



COMMERCIAL INSURANCE
POLICY

TRAVELERS BOP

PREPARED FOR:

THE MASTERS AT DEACONS WALK
ASSOCIATION
C/O ROWCAL
PO BOX 421150
MINNEAPOLIS, MN 55442-0150

PRESENTED BY:

THE INSURANCE WAREHOUSE
4294-4296 DAHLBERG DR
GOLDEN VALLEY, MN 55422

Claims Reporting: 1-800-238-6225

Policy Period: 06/16/2023 through 06/16/2024

Policy Number: BIP-4T599332-23-42

Insuring Company: FIDELITY AND GUARANTY INSURANCE COMPANY

TRAVELERS 

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RENEWAL CERTIFICATE**COMMON POLICY DECLARATIONS****POLICY NO.:** BIP-4T599332-23-42**ISSUE DATE:** 05/05/2023**BUSINESS:** Residential Con**INSURING COMPANY:** FIDELITY AND GUARANTY INSURANCE COMPANY**1. NAMED INSURED AND MAILING ADDRESS:**THE MASTERS AT DEACONS WALK
ASSOCIATION
C/O ROWCAL
PO BOX 421150
MINNEAPOLIS MN 55442-0150**2. POLICY PERIOD:** From 06/16/2023 to 06/16/2024 12:01 A.M. Standard Time at your mailing address.**3. LOCATIONS:**

| PREM. NO.NO. | BLDG. | OCCUPANCY | ADDRESS (same as Mailing Address unless specified otherwise) |
|-------------------------|--------------|------------------|---|
| 001 | ALL | Residential Con | 2271 LEHMAN LN NE BLAINE MN 55449 |

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

| COVERAGE PARTS and SUPPLEMENTS | INSURING COMPANY |
|--|-------------------------|
| Travelers Property Coverage Part | SFG |
| Commercial General Liability Coverage Part | SFG |

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.**6. SUPPLEMENTAL POLICIES:** Each of the following is a separate policy containing its complete provisions.

| POLICY DIRECT BILL | POLICY NUMBER | INSURING COMPANY |
|-------------------------------|----------------------|-------------------------|
|-------------------------------|----------------------|-------------------------|

7. PREMIUM SUMMARY:

| | | |
|---------------------|----|-----------|
| Provisional Premium | \$ | 44,501.00 |
| Due at Inception | \$ | |
| Due at Each | \$ | |

NAME AND ADDRESS OF AGENT OR BROKER
THE INSURANCE WAREHOUSE DDL87
4294-4296 DAHLBERG DR
GOLDEN VALLEY

MN 55422

COUNTERSIGNED BY:

Authorized Representative

05/05/2023

DATE: _____



**TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-4T599332-23-42
ISSUE DATE: 05/05/2023

INSURING COMPANY: FIDELITY AND GUARANTY INSURANCE COMPANY

FORM OF BUSINESS: CORPORATION

DECLARATIONS PERIOD: From 06-16-23 to 06-16-24 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

TRAVELERS PROPERTY COVERAGE PART

The Travelers Property Coverage Part consists of these Declarations and the attached Supplemental Declaration(s), Schedule(s), Table of Contents, Commercial Property Conditions, the Coverage Form(s), and endorsements.

1. **COVERAGE:** Insurance applies only to premises location(s) and building number(s) shown in the Supplemental Declarations. Unless otherwise provided under TP T3 80 Travelers Property Specific Limits Endorsement, the Supplemental Declarations will show coverage(s), optional coverage(s) and applicable Limits of Insurance that apply to such premises location(s) and building number(s).

If a specified limit of insurance is shown below for:

- a. Tenant Improvements and Betterments;
- b. Stock; or
- c. Personal Property of Others;

then that limit is not included in the Business Personal Property Limit of Insurance:

If *Not Covered* is shown for Stock or Personal Property of Others, then that property is not covered under Business Personal Property for that premises location and building number

TRAVELERS PROPERTY COVERAGE FORM:

2. **ADDITIONAL COVERAGES & COVERAGE EXTENSIONS**

The following Additional Coverages and Coverage Extensions are provided under the Coverage Form listed above for the Limits of Insurance shown. These Limits of Insurance apply in any one occurrence unless otherwise stated.

Some Additional Coverages and Coverage Extensions or the applicable Limits of Insurance may be modified by endorsement(s) attached to this policy. There may also be other Additional Coverages or Coverage Extensions within your policy. Please read it carefully.

| Additional Coverages | Limits Of Insurance |
|---|---------------------|
| Limited Coverage Fungus, Wet Rot or Dry Rot | \$ 15,000 |

3. **DEDUCTIBLE:** The following deductible applies unless a different or more specific deductible is indicated within this Declarations or by endorsement.

\$ 25,000 per occurrence



TRAVELERS PROPERTY
COVERAGE PART DECLARATIONS

POLICY NO.: BIP-4T599332-23-42
ISSUE DATE: 05/05/2023

BUILDING GLASS DEDUCTIBLE
\$ 25,000 per occurrence

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM:

If a time period or dollar limit is shown below for the Business Income (And Extra Expense) Coverage Form or Extra Expense Coverage Form, the applicable Blanket Limit applies to all premises location(s) and building number(s), unless *Not Covered* is shown for a premises location(s) or a specific Business Income (And Extra Expense) or Extra Expense Coverage Form limit is shown for a premises location(s) and building number(s) in the Supplemental Declarations or Travelers Property Specific Limits Endorsement (TP T3 80).

BUSINESS INCOME (AND EXTRA EXPENSE) BLANKET LIMIT

Actual Loss Sustained 12 consecutive months

Rental Value: Include

Ordinary Payroll: Include

Period of Restoration - Time Period: Immediately

Extended Business Income: 60 days

Dependent Properties - within coverage territory \$ 10,000

Dependent Properties - outside coverage territory *Not Covered*

Interruption of Computer Operations \$ 25,000

Supplemental Declarations

PREMISES LOCATION NO.: 001

BUILDING NO. : ALL

| COVERAGE | LIMIT OF INSURANCE | VALUATION | COINSURANCE | INFLATION GUARD |
|-------------------------------|-------------------------|-----------|-------------|-----------------|
| BUILDING *Replacement Cost | \$ 27,008,695 Blanket 1 | RC* | N/A | 2.0% |



One Tower Square, Hartford, Connecticut 06183

FIDELITY AND GUARANTY INSURANCE COMPANY
TAXES AND SURCHARGES

POLICY NO.: BIP-4T599332-23-42
EFFECTIVE DATE: 06/16/2023
ISSUE DATE: 05/05/2023

| DESCRIPTION: | AMOUNT |
|--------------------------|-----------|
| MINNEAPOLIS SURCHARGE | \$ 483.00 |
| MN FIRE SAFETY SURCHARGE | \$ 216.00 |

OFFICE: 116
PRODUCER NAME: DDL87

POLICY NUMBER: BIP-4T599332-23-42

EFFECTIVE DATE: 06/16/2023

ISSUE DATE: 05/05/2023

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS

* IL T4 24 07 18 RENEWAL CERTIFICATE
* TP T0 01 07 18 TRAVELERS PROPERTY COVERAGE PART DECLARATIONS
* IL T8 01 01 01 FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T4 25 07 18 COMMON POLICY CONDITIONS
* TP T0 29 07 18 IMPORTANT INFORMATION FOR POLICYHOLDERS

