of this endorsement. If Business Income Coverage, Extra Expense Coverage, or Business Income and Extra Expense Coverage is included in the policy to which this endorsement is a part, the most we will pay for those extensions of coverage under this endorsement are the respective Limits of Insurance shown in the schedule of this endorsement.

All losses covered by this endorsement occurring at any one location which manifests themselves at the same time and are the result of the same cause will be considered a single loss. If an initial loss covered by this endorsement causes other losses covered by this endorsement, all will be considered a single loss.



**D. Extra Expediting**

This endorsement is extended to cover the reasonable extra cost of temporary repair and of expediting repair or replacement of Covered Property as a direct result of loss otherwise covered by this endorsement. The most we will pay under this extension is the amount shown as the Expediting Expense Sublimit in the schedule of this endorsement.

**E. Ammonia Contamination**

If Covered Property is contaminated by ammonia as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Ammonia Contamination Sublimit in the schedule of this endorsement.

**F. Water Damage**

If Covered Property is damaged by water as a direct result of loss otherwise covered by this endorsement, the most we will pay for this kind of damage, including salvage expense, is the amount shown as the Water Damage Sublimit in the schedule of this endorsement.

**G. Hazardous Substances**

If covered Property is contaminated by a hazardous substance as the direct result of loss otherwise covered by this endorsement, the most we will pay for expenses to clean up or dispose of such property is the amount shown as the Hazardous Substances Sublimit in the schedule of this endorsement.

**H. Spoilage**

If Covered Property spoils from lack of power, light, heat, steam, or refrigeration as a direct result of the Breakdown of the insured's Boilers, Pressure Vessels, Machinery or Equipment, the most we will pay for this kind of damage, including salvage expenses, is the amount shown as the Spoilage Sublimit in the schedule of this endorsement.

**I. Newly Acquired Locations**

The coverages of this endorsement are extended to the interest of the named insured in Boilers, Pressure Vessels, Machinery and Equipment, not otherwise insured, at newly constructed, acquired, or leased locations within the policy coverage territory and which have been previously undeclared. The most we will pay under this extension for loss or damage at any one location is the amount shown as the Newly Acquired Location Coverage Sublimit in the schedule of this endorsement.

**J. Off Premises Service Interruption**

If Off Premises Service Interruption Coverage is included in the policy of which this endorsement is a part, the coverage extensions of this endorsement for Business Income and/or Extra Expense and/or Spoilage are further extended to include loss caused by Boilers, Pressure Vessels, Machinery and Equipment, whether or not they are located on Insured's premises, owned by a public utility or other company and used to directly supply electrical power, communications services, heating, gas, water, steam or air conditions to the described premises.

**K. Deductibles**

There shall be liability under this endorsement only when the amount of loss exceeds the Boiler and Machinery Deductibles shown in the schedule of this endorsement. If no Boiler and Machinery Deductibles are shown, coverage under this endorsement is subject to the policy deductible.



If an hour deductible is shown in the schedule, we will only pay for loss or damage you sustain after the first specified number of hours immediately following the physical loss to the Covered Property.

If a multiplier is shown in the schedule of this endorsement, the deductible is determined by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the multiplier. The 100% ADV will be obtained by dividing the total net profits, fixed charges and expenses for the entire location that would have been earned had no physical loss occurred during the period of interruption of business by the number of working days in that period. No reduction shall be made for net profits, fixed charges and expenses not being earned, or in the number of working days, because of the physical loss or damage or any other scheduled or unscheduled shutdowns during the period of interruptions.

If a percent of loss deductible is indicated in the schedule of this endorsement, we will not be liable for the indicated percentage of loss or damage insured under this endorsement. If the dollar amount of such percentage is less than the indicated minimum deductibles, the minimum deductible will be the applicable deductible.

#### **L. Suspension**

If any Boiler, Pressure Vessel, Machinery or Equipment covered by this endorsement is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this endorsement for that equipment by written notice mailed or delivered to:

1. Your last known address; or
2. The address where the affected equipment is located.

Once suspended in this way, your insurance can be reinstated only by endorsement.

If we suspend your insurance, you will get a pro rata refund for the affected equipment. But the suspension will be effective even if we have not yet made or offered a refund.

#### **M. Mechanical or Electrical Breakdown**

With respect to coverage provided by this endorsement, Mechanical or Electrical Breakdown means a sudden and accidental breakdown of covered Boilers, Pressure Vessels, Machinery and Equipment. At the time breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the affected equipment or part of the affected equipment.

Mechanical or Electrical Breakdown does not mean or include any of the following:

1. Breakdown of any structure or foundation.
2. Breakdown of any boiler setting, insulating or refractory material.
3. Breakdown of a power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, well casing, penstock or draft tube.
4. Breakdown of any elevator, crane, hoist, escalator or conveyor, but not including any pressure vessel or electrical equipment used with such a machine.
5. Breakdown of Boilers, Pressure Vessels, Machinery or Equipment manufactured or held for sale by you.
6. Breakdown of catalyst.