BUSINESSOWNERS

* TP T3 51 07 18 WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
TP T1 30 07 18 TABLE OF CONTENTS - TRAVELERS PROPERTY COVERAGE PART
TP T4 28 07 18 AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE
- MINNESOTA
CP T3 81 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
* TP T3 63 07 18 POWER PAC PREMIER
* TP T3 79 07 18 CAUSES OF LOSS - EQUIPMENT BREAKDOWN
* TP T3 82 07 18 CRIME ADDITIONAL COVERAGES
TP T1 00 07 18 TRAVELERS PROPERTY COVERAGE FORM
TP T1 01 07 18 TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE
FORM
* TP T3 06 07 18 SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW
TP T5 32 05 20 MINNESOTA CHANGES

COMMERCIAL GENERAL LIABILITY

* CG T0 01 11 03 COMMERCIAL GENERAL LIABILITY COVERAGE PART
DECLARATIONS
* CG T0 07 04 09 DECLARATIONS PREMIUM SCHEDULE
CG T0 34 02 19 TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY
COVERAGE FORM CG T1 00 02 19
CG T1 00 02 19 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D2 37 02 19 EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES -
COMPLETED OPERATIONS
* CG D9 10 09 21 AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION
CG D2 03 12 97 AMEND - NON CUMULATION OF EACH OCC
* MP T1 25 11 03 HIRED AUTO AND NON-OWNED AUTO LIABILITY
CG D2 43 01 02 FUNGI OR BACTERIA EXCLUSION
CG D6 18 10 11 EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION
LAWS
CG D0 76 06 93 EXCLUSION - LEAD
CG D1 42 02 19 EXCLUSION - DISCRIMINATION
CG 26 05 02 07 MINNESOTA CHANGES
CG 26 81 12 04 MINNESOTA CHANGES - DUTIES CONDITION

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

POLICY NUMBER: BIP-4T599332-23-42

EFFECTIVE DATE: 06/16/2023

ISSUE DATE: 05/05/2023

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG F2 55 11 03 MINNESOTA CHANGES - CONDOMINIUMS
* CG F9 30 05 22 MINNESOTA CHANGES - CONTRACTUAL LIABILITY EXCLUSION
AND SUPPLEMENTARY PAYMENTS
* CG G0 01 05 22 CONTRACT LIAB EXCL EXP DMGS INSD CONT-MN

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

* IL T0 63 07 22 ACTUAL CASH VALUE
IL T3 68 01 21 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T4 27 06 19 ADDITIONAL BENEFITS
IL T4 40 10 20 PROTECTION OF PROPERTY
IL 00 21 09 08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 02 45 09 08 MINNESOTA CHANGES - CANCELLATION AND NONRENEWAL

POLICY HOLDER NOTICES

PN T1 94 11 21 IMPORTANT NOTICE - LEAD EXCLUSION
* PN T4 54 01 08 IMPORTANT NOTICE REGARDING INDEPENDENT AGENT AND
BROKER COMPENSATION
PN MP 38 01 11 IMPORTANT NOTICE - JURISDICTIONAL INSPECTIONS

* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.



IMPORTANT INFORMATION FOR POLICYHOLDERS

Dear Policyholder:

Enclosed is your Travelers Renewal Certificate. An asterisk on the Listing of Forms, Endorsements and Schedule Numbers, IL T8 01, indicates forms that are included with this year's renewal. Any forms previously attached to your policy that are not shown on that listing no longer apply.

Please put the Certificate and the attached forms with your policy as soon as possible. If you have misplaced your policy, please contact your agent for a copy.

TRAVELERS PROPERTY



TRAVELERS PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

Minimum Dollar Amount Deductible Per Occurrence: \$ 25,000

The Windstorm or Hail Deductible, as shown in the Windstorm Or Hail Deductible Schedule, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Causes Of Loss – Broad Form Flood Endorsement (or if you have a Flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

1. Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance;
2. 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 Limits of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

A. Calculation Of The Deductible – All Policies

1. A Percentage (%) Windstorm or Hail Deductible is calculated separately for, and applies separately to:
 - a. Each building, if two or more buildings sustain loss or damage;
 - b. The building and to personal property in that building, if both sustain loss or damage;

- c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- d. Personal property in the open;
- e. Any other property insured under this Coverage Form.

2. If, in addition to the Percentage Deductible, a Minimum Dollar Amount Deductible Per Occurrence is shown in this endorsement, the least we will deduct in any one occurrence for all buildings, property or premises that sustain loss or damage is the dollar amount shown in this endorsement.

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

B. Calculation Of The Deductible – Specific Insurance

When specific insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the Limits of Insurance applicable to the property that has sustained loss or damage.

C. Calculation Of The Deductible – Blanket Insurance

When blanket insurance applies, we will calculate the deductible as follows. Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 3%, 4%, 5% or 10% (as shown in the Windstorm Or Hail Deductible Schedule) of the value of the proper-

ty that has sustained loss or damage. The values to be used are those shown in the most recent Statement of Values on file with us. If there is no Statement of Values on file with us or if the Statement of Values on file with us is dated more than two years before the date of loss, then the value used will be the value of the property at the time of loss.

D. Calculation Of The Deductible – Property Covered Under The Newly Acquired or Constructed Property Additional Coverage

The following applies when property is covered under the **Newly Acquired or Constructed Property Additional Coverage**:

Subject to Paragraph **A.2.** above, in determining the amount, if any, that we will pay for loss or damage to such property, 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 Windstorm Or Hail Deductible Schedule.

EXAMPLES – APPLICATION OF DEDUCTIBLE

Example #1 – Specific Insurance

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 \$1,000,000. The value of the business personal property in that building is \$800,000.

The **actual** Limits of Insurance on the damaged property are \$800,000 on the building and \$640,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building

Step (1): $\$800,000 \times 2\% = \$16,000$

Step (2): $\$60,000 - \$16,000 = \$44,000$

Business Personal Property

Step (1): $\$640,000 \times 2\% = \$12,800$

Step (2): $\$40,000 - \$12,800 = \$27,200$

Based on the calculation of the Percentage Deductible, the most we will pay is \$71,200 (\$44,000 + \$27,200).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$28,800 (\$16,000 + \$12,800).

The application of the Minimum Dollar Amount Deductible Per Occurrence had no effect since the calculated Percentage Deductible exceeded \$25,000.

Example #2 – Specific Insurance

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The **actual** Limits of Insurance on the damaged property are \$300,000 on the building and \$250,000 on the business personal property.

The Deductible is 2%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building

Step (1): $\$300,000 \times 2\% = \$6,000$

Step (2): $\$60,000 - \$6,000 = \$54,000$

Business Personal Property

Step (1): $\$250,000 \times 2\% = \$5,000$

Step (2): $\$40,000 - \$5,000 = \$35,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$89,000 (\$54,000 + \$35,000).

The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$11,000 (\$6,000 + \$5,000).

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$75,000 (\$60,000 + \$40,000 = \$100,000 – \$25,000).

Example #3 – Specific Insurance

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%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 1\% = \700

Step (4): $\$52,500 - \$700 = \$51,800$

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 #4 – Blanket Insurance

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000) as shown in the Declarations is \$2,000,000.

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%.

The Minimum Dollar Amount Deductible Per Occurrence is \$25,000.

Building #1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

Based on the calculation of the Percentage Deductible, the most we will pay is \$40,000 (\$30,000 + \$10,000). The portion of the total loss that is not covered due to the application of the Percentage Deductible is \$20,000.

However, in this case, the Minimum Dollar Amount Deductible Per Occurrence is \$25,000, so the most we will pay is \$35,000 (\$40,000 + \$20,000 =

\$60,000 – \$25,000).

Example #5 – Blanket Insurance

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 there is 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

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building #2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to the application of the Deductible is \$20,000.

WINDSTORM OR HAIL DEDUCTIBLE SCHEDULE

| Prem/Loc No. | Building No. | Windstorm or Hail Deductible Percentage - enter 1%, 2%, 3%, 4%, 5% or 10% |
|-------------------------|-------------------------|--|
| 001 | ALL | 5.0 % |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POWER PAC PREMIER

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM
TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

POWER PAC PREMIER SCHEDULE

Blanket Coverage Limit of Insurance: \$ 250,000

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ **NOT COVERED**

Ordinance or Law Coverage B and Coverage C Limit of Insurance: \$ 10,000

A. The TRAVELERS PROPERTY COVERAGE FORM is changed as follows:

1. The following is added to Paragraph **A.5.**, **Additional Coverages:**

Blanket Coverage Limit of Insurance

We will pay in any one occurrence up to the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **h.** of this Blanket Coverage Limit of Insurance Additional Coverage. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

a. Accounts Receivable

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.6.a.(2)** and **A.6.a.(3)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

b. Covered Leasehold Interest – Undamaged Improvements and Betterments

(1) Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your interest as tenant in improvements and betterments, as defined in Section **A.1.b.(6)** of this Coverage Form, that are not damaged or destroyed, but that you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

(a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and

(b) Be permitted in accordance with the conditions of your written lease agreement.

c. Electronic Data Processing Data and Media

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your "electronic data processing data and media" on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss, but only if:

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

Worldwide coverage is provided under this Additional Coverage. The coverage territory as described in Paragraph **F.8.b.** does not apply to this Additional Coverage.

d. Excess Debris Removal

- (1) Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, we will pay your expense to remove debris of Covered Property, other than outdoor property as included in the Outdoor Property Coverage Extension, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) This coverage applies as described in Paragraphs **A.5.d.(2)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.
- (3) When the debris removal expense exceeds the 25% limitation in in the Debris Removal Additional Coverage under Paragraph **A.5.d.(3)** of this Coverage Form or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will

pay up to the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule for debris removal expense in any one occurrence, at each described premises.

e. Leasehold Interest – Bonus Payments, Prepaid Rent, Sublease Profit, Tenants' Lease Interest

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, we will pay for the loss of "bonus payment", "prepaid rent", "sublease profit" or "tenants' lease interest" you incur as a direct result of the cancellation of your written lease for the premises described in the Declarations. The cancellation of the lease must be by the lessor, by a valid condition of your lease, and due to direct physical loss or damage to a building at the premises described in the Declarations, caused by or resulting from a Covered Cause of Loss.

f. Non-Owned Detached Trailers

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:

- (1) The trailer or semi-trailer is used in your business;
- (2) The trailer or semi-trailer is in your care, custody or control at the described premises; and
- (3) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.

This coverage applies as described in Paragraphs **A.6.h.(2)** and **A.6.h.(4)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

g. Spoilage Coverage

- (1) Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the

described premises, we will pay for direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (4) and not excluded in Paragraph (5) of this coverage.

- (2) This coverage does not apply to Perishable Stock while located:
- (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
- (3) With respect to this coverage, Perishable Stock means personal property:
- (a) Maintained under controlled conditions for its preservation; and
 - (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.
- (4) With respect to this coverage, covered cause of loss means the following:
- (a) **Breakdown or Contamination**, meaning:
 - (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
 - (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or
 - (b) **Power Outage**, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.
- (5) The following exclusions apply to this coverage:
- (a) We will not pay for loss or damage caused directly or

indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
 - (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
 - (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.
- (b) Paragraph **B.1.b.** Earth Movement;
 - (c) Paragraph **B.1.c.** Electronic Vandalism;
 - (d) Paragraph **B.1.d.** Governmental Action;
 - (e) Paragraph **B.1.e.** Nuclear Hazard;
 - (f) Paragraph **B.1.g.** War and Military Action;
 - (g) Paragraph **B.1.h.** Water; and
 - (h) Paragraph **B.1.i.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this coverage. However, if any exclusions are added by endorsement to this Coverage Part, such exclusions will apply to this coverage.

h. Valuable Papers and Records – Cost of Research

Within the Blanket Coverage Limit of Insurance in the Power Pac Premier Schedule, when a Limit of Insurance is

shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" on or away from each described premises, including while in transit, that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

This coverage applies as described in Paragraphs **A.6.m.(2)** and **A.6.m.(3)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this coverage, the owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

- 2. The limit applicable to the **Reward Coverage Additional Coverage** is increased by \$25,000.
- 3. The limit applicable to the **Claim Data Expense Additional Coverage** is increased by \$22,500.
- 4. The shared limit applicable to the **Electronic Vandalism Additional Coverage** is increased by \$40,000.
- 5. The limit applicable to the **Expediting Expenses Additional Coverage** is increased by \$22,500.
- 6. The limit applicable to the **Fine Arts Additional Coverage** is increased by \$40,000.
- 7. The limit applicable to the **Fire Department Service Charge Additional Coverage** is increased by \$25,000.
- 8. The limit applicable to the **Fire Protective Equipment Discharge Additional Coverage** is increased by \$40,000.
- 9. The limit applicable to the **Newly Acquired or Constructed Property Additional Coverage** for Building is increased by \$1,500,000.

10. The limit applicable to the **Newly Acquired or Constructed Property Additional Coverage** for Business Personal Property is increased by \$750,000.

11. With respect to the **Ordinance or Law Additional Coverage**, coverage is extended to include tenant improvements and betterments as described in Paragraph **A.1.b.(6)** if:

- (1) You are a tenant; and
- (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.

12. The following is added to Paragraph **A.5., Additional Coverages:**

Brands or Labels

(1) If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (a) Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (b) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

(2) We will pay the reasonable costs you incur to perform the activity described in Paragraphs (a) and (b) above.

(3) Payments under this Additional Coverage are included in and do not increase the applicable Limit of Insurance.

Contract Penalty Clause

(1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.

- (2) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy (beginning with the effective date of the Power Pac Premier endorsement).

Identity Fraud Expense

- (1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2) With respect to this Additional Coverage:

(a) Expenses means:

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (iii) Lost income resulting from:
 - a) Time taken off work to complete fraud affidavits; or
 - b) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;
 up to a total payment of \$5,000, subject to a maximum of \$200 per day;
- (iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;

(v) Reasonable attorney fees to:

- a) Defend lawsuits brought against an Insured Person

by merchants, vendors, suppliers, financial institutions or their collection agencies;

- b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
- c) Challenge the accuracy or completeness of any information in a consumer credit report;

(vi) Charges for long distance telephone calls to:

- a) Merchants;
- b) Law enforcement agencies;
- c) Financial institutions or similar credit grantors; or
- d) Credit agencies; or

(vii) Reasonable fees for professional financial advice or professional credit advice.

(b) Identity Fraud means:

The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person 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; and

(c) Insured Person means:

- (i) For sole proprietorships:
The individual who is the sole proprietor of the Named Insured shown in the Declarations;
- (ii) For partnerships:
Any individual that is a partner of the Named Insured shown in the Declarations;
- (iii) For corporations or any other type of organization:
The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or
- (iv) For religious institutions;

The individual who is the senior pastoral employee of the Named Insured shown in the Declarations.