7. Breakdown of any oven, stove, furnace, incinerator, pot or kiln.
8. Breakdown of any buried vessel or piping.
9. Breakdown of a felt, wire, screen, die, mold, form, pattern, extrusion plate, swing hammer, grinding disc, cutting blade, chain, cable, belt, rope, clutch plate, brake pad, nonmetallic part or any part or tool subject to frequent, periodic replacement.
10. Breakdown, of any nonmetallic vessel, unless it is constructed and used in accordance with the American Society of Engineers (A.S.M.E.) code.
11. Breakdown of sewer piping, piping forming a part of a fire protection system or water piping other than:
  - a. Feed water piping between any boiler and its feed pump or injector; or
  - b. Boiler condensate return piping; or
  - c. Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes.
12. Breakdown of a part of a Boiler, Pressure Vessel or Electric Steam Generator that:
  - a. Does not contain steam or water; or
  - b. Is not under pressure of contents of the vessel; or
  - c. Is not under internal vacuum.
13. The functioning of any safety or protective devices.



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

**OKLAHOMA CHANGES – REPLACEMENT COST**

This endorsement modifies insurance provided under the following:

**Property Coverage Form**

Subparagraph **a.(2)** of Loss Condition **E.7, Valuation**, is deleted and replaced by the following:

**(2)(a)** We will pay no more than the actual cash value of the damaged property until the actual repair or replacement is complete. However, if the actual cash value amount is insufficient to initiate and/or continue repair or replacement of the damaged property, we will advance to you, as the need arises, the additional amount(s) necessary to initiate and/or continue the repair or replacement, up to the difference between the actual cash value and the replacement cost of the damaged property and subject to the applicable Limit of Insurance.

**(b)** If:

- (i)** The Increased Cost of Construction provision of the Ordinance or Law Coverage Extension applies to the loss; or
- (ii)** Ordinance or Law Coverage Endorsement **PI-ULT-014** is part of the policy, and the increased Cost of Construction Coverage option of that endorsement applies to the loss;

We will provide payments under such coverage in advance of the completion of repair or replacement of the property, if such advance payments are necessary for initiating or continuing the repair or replacement.

**(c)** Under this loss settlement procedure, the following special provisions apply:

- (i)** You shall promptly forward to us evidence of the agreement with the party repairing or replacing the damaged property, showing the cost and estimated completion date of the repairs or replacement.
- (ii)** The total of all advances and other payments will not exceed the amount of loss that we and you have agreed will be reimbursed. We will send you the balance, if any, of the loss payment that we and you have agreed will be reimbursed, after you forward to us evidence of the completion of repairs to or replacement of the damaged property.



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

**LIMITATIONS ON FUNGUS, WET ROT, DRY ROT AND BACTERIA**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM  
CAUSES OF LOSS FORM**

**SCHEDULE**

<b>Increased Limit:</b> _____
<b>Separate Premises or Locations Option</b> YES _____    NO _____ If YES, describe the separate premises or locations:
Information required to complete this <b>SCHEDULE</b> , if not shown on this endorsement, will be shown in the Declarations.

**I. CAUSES OF LOSS FORM**, Section **E. Additional Coverage Extensions** is amended to include the following:

**A. Coverage**

1. We will pay for “**loss**” or damage by “**fungus**,” wet or dry rot or bacteria that is the result of fire or lightning.
2. a. We will also pay for loss or damage by “**fungus**,” wet or dry rot or bacteria that is the result of one or more of the following causes that occurs during the policy period. Coverage applies only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - (1) A “**specified cause of loss**” other than fire or lightning;
  - (2) Water that backs up or overflows from a sewer, drain or sump, if coverage applies to the affected premises; or
  - (3) Water under the ground surface pressing on, or flowing or seeping through:
    - (a) Foundations, walls, floors or paved surfaces;
    - (b) Basements, whether paved or not;
    - (c) Doors, windows or other openings;
 if coverage applies to the affected premises; or



(4) **“Flood,”** if the Flood Endorsement applies to the affected premises.

b. The term loss or damage as used in Item 2.a. means:

- (1) Direct physical **“loss”** or damage to Covered Property caused by **“fungus,”** wet or dry rot or bacteria, including the cost of removal of the **“fungus,”** wet or dry rot or bacteria;
- (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the **“fungus,”** wet or dry rot or bacteria; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that **“fungus,”** wet or dry rot or bacteria are present.

3. The amount we will pay for coverage described in 2.a. above is limited as described in **B. Limits of Insurance** and **C. Additional Conditions – Business Income and/or Extra Expense**.

#### **B. Limits of Insurance**

1. The most we will pay for all **“loss”** or damage for coverage described in **A.1.** above is the Limit of Insurance for Covered Property shown in the Declarations.
2. a. The most we will pay for all loss or damage for coverage described in **A.2.** above is limited to \$15,000, unless an increased limit is shown in the **SCHEDULE** of this endorsement:
  - (1) Regardless of the number of claims arising out of all occurrences which take place in a 12 month period, starting with the beginning of the present annual policy period; and
  - (2) Even if the **“fungus,”** wet or dry rot or bacteria continues to be present or active, or recurs in a later policy period.
- b. The \$15,000 Limit of Insurance or Increased Limit shown in the **SCHEDULE** of this endorsement is included within, and is not in addition to, the applicable Limit of Insurance for any Covered Property.
- c. If there is covered **“loss”** or damage to Covered Property not caused by **“fungus,”** wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that **“fungus,”** wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this endorsement.
- d. The terms of this Limited Coverage do not increase or reduce the coverage provided under:
  - (1) Paragraph **D. Additional Coverage – Collapse**; or
  - (2) Paragraph **E. 1. Water Damage, Other Liquids, Powder or Molten Material Damage**

In the **CAUSES OF LOSS FORM**.