- (3) The following additional exclusions apply to this Additional Coverage:

We will not pay for:

- (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
 - (i) An Insured Person;
 - (ii) Any person aiding or abetting an Insured Person; or
 - (iii) Any authorized representative of an Insured Person; whether acting alone or in collusion with others;
- (b) Expenses incurred that are not related to the identity of an individual; or
- (c) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of Loss other than Expenses.
- (d) An Identity Fraud discovered during such time that an individual was not an Insured Person.

- (4) This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.

- (5) Regardless of the amount of the Travelers Property Coverage Form Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.

- (6) The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy (beginning with the effective date of the Power Pac Premier endorsement).

- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

Lease Assessment

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
 - (a) To all tenants by the building owner;
 - (b) Pursuant to a written lease agreement; and
 - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.
- (2) The most we will pay for loss under this Additional Coverage in any one occurrence is \$2,500.

Lost Key Consequential Loss

- (1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged by a Covered Cause of Loss. We will pay for the necessary costs you incur to:
 - (a) Replace keys; and
 - (b) Either:
 - (i) Adjust existing locks to accept new keys; or
 - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h**. Dishonesty does not apply to this Additional Coverage, except with respect to any dishonest or criminal act by you or any of your partners, directors or trustees.
- (3) The missing property limitation under Paragraph **A.4.a.(4)** does not apply to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage is \$25,000 in any one occurrence at each described premises.

Unauthorized Business Card Use

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:
 - (a) Fund transfer cards;
 - (b) Charge plates; or
 - (c) Telephone cards.
- (2) With respect to this Additional Coverage, paragraph a. of **A.2. Property Not Covered** does not apply.
- (3) With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (4) The most we will pay under this Additional Coverage in any one occurrence is \$5,000.

Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of utility services to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:
 - (a) "Water Supply Property";
 - (b) "Communication Supply Property"; or
 - (c) "Power Supply Property";
 if such property is:
 - (i) Located away from the described premises; or
 - (ii) Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.
- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.
- (3) Payments under this Additional Coverage are included in and do not

increase the applicable Limit of Insurance.

13. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph **A.5.n.**:

Ordinance or Law – Coverage A – Coverage For Loss to the Undamaged Portion of the Building

- (1) If a Limit of Insurance is shown in the Declarations for Building, in the event of covered direct physical loss or damage to a building that is Covered Property, we will pay for loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires the demolition of undamaged parts of the same building.
- (2) The coverage provided by this Additional Coverage applies only if both **(2)(a)** and **(2)(b)** below are satisfied and are then subject to the qualifications set forth in **(3)**.

(a) The ordinance or law:

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

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

(b) The building either:

- (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
- (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this

Coverage Part, and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such loss or damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical loss or damage.

- (3)** In the situation described in **(2)(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

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

- (4)** We will not pay under this Additional Coverage for:
- (a)** Enforcement of or compliance with any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
 - (b)** The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.
 - (c)** Loss due to any ordinance or law that:
 - (i)** You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and

- (ii)** You failed to comply with.

(5) Specific or Blanket Insurance

(a) Specific Insurance

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical loss or damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph **(6)(b)(i)** and **(6)(b)(ii)** below.

(b) Blanket Insurance

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical loss or damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph **(6)(c)** and **(6)(d)** below.

- (c)** As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each 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.
- (d)** This Additional Coverage is included in and does not increase the Limit of Insurance shown in the Declarations as applicable to the covered building.

(6) Loss Payment

- (a)** The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs **(2)** and **(3)** above.

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

Specific Insurance

- (i) If Replacement Cost coverage applies on a "specific insurance" basis and the building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- a) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (ii) If Replacement Cost coverage applies on a "specific insurance" basis and the building is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

- a) The actual cash value of the building at the time of loss; or
- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

(c) Blanket Insurance

If Replacement Cost coverage applies on a "blanket insurance" basis and the building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

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

- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

- a) The total reported building and structure value; by
- b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.

- (d) If Replacement Cost coverage applies on a "blanket insurance" basis and the building is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:

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

- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:

- a) The total reported building and structure value; by
- b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.

(7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.

(8) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Additional Coverage.

14. The following is added to Paragraph A.5., Additional Coverages:

Ordinance or Law – Coverage B and C

In the event of covered direct physical loss or damage to a building that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building:

(1) Coverage B – Demolition Cost Coverage

We will pay under Coverage **B** the cost to demolish the building and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

(2) Coverage C – Increased Cost of Construction Coverage

We will pay under Coverage **C** the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

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

This Coverage **C** applies only if the restored or remodeled property is intended for similar occupancy as the

current property, unless such occupancy is not permitted by zoning or land use ordinance. This Coverage **C** does not apply if the building is not repaired, reconstructed or remodeled.

(3) The coverage provided by this Additional Coverage applies only if both (3)(a) and (3)(b) below are satisfied and are then subject to the qualifications set forth in (3)(c) below.

(a) The ordinance or law:

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

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

(b) The building either:

- (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
- (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part, and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such loss or damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical damage.

(c) In the situation described in (3)(b)(ii) above, we will not pay the full

amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

However, if the covered direct physical loss or damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:
- (a) Enforcement of or compliance with any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
 - (b) The costs associated with the enforcement of or compliance with any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.
 - (c) Loss due to any ordinance or law that:
 - (i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with.
- (5) This coverage applies as described in Paragraph **A.5.n.(5)(b)** through **A.5.n.(5)(d)** of this Coverage Form and is subject to the provisions that apply to those Paragraphs.
- (6) The most we will pay for loss under this Additional Coverage in any one occurrence is the Ordinance or Law Coverage B and Coverage C Limit of

Insurance in the Power Pac Premier Schedule.

- (7) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Additional Coverage.
15. The following **Coverage Extensions** under Paragraph **A.6.** are changed as follows:
- a. The limit applicable to the **Outdoor Property Coverage Extension** is increased by \$40,000, but we will not pay more than \$5,000 for any one tree, shrub, plant or lawn.
 - b. The limit applicable to the **Personal Effects Coverage Extension** is increased by \$15,000.
 - c. The limit applicable to the **Property Off Premises Coverage Extension** is increased by \$25,000. With respect to "electronic data processing equipment" under the Property Off Premises Coverage Extension, coverage applies worldwide. The coverage territory described in Paragraph **F.8.b.** does not apply to such equipment.
 - d. The limit applicable to the **Covered Property In Transit Coverage Extension** is increased by \$40,000. With respect to "electronic data processing equipment" under the Covered Property In Transit Coverage Extension, coverage applies worldwide. The coverage territory described in Paragraph **F.8.b.** does not apply to such equipment.
16. The following is added to Paragraph **A.6.**, **Coverage Extensions:**
- Business Personal Property at Client or Virtual Office Premises**
- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".
 - (2) This Coverage Extension also applies to personal property that is:
 - (a) Owned by an employee; and
 - (b) Used for your business;

while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

- (3) This Coverage Extension does not apply to property otherwise covered under the following:
- (a) Blanket Coverage Limit of Insurance – Accounts Receivable;
 - (b) Blanket Coverage Limit of Insurance Valuable Papers and Records – Cost of Research;
 - (c) Fine Arts Additional Coverage;
 - (d) Accounts Receivable Coverage Extension;
 - (e) Property Off Premises Coverage Extension;
 - (f) "Electronic data processing equipment" and "electronic data processing data and media" covered under this coverage form;
 - (g) Sales Representative's Samples Coverage Extension; or
 - (h) Valuable Papers and Records – Cost of Research Coverage Extension.
- (4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

Computer Fraud and Funds Transfer Fraud

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:
- (a) Loss of or damage to "money", "securities" and other personal property not otherwise excluded resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":
 - (i) To a person (other than a "messenger") outside those premises; or

- (ii) To a place outside those premises.

- (b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".
- (2) With respect to the coverage provided by this Coverage Extension, Paragraph **B. EXCLUSIONS** is amended as follows:
- (a) Paragraph **B.1.c.** Electronic Vandalism does not apply.
 - (b) Paragraph **B.2.i.** Voluntary Parting does not apply.
 - (c) The following exclusion is added:

We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- (3) The property that has been transferred limitation under Paragraph **A.4.a.(5)** does not apply to this Coverage Extension.
- (4) With respect to this Coverage Extension, paragraph **a.** of **A.2. Property Not Covered** does not apply.
- (5) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.
- (6) The most we will pay under this Coverage Extension in any one occurrence is the Computer Fraud and Funds Transfer Fraud Limit of Insurance shown in the Power Pac Premier Schedule.

Deferred Payments

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment

plan when, as a result of direct physical loss of or damage to such property:

- (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
- (b) Caused by a Covered Cause of Loss;

the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

- (2) The value of your loss under this Coverage Extension will be determined as follows:

- (a) In the event of partial loss to property, the value of your loss will be:

- (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
- (ii) The actual cash value of the repossessed damaged property.

- (b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

- (3) The following is added to **A.2. Property Not Covered**, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

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

Limited Building Coverage – Tenant Obligation

- (1) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and

- (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than theft or attempted theft.

- (2) This Coverage Extension does not apply to any otherwise covered:

- (a) Building glass; or
- (b) Tenants improvements and betterments as described in Paragraph **A.1.b.(6)**.

- (3) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.

Personal Property In Transit Outside of the Coverage Territory

- (1) When the Declarations shows that you have coverage for Business Personal Property you may extend that insurance to apply to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss in transit anywhere in the world outside of the Coverage Territory.

- (2) If property covered under this Coverage Extension is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.

- (3) Subject to the Limit of Insurance indicated in paragraph **(11)** below we will also pay for:

- (a) Any general average or salvage charges you incur with respect to losses to covered waterborne shipments;

- (b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and

- (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your

TRAVELERS PROPERTY

- employees or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.
- (4) The following exclusion is added to paragraph **B.2.** but only with respect to coverage provided by this Coverage Extension:
- Electrical or mechanical derangement.
- (5) Paragraphs **B.1.b.** Earth Movement and **B.1.h.** Water do not apply to this Coverage Extension.
- (6) The following is added to Paragraph **B.2.h.** Dishonesty but only with respect to this Coverage Extension:
- This exclusion does not apply to property in the custody of a carrier for hire.
- (7) The following is added to the missing property limitation under Paragraph **A.4.a.(4)**, but only with respect to this Coverage Extension:
- This exclusion does not apply to property in the custody of a carrier for hire.
- (8) The following is added to Paragraph **B.2.i.** Voluntary parting, but only with respect to this Coverage Extension:
- This exclusion does not apply to insurance covered under this Coverage Extension if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.
- (9) This Coverage Extension does not apply to property otherwise covered under the following:
- (a) Overseas Fine Arts Additional Coverage;
 - (b) "Electronic data processing equipment" and "electronic data processing data and media" covered under this Coverage Form;
 - (c) Overseas Business Travel or Business Personal Property at Client or Virtual Office Premises Overseas Coverage Extension;
 - (d) Overseas Valuable Papers and Records Coverage Extension; or
 - (e) Personal Property In Transit Outside of the Coverage Territory Coverage Extension once the property has been accepted for delivery at its final destination.
- (10) The following is added to **A.2. Property Not Covered**, but only with respect to this Coverage Extension.
- Covered Property does not include:
- (a) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
 - (b) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
 - (c) Property while in the following areas: Afghanistan, Burma (Myanmar), Cuba, Iran, Iraq, Jordan, Kenya, Lebanon, Libya, Nigeria, North Korea, Pakistan, Republic of Yemen, Somalia, Sudan, Syria, Russia, the Commonwealth of Independent States (C.I.S.) and countries that formerly comprised the U.S.S.R.;
 - (d) Property in transit while over land in Mexico; or
 - (e) Shipments by a government postal service except by registered mail.
- (11) The most we will pay under this Coverage Extension is \$5,000 for the sum of all covered losses arising out of all Covered Causes of Loss occurring during each policy period (beginning with the effective date of this endorsement). This amount applies regardless of the number of locations involved.
- (12) Paragraph **E.4.e.(11)** with respect to this Coverage Extension is replaced with the following:
- Personal property in transit at:
- (a) The amount of invoice; or
 - (b) In the absence of an invoice, the least of the following:

- (i) The value of the Covered Property;
 - (ii) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (iii) The cost of replacing that property with substantially the same property; plus
- (c) The amount of any prepaid freight charges and other shipping costs or charges that are incurred while the property is in transit.
- (13) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

Sales Representative's Samples

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property, you may extend that insurance to apply to:
- (a) Samples of your stock in trade (including containers); and
 - (b) Similar property of others;
- while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.
- (2) We will not pay for loss or damage caused by theft of Covered Property from an unattended vehicle. But we will pay for theft of Covered Property from an unattended vehicle if at the time of the theft, all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the theft was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

Undamaged Parts of Stock in Process

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical

loss or damage from a Covered Cause of Loss to other parts of "stock".

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

Water or Sewage Back Up and Sump Overflow

- (1) When the Declarations shows that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (2) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (3) Paragraph **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$25,000. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.
- B.** When the TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM is attached to this policy, the coverage is changed as follows:
1. The following **Additional Coverages** under Paragraph **A.4.** are changed as follows:
 - a. With respect to the **Extended Business Income Additional Coverage**, the number of days referenced in Paragraph **A.4.d.(1)(b)(ii)** and **A.4.d.(2)(b)(ii)** is increased by thirty consecutive days.
 - b. The shared limit applicable to the **Electronic Vandalism Additional Coverage** is increased as described in Paragraph **A.4.** of this endorsement.

2. The following is added to Paragraph **A.4.**, **Additional Coverages:**

Dependent Property

(1) We will pay for:

(a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and

(b) The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at the premises of a "dependent property" located anywhere in the world. The loss or damage to the property must be caused by or result from a Covered Cause of Loss.

(2) This Additional Coverage does not apply to "dependent property" for which you have more specific insurance under this or any other policy.

(3) The most we will pay in any one occurrence under this Additional Coverage is \$100,000.

(4) With respect only to the insurance provided under this Additional Coverage, the phrase, *at the described premises*, as used in the definition of "period of restoration" is replaced by the phrase *at the premises of a "dependent property"*. With respect to this Additional Coverage, the "period of restoration" begins 24 hours after the time of direct physical loss or damage by a Covered Cause of Loss at the premises of the Dependent Property.

(5) Payments made under this Additional Coverage are in addition to the applicable Limits of Insurance.

3. The following **Coverage Extensions** under Paragraph **A.5.** are changed as follows:

a. The limit applicable to the **Claim Data Expense Coverage Extension** is increased by \$22,500.

b. The limit applicable to the **Newly Acquired Premises Coverage Extension** is increased by \$250,000.

c. The number of days mentioned in Paragraph (4)(b) of **A.5.b. Newly Acquired Premises Coverage Extension** is increased by 90 days.