#### **C. Additional Conditions – Business Income and/or Extra Expense**

Under Item **A. 2.** above, the following applies only if the Business Income and/or Extra Expense coverage applies to the described premises and only if the suspension of **“operations”** satisfies all terms and conditions of the applicable **BUSINESS INCOME (WITH EXTRA EXPENSE) COVERAGE FORM**:



1. If the “**specified cause of loss**” which resulted in “**fungus**,” wet or dry rot or bacteria does not in itself necessitate a suspension of “**operations**,” but such suspension is necessary due to loss or damage to property caused by “**fungus**,” wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
2. If a covered suspension of “**operations**” was caused by “**loss**” or damage other than “**fungus**,” wet or dry rot or bacteria, but remediation of “**fungus**,” wet or dry rot or bacterial prolongs the “**period of restoration**,” we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the “**period of restoration**”), but such coverage is limited to 30 days. The days need not be consecutive.

**II. CAUSES OF LOSS FORM**, Section **B. Exclusions**, is amended as follows:

**A. Exclusion 2.d. (2)** is deleted in its entirety and replaced with the following:

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

**B. The following exclusions are added:**

1. Unless as provided for in Section **I.A. Coverage** above, we will not pay for “**loss**” or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of “**fungus**,” wet or dry rot or bacteria. Such “**loss**” or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the “**loss**.”

But if “**fungus**,” wet or dry rot or bacteria results in a cause of loss covered by this endorsement, we will pay for the “**loss**” or damage caused by that covered cause of loss.

2. We will not pay for “**loss**” or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
3. We will not pay under:
  - a. The **Ordinance or Law** coverage extension in the **PROPERTY COVERAGE FORM**; or
  - b. Any **ORDINANCE OR LAW COVERAGE** endorsement, if applicable to this policy:

For:

- (1) “**Loss**” or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of “**fungus**,” wet or dry rot or bacteria; or
- (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “**fungus**,” wet or dry rot or bacteria.



III. **CAUSES OF LOSS FORM**, Section **C. Limitations**, Paragraph **3.** is deleted and replaced by the following:

3. We will not pay for "**loss**" to property in transit caused by or resulting from breakage; leakage; contamination; being spotted, discolored, frosted, rotted, soured, steamed, or changed in flavor.

But we will pay for such "**loss**" caused by: the "**specified causes of loss**"; an accident to the vehicle or railroad car carrying the Covered Property; burning, collision or crashing of the aircraft carrying the Covered Property; or the stranding, sinking, burning or collision of the vessel carrying the Covered Property.

IV. **CAUSES OF LOSS FORM**, Section **F. Definitions**, is amended by adding the following:

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



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

## **LOSS OF INCOME DUE TO WORKPLACE VIOLENCE**

This endorsement modifies and is subject to the insurance provided under the following:

### **ULTIMATECOVER PROGRAM - BUSINESS INCOME WITH EXTRA EXPENSE COVERAGE FORM**

The following is added to **Section A. Coverage, 4. Additional Coverages:**

#### **g. Workplace Violence**

##### **(1) Coverage:**

###### Loss of Business Income:

We will pay for the actual loss of Business Income you sustain due to the suspension of your **“operations”** caused by any intentional use, or threat to use, deadly force by any person.

The most we will pay under this coverage is \$100,000.

###### Extra Expense:

Coverage is extended to include the cost of public relations consultants or other specialists to restore the insured's reputation following an incident of workplace violence. Additionally, coverage includes mental health counseling for employees.

The most we will pay under this coverage is \$5,000.

##### **(2) Loss Determination:**

Determination of the Business Income loss under this additional coverage will be calculated only for the location where the workplace violence occurred. Coverage will only be for the **“period of restoration”**.

Extra expense will apply even though operations have resumed. However, they will not apply after 60 days following the incident.

All other terms and conditions remain the same.



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

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

This endorsement modifies insurance provided under the following:

**ULTIMATECOVER PROPERTY COVERAGE PART  
ULTIMATECOVER CRIME COVERAGE PART**

**A. Cap On Certified Terrorism Losses**

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

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

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

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****CHANGES – ELECTRONIC DATA**

This endorsement modifies insurance provided under the following:

**ULTIMATECOVER PROPERTY COVERAGE PART**

- A.** Under this endorsement, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. For the purpose of this endorsement, the term electronic data does not include your "stock" of prepackaged software.
- B.** This section, **B.**, and the following sections **C.** and **D.**, apply to the UltimateCover Property Coverage Form, Condominium Association Coverage Endorsement, Commercial Condominium Unit-Owner's Coverage Endorsement, and the UltimateCover Causes of Loss Form. Paragraphs **B.1.** and **B.2.** supersede any provisions relating to electronic data, electronic media or valuable papers or records, including any such provisions under Property Not Covered, Coverage Extensions, Valuation Conditions or Limitations in the aforementioned forms.
- 1.** Covered Property does not include electronic data, except as provided below in **C.**, Limited Coverage – Electronic Data.
  - 2.** Covered Property does not include the cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. However, limited coverage for valuable papers and records, other than those which exist as electronic data, is provided below in **D.**, Limited Coverage – Valuable Papers And Records (Other Than Electronic Data).
- C. Limited Coverage – Electronic Data**
- 1.** Subject to the provisions of this Limited Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
  - 2.** The Covered Causes of Loss applicable to Your Business Personal Property apply to this Limited Coverage – Electronic Data, subject to the following:
    - a.** If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
    - b.** If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Electronic Data.