4. The following is added to Paragraph **A.5.**, **Coverage Extensions:**

Business Income and Extra Expense at Client or Virtual Office Premises

(1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".

(2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **F. DEFINITIONS** is replaced by the following:

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

(a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and

(b) Ends on the earlier of:

(i) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(ii) The date when "client or virtual office premises" is resumed at a new permanent location; and

(c) Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

(i) Regulates the construction, use or repair, or requires the tearing down of any property;

(ii) 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 rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Additional Coverage; or

- (iii) 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".

- (3) This Coverage Extension applies to "client or virtual office premises" located within the Coverage Territory.
- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or
 - (c) In the due course of transit.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

Civil Authority – Homicide or Suicide

- (1) When the Declarations shows that you have coverage for Business Income and

Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.

- (2) The coverage for Business Income and Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

Ordinance or Law – Increased Period of Restoration

- (1) If:

- (a) A Covered Cause of Loss occurs to property at the described premises; and
- (b) The Declarations shows that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of or compliance with any ordinance or law that:

- (i) Regulates the construction, repair or replacement of any property;
- (ii) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (iii) Is in force at the time of loss.
- (2) This Coverage Extension applies only to the increased period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum standards of the ordinance or law.
- (3) This Coverage Extension does not apply to any loss caused by or resulting from:
 - (a) The enforcement of or compliance with any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and

- (ii) You failed to comply with; or
- (b) The enforcement of or compliance with any ordinance or law that requires:
 - (i) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot;
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$50,000 at each described premises.
- (5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) Exclusion **B.1.a.**, Ordinance or Law, does not apply to this Coverage Extension.

Property in Transit

- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.
- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
 - (a) Shipments by a government postal service, except by registered mail;
 - (b) Export shipments once:

- (i) The shipment is loaded onboard the export conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins;whichever is earlier;
 - (c) Import shipments until:
 - (i) The shipment is unloaded from the importing conveyance; or
 - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends;whichever is later;
 - (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
 - (e) Property within a conveyance or container caused by theft while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence; or
 - (f) The transporting conveyance.
- (3) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph **F. DEFINITIONS** is replaced by the following:
- "Period of Restoration"** means the period of time that:
- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
 - (b) Ends on the date when the property in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
 - (c) Does not include any increased period required due to the enforcement of any ordinance or law that:

- (i) Regulates the construction, use or repair, or requires the tearing down of any property;
- (ii) 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 rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot – Amended Period of Restoration Additional Coverage; or
- (iii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
 - (a) At the premises of a "dependent property";
 - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage Extension applies; or
 - (c) At any location to which the Newly Acquired Premises Coverage Extension applies.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

Utility Services – Time Element

- (1) When the Declarations shows that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

- (a) "Water Supply Property";
- (b) "Wastewater Removal Property";
- (c) "Communication Supply Property";
or
- (d) "Power Supply Property";

if such property is:

- (i) Located away from the described premises; or
- (ii) Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.

With respect to any "wastewater removal property", this Coverage Extension does not apply to an interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the utility services property to which this Coverage Extension applies. This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.
- (3) The most we will pay under this Coverage Extension is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

C. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Power Pac Premier endorsement:

"Banking Premises" means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.

"Bonus Payment" means that portion of any cash bonus you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean rent, securities or cash bonuses refunded to you, even if you prepaid the rent or security.

"Client or Virtual Office Premises" means the interior of that portion of any building occupied by an employee, including:

- (1) An employee's residence; or
- (2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us for coverage under this Coverage Form.

"Communication Supply Property" means property supplying communication services, including telephone, radio, microwave or television services, to the described premises such as:

- (1) Communication transmission lines, including optic fiber transmission lines;
- (2) Coaxial cables; and
- (3) Microwave radio relays except satellites.

Transmission lines includes all lines that serve to transmit communication service, including lines that may be identified as distribution lines.

"Fraudulent Instruction" means:

- (1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- (2) A written instruction (other than those described in the Forgery or Alteration coverage as provided in the Crime Additional Coverages endorsement) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction

initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

"Messenger" means you, or a relative of yours, or any of your partners or "members", or any employee while having care and custody of property outside the premises.

"Money" means:

- a. Currency, coins and bank notes in current use; and
- b. Travelers' checks, register checks and money orders held for sale to the public.

"Power Supply Property", meaning the following types of property supplying electricity, steam or gas to the described premises:

- (1) Utility generating plants;
- (2) Switching stations;
- (3) Substations;
- (4) Transformers; and
- (5) Transmission Lines.

Transmission lines includes all lines that serve to transmit power, including lines that may be identified as distribution lines.

"Prepaid Rent" means that portion of any prepaid rent you paid based on the percentage of your lease remaining at the time of direct physical loss or damage. It does not mean the customary rent due at the beginning of any rental period.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "money" or lottery tickets held for sale.

"Sublease Profit" means the net profit you earn through subleasing the building or portion of the building that you rent for the unexpired term of the cancelled lease or sublease, whichever would expire first. The amount is discounted based on the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the cancelled lease or sublease.

"Tenants' Lease Interest" means:

- (a) The difference between the appraised rental value of the leased premises at the time of direct physical loss or damage for the unexpired term of the lease and the actual rent due for the same period, discounted by the prime rate of interest at the time of direct physical loss or damage, for the unexpired term of the cancelled lease; or
- (b) The difference between the rent due for the unexpired term of the cancelled lease and the rent due under the new lease for that same time period, not to exceed the difference between the actual rent due for the unexpired term of the cancelled lease and the appraised rental value of the leased premises for that same period. This difference is discounted by the prime rate of interest at the time of direct physical loss or damage for the unexpired term of the cancelled lease.

"Transfer Account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- (2) By means of written instructions (other than those described in the Forgery or Alteration coverage as provided in the Crime Additional Coverages endorsement) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

"Wastewater Removal Property" means a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility and includes any such facilities.

"Water Supply Property" means the following types of property supplying water to the described premises:

- (1) Pumping Stations; and
- (2) Water mains.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS – EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:
TRAVELERS PROPERTY COVERAGE PART

A. ADDITIONAL COVERED CAUSE OF LOSS – EQUIPMENT BREAKDOWN

Covered Causes of Loss and "specified causes of loss" are extended to include Equipment Breakdown, meaning a Breakdown to Covered Equipment as defined and limited in this endorsement.

1. Breakdown

- a. Breakdown means:
- (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure, including arcing; that causes physical damage to Covered Equipment and necessitates its repair or replacement.
- b. Breakdown does not mean or include:
- (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts;
 - (5) The functioning of any safety or protective device; or
 - (6) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
- c. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be considered one Equipment

Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the direct result of the same cause will also be considered one Equipment Breakdown.