- c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
3. The most we will pay under this Limited Coverage – Electronic Data is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- D. Limited Coverage – Valuable Papers And Records (Other Than Electronic Data)**
1. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Limited Coverage does not apply to valuable papers and records which exist as electronic data.
  2. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
3. Under this Limited Coverage, the most we will pay to replace or restore the lost information is \$2,500 at each described premises. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.
- E. With respect to the UltimateCover Business Income and/or Extra Expense Coverage Forms, the following exclusion is added:**
- Exclusion – Interruption Of Computer Operations**
1. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in F., Limited Coverage – Interruption Of Computer Operations.
  2. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided below in F., Limited Coverage – Interruption Of Computer Operations.
- F. Limited Coverage – Interruption Of Computer Operations**
- This Limited Coverage applies only to the Ultimate Cover Business Income and/or Extra Expense Coverage Forms.
1. Subject to all provisions of this Limited Coverage, you may extend the insurance that applies to Business Income and/or Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
  2. With respect to the coverage provided under this Limited Coverage, the Covered Causes of Loss are subject to the following:



- a. If the Ultimate Cover Causes of Loss Form applies, coverage under this Limited Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that Form, and Collapse as set forth in that Form.
  - b. If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Limited Coverage – Interruption Of Computer Operations.
  - c. The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
3. The most we will pay under this Limited Coverage -Interruption Of Computer Operations is \$2,500 for the total of all loss sustained and/or expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
4. This Limited Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in **3.** above has not been exhausted.
- G. Under the Legal Liability Coverage Form, Covered Property does not include electronic data.
  - H. If this policy is endorsed to cover damage to Covered Property or Business Income loss or Extra Expense caused by or related to interruption in utility service, such coverage does not apply to destruction or corruption of (or any loss or damage to) electronic data.
  - I. If this policy is endorsed to cover Business Income loss or Extra Expense related to "suspension" of "operations" due to loss or damage to a "dependent property", such coverage does not apply when the only loss to "dependent property" is destruction or corruption of (or any loss or damage to) electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under the "dependent property" endorsement will not continue once the other property is repaired, rebuilt or replaced.



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

This endorsement modifies insurance provided under the following:

**ULTIMATE COVER PROPERTY COVERAGE FORM****MULTIPLE DEDUCTIBLE FORM****(FIXED DOLLAR DEDUCTIBLES)****SCHEDULE \***

The Deductibles applicable to any one occurrence are shown below:

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Deductible</b>	<b>Covered Causes of Loss **</b>
0001	0001	10000	(2)
0001	0002	10000	(2)
0001	0002	10000	(2)
0002	0001	10000	(2)

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

\*\* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** those listed separately
- (3) Water damage
- (4) Lightning
- (5) Windstorm or Hail
- (6) Theft
- (7) "Ice Damming"

The following is added to the DEDUCTIBLE section:

- A. 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 above or in the Declarations, will apply.
- B. The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

The following is added to the DEFINITIONS section:

"Ice Damming" means water leaking into the interior of the unit, as a result of the weight of snow, ice, or sleet or damage caused by thawing and/or re-freezing of snow, ice or sleet.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ELITE PROPERTY ENHANCEMENT:  
NURSING HOMES / MEDICAL FACILITIES / HOSPITALS**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM  
CAUSES OF LOSS FORM  
CRIME COVERAGE FORM**

**I. Schedule of Coverages and Limits**

The following is a summary of increased Limits of Insurance, additional coverages and/or coverage extensions provided by this endorsement. This endorsement is subject to the provisions of your policy.

<b>Coverage Applicable</b>	<b>Limit of Insurance</b>	<b>Page #</b>
<b>Covered Property</b>		
Fine Arts	\$50,000	2
<b>Additional Coverages</b>		
Alternative Key Systems	\$100,000	2
Automated External Defibrillators (AEDs)	\$5,000	3
Earthquake Sprinkler Leakage	\$10,000	3
Lease Cancellation Moving Expenses	\$2,500	3
Pollutant Clean up and Removal	\$100,000	3
Transition to Replacement Premises	Included	3
<b>Coverage Extensions</b>		
Business Income and Extra Expense	\$100,000	4
Civil Authority	Included in BI/EE limit	4
Contingent Business Property	Included in BI/EE limit	4
Ingress or Egress	\$5,000	4
Newly Acquired Premises	\$100,000	5
Emergency Vacating Expense	\$15,000	6
Expediting Expense	\$25,000	6
Garages	\$5,000	6
Money Orders and Counterfeit Paper Currency	\$25,000	7
Non-Owned Detached Trailers	\$5,000	7
Ordinance or Law – Demolition Cost	\$300,000	7
Ordinance or Law – Increased Cost of Construction	\$300,000	7
Personal Property of Residents:		
Residents' Property Personal Effects		
Any One Resident	\$5,000	7
Any One Occurrence	\$25,000	7
Policy Aggregate	\$100,000	7
Residents' Money and Securities		
Any One Resident	\$500	8
Any One Occurrence	\$5,000	8
Policy Aggregate	\$50,000	8
Reward Reimbursement	\$5,000	8
Spoilage	\$50,000	8
<b>Limitations</b>		
Furs	\$5,000	9
Precious Metals	\$5,000	9



## II. Conditions

### A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

### B. Limits of Insurance

1. When coverage is provided by this form and another coverage form attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.
2. Limits of Insurance identified in this endorsement are not excess of, or in addition to, Limits of Insurance provided by the **PROPERTY COVERAGE FORM**, the **CAUSES OF LOSS FORM** or the **CRIME COVERAGE FORM** unless otherwise stated.
3. Coverage is considered to be on an occurrence basis (not on a per location basis) unless otherwise stated.

### C. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this coverage enhancement.

### D. Requirement for Covered Causes of Loss

Except where a specific Covered Cause of Loss is identified in this coverage enhancement, coverage for the “**losses**” described herein are applicable only for Covered Causes of Loss as designated in the **CAUSES OF LOSS FORM** attached to the policy.

## III. Covered Property

- A. Section A. Coverage, 1. Covered Property, a. Your Business Personal Property, (d) “Fine Arts”** in the **PROPERTY COVERAGE FORM** is amended as follows:

If the total value of “**Fine Arts**” is over \$50,000, they must be listed in a schedule on file with us;

- B. Section A. Coverage, 2. Property Not Covered, o. “Fine Arts”** in the **PROPERTY COVERAGE FORM** is amended as follows:

“**Fine Arts,**” if the total value of such property is greater than \$50,000, unless such property is listed in a schedule on file with us;

## IV. Additional Coverages

The following are added to or amend the **PROPERTY COVERAGE FORM** under Section **A. Coverage, 4. Additional Coverages**:

### A. Alternative Key Systems

We will pay for “**loss**” or damage to, or cost to reprogram, “**alternative key systems,**” including card programmers, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys work. The “**loss**” must be caused by a Covered Cause of Loss and take place at a covered location.



The most we will pay for “**loss**” or damage under this coverage is \$100,000.

**B. Automated External Defibrillators**

Automated external defibrillators (AEDs) are considered covered property.

The most we will pay for “**loss**” or damage under this coverage is limited to \$5,000 per occurrence, which is in addition to the Business Personal Property Limit stated in the Declarations.

**C. Earthquake Sprinkler Leakage**

We will pay up to \$10,000 for damages resulting from sprinkler leakage which is caused by earth movement.

**D. Lease Cancellation Moving Expenses**

We will reimburse you for any moving expenses necessitated by your need to relocate due to the cancellation of the lease at your premises listed in the Declarations. The lease cancellation must occur as a result of a Covered Cause of Loss.

The limit for this coverage will be \$2,500 for all insureds combined. No deductible applies to this coverage.

**E. Pollutant Clean Up and Removal**

Section **A. Coverage, 4. Additional Coverages, f. Pollutant Clean Up and Removal** is amended as follows:

The Limit of Insurance for this additional coverage for each described premises is increased to \$100,000 for the sum of all covered expenses arising out of a Covered Cause of Loss occurring during each separate 12 month period of this policy.

**F. Transition to Replacement Premises**

If Covered Property is moved to a new premises from a scheduled premises that is being vacated, the Limit of Insurance applicable to that vacated premises will apply proportionately to both premises as the property is moved. This coverage ends when any one of the following first occurs:

1. 90 days after the move begins;
2. The move is completed; or
3. This policy expires.

**V. Coverage Extensions**

With the exception of Item **E. Money Orders and Counterfeit Paper Currency** below, the following are added to or amend the **PROPERTY COVERAGE FORM** under Section **A. Coverage, 5. Coverage Extensions**:

**A. Business Income and Extra Expense**

1. Coverage is extended to include the actual “**loss**” of Business Income you sustain, and



necessary Extra Expense you incur when your covered **“building”** or Business Personal Property listed in the Declarations is damaged by a Covered Cause of Loss.

We pay any Extra Expense you incur:

- a. To continue your normal **“operations”** at the described premises; or
- b. To continue your normal **“operations”** at replacement premises or temporary locations; including:
  - (1) Relocation expenses; and
  - (2) The costs to equip or operate the replacement premises or temporary locations; or
- c. To minimize the suspension of your normal **“operations”** if you cannot continue them.

## 2. Civil Authority

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur that is caused by action of civil authority that prohibits access to the described premises due to direct physical **“loss”** of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to 3 consecutive weeks after coverage begins. The coverage for Extra Expense will begin immediately after the time of that action and will end:

- a. 3 consecutive weeks after the time of that action; or
- b. When your Business Income coverage ends; whichever comes first.