2. Covered Equipment

- a. Covered Equipment means equipment of a type listed in paragraph 2.b. below that is:
- (1) At any of the following locations:
 - (a) At or within 1,000 feet of the described premises; or
 - (b) At any of the following locations, but only to the extent that coverage for direct physical loss or damage to Covered Property at such locations or for Business Income and/or Extra Expense resulting from direct physical loss or damage to property at such locations is otherwise specifically insured and limited under this Coverage Part:
 - (i) Newly acquired or constructed property locations, or within 1,000 feet of such locations;
 - (ii) Undescribed premises, meaning premises you do not own, lease or regularly operate at which Covered Property is temporarily located; or
 - (iii) "Dependent property" locations;
- and
- (2) (a) Owned or leased by you or operated under your control; or
 - (b) Owned or leased by, or operated under the control of others who

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own, lease or operate the undescribed premises (as defined in (1) (b) (ii) above) or "dependent property" locations where the insurance provided under this Coverage Part applies;

and

- (3) Not otherwise excluded under paragraph 2.c. below.
- b. Covered Equipment includes the following types of equipment:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
 - (3) Fiber optic cable.
- c. Covered Equipment does not mean or include any:
 - (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
 - (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 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 equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;

(10) 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;

(11) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);

(12) Computer equipment or electronic data processing equipment unless used to control or operate production-type machinery or other equipment that is Covered Equipment;

(13) Equipment or any part of such equipment manufactured by you for sale; or

(14) Equipment while in the due course of transit.

B. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

1. Spoilage

- a. Under the Travelers Property Coverage Form, the insurance that applies to Business Personal Property is extended to apply to direct physical loss or damage to such Covered Property that is:

(1) Maintained under controlled conditions for its preservation; and

(2) Susceptible to loss or damage if the controlled conditions change;

due to spoilage resulting from lack or excess of power, light, heat, steam or refrigeration that is caused solely by a Breakdown to Covered Equipment.

Insurance under this Coverage Extension includes the reasonable expense you incur to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.

- b. The most we will pay for loss or damage under this Coverage Extension arising out of any one Equipment Breakdown is the Spoilage Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to the lost or damaged Covered Property.
- c. We will not pay for any loss or damage under this Coverage Extension that results from your failure to use due diligence and dispatch and all reasonable means to protect the property from spoilage damage following a Breakdown to Covered Equipment.

2. Utility Services Property

- a. Subject to paragraph 2.b. below, Covered Equipment is extended to include equipment, wherever located within the Coverage Territory, that is:

- (1) Owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides utility services to the described premises; and
- (2) Used to supply water, communication or power services to the described premises.

- b. This Coverage Extension applies:

- (1) Only with respect to; and
- (2) Subject to the Limits of Insurance that apply to;

the insurance, if any, otherwise provided under this Coverage Part for loss or damage caused by an interruption of power or other utility service supplied to the described premises caused by or resulting from a Covered Cause of Loss to the utility services equipment described in paragraph 2.a. above.

- c. We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:

- (a) Fire;
- (b) Lightning;
- (c) Windstorm or hail;
- (d) Explosion (except for steam or centrifugal explosion);
- (e) Smoke;
- (f) Aircraft or vehicles;
- (g) Riot or civil commotion;
- (h) Vandalism;
- (i) Sprinkler Leakage;
- (j) Falling objects;
- (k) Weight of snow, ice or sleet;
- (l) Freezing; or
- (m) Collapse.

3. Expediting Expense

In the event of covered direct physical loss or damage to Covered Property caused by or resulting from a Breakdown to Covered Equipment, we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.

Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.

The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one Equipment Breakdown is the Expediting Expenses Limit of Insurance shown in the Equipment Breakdown Schedule. This limit is included in and does not increase the Limit of Insurance that applies to lost or damaged Covered Property.

C. EQUIPMENT BREAKDOWN EXCLUSIONS

- 1. The following Exclusions contained in Paragraph B. of the Travelers Property Coverage Form do not apply:
 - a. Exclusion B.2.a. Electrical Damage or Disturbance;
 - b. Exclusion B.2.d. (6) mechanical breakdown under the Other Type of Losses Exclusion; and
 - c. Exclusion B.2.e. Explosion.

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All other Exclusions that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Exclusions apply to the insurance provided by this endorsement:

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

- a. Lack or excess of power, light, heat, steam or refrigeration. But this Exclusion does not apply to:
 - (1) Business Income coverage or Extra Expense coverage; or
 - (2) The Spoilage Coverage Extension or Utility Services Property Coverage Extension;
- b. Hydrostatic, pneumatic or gas pressure testing of any boiler, fired vessel or electrical steam generator; or
- c. Insulation breakdown testing of any type of electrical or electronic equipment.

D. EQUIPMENT BREAKDOWN LIMITATIONS

1. Limitations (2) and (3) in Paragraph A.4.a. **Limitations** of the Travelers Property Coverage Form do not apply.

All other Limitations that apply to this Coverage Part apply to loss or damage under this endorsement.

2. The following additional Limitations apply to the insurance provided by this endorsement. Payments made under the following Limitations are included in and do not increase the applicable Limits of Insurance.

a. Ammonia Contamination Limitation

The most we will pay for loss or damage to property caused by ammonia contamination that directly results from a Breakdown to Covered Equipment is the Ammonia Contamination Limit of Insurance shown in the Equipment Breakdown Schedule.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

b. Hazardous Substance Limitation

If as a direct result of a Breakdown to Covered Equipment, property is damaged, contaminated or polluted by a

substance, other than ammonia, that is declared to be hazardous to health by a governmental agency, the Hazardous Substance Limit of Insurance shown in the Equipment Breakdown Schedule is the most we will pay for:

- (1) Any additional expenses you incur to clean up, repair, replace or dispose of any such property that is Covered Property under this Coverage Part; and
- (2) Any increase in loss of Business Income or Extra Expense due to the additional time required to clean up, repair, replace or dispose of the property, provided Business Income or Extra Expense loss resulting from damage to such property is otherwise insured against under this Coverage Part.

Subject to the Hazardous Substance Limit of Insurance, the term "period of restoration", as used in the Business Income and/or Extra Expense insurance provided under this Coverage Part is extended to include this additional period of time.

As used in this limitation, additional expenses and increase in loss mean expenses and loss incurred beyond the expenses and loss for which we would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.

E. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE

1. The insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is included in and does not increase the Covered Property, Business Income, Extra Expense or other coverage Limits of Insurance that otherwise apply under this Coverage Part.
2. The most we will pay under this endorsement for loss or damage caused by or resulting from Equipment Breakdown to the following Specific Equipment:
 - (a) "Diagnostic Equipment";
 - (b) "Power Generating Equipment"; and
 - (c) "Production Equipment".

is the Specific Equipment Limit of Insurance indicated in the Equipment Breakdown Schedule. If there is no Specific Equipment limit indicated in the Equipment Breakdown Schedule, then the Specific Equipment is included in the applicable Limits of Insurance that otherwise apply under this Coverage Part.

3. Payments under the Equipment Breakdown Coverage Extensions will not increase the applicable Limit(s) of Insurance.

F. EQUIPMENT BREAKDOWN DEDUCTIBLE

1. Unless otherwise indicated in the Equipment Breakdown Schedule, the insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is subject to the deductibles that otherwise apply under this Coverage Part.
2. When one or more separate deductibles are shown in the Equipment Breakdown Schedule, each such deductible will be applied separately to the applicable coverage for which the deductible is shown, as follows:

a. Dollar Deductible

If a dollar deductible is shown in the Equipment Breakdown Schedule, we will not pay for loss or damage until the amount of loss or damage to which the deductible applies exceeds the applicable dollar deductible. We will then pay the amount of loss or damage in excess of the dollar deductible, up to the applicable Limit of Insurance.

b. Time Period Deductible

If a time period deductible is shown in the Equipment Breakdown Schedule, we will not pay for any loss to which the deductible applies that occurs during the specified time period immediately following a Breakdown to Covered Equipment.

c. Average Daily Value Deductible

If an average daily value deductible is shown in the Equipment Breakdown Schedule, this deductible will be calculated as follows:

- (1) For all of the described premises where you incur Business Income or Extra Expense loss due to a

Breakdown to Covered Equipment, determine the total amount of Business Income that would have been earned or incurred by you during the "period of restoration" had no Breakdown to Covered Equipment occurred.