## 3. Contingent Business Property

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur when Contingent Business Property is damaged by a Covered Cause of Loss. We will reduce the amount of your Business Income **“loss,”** other than Extra Expense, to the extent you can resume **“operations,”** in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

The most we will pay under these sections **A. 1., 2. and 3.** combined is \$100,000 for any one occurrence.

## 4. Ingress or Egress Coverage

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur due to the necessary suspension of your **“operations”** in the event that ingress or egress is prevented at the described premises as a result of a Covered Cause of Loss. The **“loss”** or damage by a Covered Cause of Loss preventing ingress or egress must occur within one mile of the described premises. This coverage will apply for up to 30 consecutive days from the date when the ingress or egress is denied.

The most we will pay for this coverage is \$5,000 for any one occurrence.

This additional coverage does not apply in the event that access is denied by action of civil



authority. Such coverage is provided subject to Item 2. above.

## 5. Newly Acquired Premises

We will pay for the actual **“loss”** of Business Income you sustain, and necessary Extra Expense you incur when property at a newly acquired premises is damaged by a Covered Cause of Loss.

Coverage under this extension will end when any of the following first occurs:

- a. This policy expires;
- b. 90 days expire after you acquire the property that would qualify as covered property; or
- c. You report values to us.

We will charge you additional premium for values reported from the date you acquire the property that would qualify as covered property.

The most we will pay under this extension is \$100,000 in any one occurrence at each newly acquired premises. This limit is in addition to the Business Income and Extra Expense limit provided above.

## 6. The following, when used in this section, are defined as follows:

- a. Business Income means net income (net profit or loss before income taxes) that would have been earned or incurred during the period of restoration and continuing normal operating expenses including payroll.
- b. 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.
- c. Contingent Business Property means property operated by others on whom you depend to:
  - (1) Deliver materials or services to you or to others for your account (Contributing Locations);
  - (2) Accept your products or services (Recipient Locations);
  - (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
  - (4) Attract customers to your business (Leader Locations).
- d. Period of restoration means the period of time that:
  - (1) Begins with the date of physical **“loss”** or damage caused by or resulting from any Covered Cause of Loss; and
  - (2) Ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

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



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

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

#### **B. Emergency Vacating Expense**

- 1. The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the **"emergency"** vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an **"emergency"** situation resulting from a Covered Cause of Loss.
- 2. We will not pay for any expenses under this extension arising out of:
  - a. A strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority;
  - b. A planned vacating drill; or
  - c. The vacating of one or more individuals that is solely due to their individual medical condition.
- 3. The most we will pay in any one occurrence for the evacuation of residents, regardless of the number of residents evacuated is \$15,000. The deductible for emergency vacating expenses is \$1,000 per occurrence.

#### **C. Expediting Expense**

The coverage provided by this policy is extended to apply to your reasonable and necessary expense of temporary repairs to your business property or the extra costs of expediting the permanent repair or replacement of your property, whichever is less. These expenses include overtime wages and extra costs for rapid means of transportation. However, we will not pay for the temporary rental of property or the temporary replacement of damaged property.

The most we will pay under this extension is \$25,000.

#### **D. Garages**

**"Building"** coverage is extended to apply to any garage or storage shed located at the premises described in the Declarations.

The most we will pay under this extension is \$5,000.

#### **E. Money Orders and Counterfeit Paper Currency**

The Basic Limit of Insurance that is provided for Money Orders and Counterfeit Paper Currency under the **CRIME COVERAGE FORM** is increased to \$25,000.



**F. Non-Owned Detached Trailers**

You may extend the insurance that applies to your Business Personal Property to apply to **“loss”** or damage to trailers that you do not own, provided that:

1. The trailer is used in your business;
2. The trailer is in your care, custody or control at the premises described in the Declarations; and
3. You have a contractual responsibility to pay for **“loss”** or damage to the trailer.

We will not pay for any **“loss”** or damage that occurs:

1. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
2. During hitching or unhitching, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

The most we will pay under this extension is \$5,000.

**G. Ordinance or Law**

Section **A. Coverage, 5. Coverage Extensions, j. Ordinance or Law** is amended as follows:

1. The Limit of Insurance for demolition costs is increased to \$300,000 in any one occurrence.
2. The Limit of Insurance for increased cost of construction is increased to \$300,000 in any one occurrence.

**H. Personal Property of Residents****1. Residents' Property – Personal Effects**

- a. The Business Personal Property coverage is extended to apply to the personal effects of the residents of your facility while at a premises described in the Declarations.
- b. (1) The most we will pay for **“loss”** or damage to the property of any one resident is \$5,000.  
  
(2) The most we will pay for **“loss”** or damage in any one occurrence, regardless of the number of residents who had property lost or damaged is \$25,000 subject to the any one resident limit shown in **1.b.(1)** above.  
  
(3) The most we will pay for the sum of all such **“loss”** or damage during each separate policy period is \$100,000, regardless of the number of occurrences.
- c. We will not pay for a **“loss”** under this coverage until the amount of **“loss”** exceeds a \$1,000 deductible. We will then pay the amount of **“loss”** in excess of the deductible up to the applicable Limit of Insurance.
- d. Residents' Personal Effects do not include **“money”** or **“securities.”** Such coverage is provided subject to Item **2.** below.



## 2. Residents' Money and Securities

- a. We cover **"money"** and **"securities"** belonging to the residents of your facility while at a covered location. We cover such property against **"loss"** from a Covered Cause of Loss applying to your business personal property at the location. We do not cover any **"loss"** caused by or resulting from forgery, alterations, the giving or surrendering of checks or **"money"** in exchange or purchase, or accounting or arithmetic errors and omissions.
- b. (1) The most we will pay for **"loss"** or damage to the **"money"** and **"securities"** of any one resident is \$500.  
  
 (2) The most we will pay for **"loss"** or damage in any one occurrence, regardless of the number of residents who had **"money"** and **"securities"** lost or damaged is \$5,000 subject to the any one resident limit in **2.b.(1)** above.  
  
 (3) The most we will pay for the sum of all such **"loss"** or damage during each separate policy period is \$50,000, regardless of the number of occurrences.
- c. We will not pay for a **"loss"** under this coverage until the amount of **"loss"** exceeds a \$500 deductible. We will then pay the amount of **"loss"** in excess of the deductible up to the applicable Limit of Insurance.

### I. Reward Reimbursement

We will pay a reward for information that leads to a criminal conviction in connection with **"loss"** or damage to covered property by a Covered Cause of Loss; provided that the reward is pre-approved by us.

The most we will pay for **"loss"** or damage under this extension is \$5,000 regardless of the number of persons who provide information. No deductible shall apply to this coverage.

This extension does not include arson reward, as arson reward is included in Section 4.  
**Additional Coverages of the PROPERTY COVERAGE FORM.**

### J. Spoilage

1. We will pay for direct physical **"loss"** or damage to your perishable business personal property, and perishable personal property of others while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:
  - a. Complete or partial interruption of electrical power to the described premises due to conditions beyond your control; or
  - b. Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.
2. Coverage does not apply to:
  - a. The disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power.
  - b. The deactivation of electrical power or current caused by the manipulation of any switch or other device used to control the flow of electrical power or current.
  - c. The inability of an electric utility company or other power source to provide sufficient



power due to:

- (1) Lack of fuel; or
- (2) Governmental order.

d. The inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand.

3. The most we will pay for “**loss**” or damage in any one occurrence is \$50,000.

## VI. Limitations

A. Section **C. Limitations** in the **CAUSES OF LOSS FORM** is amended as follows:

- 2. a. The limit for furs, fur garments and garments trimmed with fur is increased to \$5,000.
- b. The limit for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals is increased to \$5,000. This Limit of Insurance does not apply to jewelry and watches worth \$100 or less per item.

## VII. Definitions

- A. “**Alternative key systems**” means programmable keying systems, such as mechanically or electronically coded key cards.
- B. “**Counterfeit money**” means an imitation of “**money**” that is intended to deceive and to be taken as genuine.
- C. “**Emergency**” means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.



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

**COLLAPSE – EXCLUSION AND ADDITIONAL COVERAGE  
RE-STATED**

This endorsement modifies insurance provided under the following:

**CAUSES OF LOSS FORM**

**I. Section B. Exclusions, 2.i.** is deleted in its entirety and replaced with the following:

**i.** Collapse, including any of the following conditions of property or any part of the property:

- (1)** An abrupt falling down or caving in;
- (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the **“loss”** or damage caused by that Covered Cause of Loss.

This exclusion **i.** does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b)** To collapse caused by one or more of the following:
  - (i)** The **“specified causes of loss”**;
  - (ii)** Breakage of building glass;
  - (iii)** Weight of rain that collects on a roof; or
  - (iv)** Weight of people or personal property.

**II. Section D. Additional Coverage – Collapse** is deleted in its entirety and replaced with the following:

**D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage – Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

- 1.** For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a **“building”** or any part of a **“building”** with the result that the **“building”** or part of the **“building”** cannot be occupied for its intended purpose.



2. We will pay for direct physical **“loss”** or damage to Covered Property, caused by abrupt collapse of a **“building”** or any part of a **“building”** that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused only by one or more of the following:
  - a. **“Building”** decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the **“specified causes of loss”**;
    - (3) Breakage of **“building”** glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This Additional Coverage – Collapse does not apply to:
  - a. A **“building”** or any part of a **“building”** that is in danger of falling down or caving in;
  - b. A part of a **“building”** that is standing, even if it has separated from another part of the **“building”**; or
  - c. A **“building”** that is standing or any part of a **“building”** that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;



- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for **"loss"** or damage to that property only if:

(1) Such **"loss"** or damage is a direct result of the abrupt collapse of a **"building"** insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

- 5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a **"building,"** we will pay for **"loss"** or damage to Covered Property caused by such collapse of personal property only if:
  - a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a **"building"**; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage – Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage – Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage – Collapse, as described and limited in **D.1.** through **D.7.**



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

**BOILER AND MACHINERY - SEPARATE DEDUCTIBLE  
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PROPERTY COVERAGE FORM**

- A.** When any Boiler and Machinery Endorsement is attached to the policy, deductibles apply separately for each applicable coverage as shown in the Boiler and Machinery Endorsement except if:
1. A deductible is shown as COMBINED or included within another deductible for any of the coverages in these endorsements, then we will first subtract the combined deductible amount from the aggregate amount of any **"loss"** to which the combined deductible applies; or
  2. More than one **"covered equipment"** is involved in **"one breakdown"**, then only one deductible, the highest, shall apply for each of the applicable coverages.
- B.** The last sentence in **D. Deductible** does not apply whenever:
1. there is a covered property **"loss"** in the Property Coverage Form; and
  2. a covered boiler and machinery **"loss"** in any Boiler and Machinery Endorsement for the same occurrence.

Instead,:

1. the applicable property **"loss"** deductible will apply to the property **"loss"**; and
2. the applicable boiler and machinery **"loss"** deductible will apply to the boiler and machinery **"loss"** for the same occurrence.

**C. DEFINITIONS**

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

1. **"Breakdown"**
  - a. **"Breakdown"** means the following direct physical loss that causes physical damage to **"Covered Equipment"** and necessitates its repair or replacement:
    - (1) Failure of pressure or vacuum equipment; or
    - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
    - (3) Electrical failure including arcing;

unless such loss or damage is otherwise excluded within this Policy or any Endorsement forming a part of this Policy.
  - b. **"Breakdown"** does not mean or include:



- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
  - (2) Defects, erasures, errors, limitations or viruses in **"Computer Equipment"**, **"Data"**, **"Media"** and/or programs including the inability to recognize and process any date or time or provide instructions to **"Covered Equipment"**. However, if a **"Breakdown"** ensues, we will pay the ensuing loss or damage not otherwise excluded;
  - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (4) Damage to any vacuum tube, gas tube, or brush;
  - (5) Damage to any structure or foundation supporting the **"Covered Equipment"** or any of its parts;
  - (6) The functioning of any safety or protective device; or
  - (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
2. **"Computer Equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include **"Data"** or **"Media"**.
3. **"Covered Equipment"**
- a. **"Covered Equipment"** means and includes any:
    - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
    - (2) For any boiler or fired vessel, the furnace of the **"Covered Equipment"** and the gas passages from there to the atmosphere will be considered as outside the **"Covered Equipment"**;
    - (3) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
    - (4) Communication equipment and **"Computer Equipment"**; or
    - (5) Fiber optic cable.
  - b. **"Covered Equipment"** does not mean or include any:
    - (1) **"Media"**;
    - (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
    - (3) Insulating or refractory material;
    - (4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a



Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;

- (5) Catalyst;
  - (6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (7) Structure, foundation, cabinet or compartment supporting or containing the **“Covered Equipment”** or part of the **“Covered Equipment”** including penstock, draft tube or well casing;
  - (8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any **“Covered Equipment”** mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
  - (9) Dragline, power shovel, excavation or construction equipment including any **“Covered Equipment”** mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
  - (10) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
  - (11) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
  - (12) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
  - (13) **“Diagnostic Equipment”**;
  - (14) **“Power Generating Equipment”**;
  - (15) **“Production Machines”**; or
  - (16) Equipment or any part of equipment manufactured by you for sale.
4. **“Data”** means: programmed and recorded material stored on **“Media”** and programming records used for electronic data processing, or electronically controlled equipment.
  5. **“Diagnostic Equipment”** means any machine or apparatus (other than astronomical telescopes, cyclotron, nuclear reactor or particle accelerator) used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
  6. **“Media”** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
  7. **“One Breakdown”** means if an initial **“breakdown”** causes other **“breakdowns”**, all will be considered **“one breakdown”**.

All **“breakdowns”** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **“one breakdown”**. If an initial **“breakdown”** causes other **“breakdowns”**, all will be considered **“one breakdown”**.



8. **“Power Generating Equipment”** means any pressure, mechanical, or electrical equipment, machinery, apparatus used in, or associated with, the generation of electric power, but it does not include emergency power generating equipment less than or equal to 1000kw.
9. **“Production Machines”** means any production or process machine or apparatus that processes, forms, cuts, shapes, or grinds raw materials, materials in process or finished products, including all **“Covered Equipment”** that is used solely with and/or forms an integral part of the production or process or apparatus. But **“Production Machines”** does not include any:
  - a. Pressure vessel or vacuum vessel, other than any cylinder containing a movable plunger or piston;
  - b. Pump, compressor, fan or blower that conveys raw materials, materials in process or finished products;
  - c. Separate enclosed gear set connected by a coupling, clutch or belt; or
  - d. Separate driving electrical or mechanical machine connected by a coupling, clutch or belt.



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

**CONTINUOUS OR REPEATED WATER DAMAGE EXCLUSION**

This endorsement modifies insurance provided under the following:

**ULTIMATE COVER PROPERTY COVERAGE PART**

We will not pay for “**loss**”, damage, or other claim caused in whole or in part, by or resulting from:

- a.** continuous or repeated exposure, seepage, leakage or inundation of water; or
- b.** the presence or condensation of humidity, moisture or vapor;

that occurs or is present over a period of 30 days or more. Such “**loss**”, damage or other claim is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the “**loss**”, damage or other claim.