- (2) Divide the amount determined in paragraph (1) by the number of days the business would have been open during the "period of restoration". The result is the average daily value.
- (3) Multiply the average daily value in paragraph (2) by the Multiple of Average Daily Value shown in the Equipment Breakdown Schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

d. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Equipment Breakdown Schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

G. EQUIPMENT BREAKDOWN ADDITIONAL CONDITION

The following Additional Condition applies to the insurance provided under this endorsement:

Suspension

If any Covered Equipment is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this endorsement for loss or damage caused by or resulting from a Breakdown to that Covered Equipment. This can be done by delivering or mailing a notice of suspension to:

1. Your last known address; or
2. The address where the Covered Equipment is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be

effective even if we have not yet made or offered a refund.

- H. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Causes Of Loss – Equipment Breakdown endorsement:

"Diagnostic Equipment" means any:

- a. Equipment; or
- b. Apparatus;
used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

"Power Generating Equipment"

- a. Means the following types of equipment or apparatus:
 - (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;

used in or associated with the generation of electric power; and

- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

"Production Equipment"

- a. Means any:
 - (1) Production machinery; or
 - (2) Process machinery;
that processes, shapes, forms or grinds:
 - (1) Raw materials;
 - (2) Materials in process; or
 - (3) Finished products; and
- b. Includes Covered Equipment that is used solely with or forms an integral part of the:
 - (1) Production;
 - (2) Process; or
 - (3) Apparatus.

EQUIPMENT BREAKDOWN SCHEDULE

| Premises Location No. | Building No. | Specific Equipment Limit of Insurance: |
|------------------------------|---------------------|---|
| 001 | ALL | \$100,000 |

Limits of Insurance:

| | | |
|------------------------|---|----|
| Spoilage: | \$25,000 unless a higher amount is shown: | \$ |
| Expediting Expenses: | \$25,000 unless a higher amount is shown: | \$ |
| Ammonia Contamination: | \$25,000 unless a higher amount is shown: | \$ |
| Hazardous Substance: | \$25,000 unless a higher amount is shown: | \$ |

Deductible Exceptions: Travelers Property Coverage Part Deductibles apply to loss or damage under this endorsement, except as follows:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME ADDITIONAL COVERAGES

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM

A. The following Crime Additional Coverages are added to Section **A.5., Additional Coverages**, if a Limit of Insurance is shown for the applicable Additional Coverage in the Crime Additional Coverage Schedule. Under Section **A.2., Property Not Covered, Paragraph a.** does not apply to these Crime Additional Coverages:

Employee Theft

- (1) We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from theft committed by an "employee", to your deprivation, whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.
- (2) Under this coverage, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts, will be considered one occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Employee Theft.

Forgery or Alteration

- (1) We will pay for loss resulting directly from "forgery" or alteration of, on or in any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (a) Made or drawn by or drawn upon you;
 - (b) Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
- (2) Under coverage, occurrence means all loss caused by any person or in which that person is involved, whether the loss involves

one or more instruments, will be considered one occurrence.

- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.
- (4) The most we will pay for loss in any one occurrence under this coverage is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Forgery or Alteration.
- (5) If you are sued for refusing to pay any instrument covered in Paragraph (1) of this coverage, 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 for such legal expenses is in addition to the Limit of Insurance applicable to this coverage. The Deductible applicable to this Additional Coverage does not apply to these legal expenses.

Theft, Disappearance and Destruction of Money and Securities

- (1) We will pay for loss resulting directly from theft, disappearance or destruction of "money" and "securities" that you own or hold for others:
 - (a) At the described premises or the premises of a bank or savings institution; or
 - (b) At any other location, or in transit, in your care and custody, in the care and custody of your partners or "employees", or in the care and custody of an armored motor vehicle company.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within

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120 days after you discover a loss or situation that may result in loss to which this Additional Coverage applies.

- (4) The most we will pay in any one occurrence under this coverage for loss of "money" and "securities":
- (a) At the described premises or the premises of a bank or savings institution is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Inside Premises;
 - (b) At any other location, or in transit, is the Limit of Insurance shown in the Crime Additional Coverage Schedule for Theft, Disappearance and Destruction of Money and Securities – Outside Premises.
- (5) The insurance provided under this Additional Coverage for "money" and "securities" in the care and custody of an armored motor vehicle company applies only to the amount of loss that you cannot recover:
- (a) Under your contract with the armored motor vehicle company; and
 - (b) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

Money Orders and Counterfeit Paper Currency

- (1) We will pay for loss resulting directly from your acceptance in good faith of the following in exchange for merchandise, "money" or services:
- (a) Money orders, including counterfeit money orders, of any post office, express company or bank that are not paid upon presentation; and
 - (b) Counterfeit paper currency that is acquired during the regular course of business.
- (2) Under this coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- (3) This coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss.

- (4) The most we will pay for loss in any one occurrence under this coverage is the applicable Limit of Insurance shown in the Crime Additional Coverage Schedule for Money Orders and Counterfeit Paper Currency.

B. The following exclusions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement. Except as provided in exclusion **1.a.** below, none of the Paragraph **B.**, **Exclusions** or Paragraph **A.4.**, **Limitations** of the Travelers Property Coverage Form apply to the Crime Additional Coverages.

1. We will not pay under any of the Crime Additional Coverages for:
- a. Loss caused by or resulting from any of the following to the extent these causes of loss are otherwise excluded under the exclusions in Paragraph **B.** of the Travelers Property Coverage Form:
 - (1) Certain Computer-related Losses;
 - (2) Governmental Action;
 - (3) Nuclear Hazard; and
 - (4) War and Military Action.
 - b. Loss caused by or resulting from any dishonest or criminal act by you or any of your partners, whether acting alone or in collusion with others.
 - c. Loss caused by or resulting from any dishonest or criminal act by any of your "employees", directors, trustees or authorized representatives:
 - (1) Whether acting alone or in collusion with others; or
 - (2) While performing services for you or otherwise;except as provided under the Employee Theft Crime Additional Coverage.
 - d. Indirect loss including any loss resulting from:
 - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, the property;
 - (2) Payment of damages of any type for which you are legally liable. But we will pay for compensatory damages arising directly from a loss covered under the Crime Additional Coverages; or

- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss under the Crime Additional Coverages.
- e. Legal expenses, except as provided under the Forgery or Alteration Crime Additional Coverage.
2. We will not pay under the Employee Theft Crime Additional Coverage for:
- a. Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
- b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.
- c. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
- d. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. We will not pay under the Theft, Disappearance and Destruction of Money and Securities Crime Additional Coverage for:
- a. Loss caused by or resulting from accounting or mathematical errors or omissions.
- b. Loss caused by or resulting from the giving or surrendering of the property in any exchange or purchase.
- c. Loss of or damage to property after the property has been transferred or surrendered to a person or place outside the described premises or the premises of a banking or savings institution:
- (1) On the basis of unauthorized instructions; or
- (2) As a result of a threat to do bodily harm to any person or damage to any property.
- But this exclusion does not apply to loss of "money" or "securities" outside of the described premises or the premises of a banking or savings institution in your care and custody or the care and custody of your partners or "employees" if:
- (3) You had no knowledge of any threat at the time the conveyance began; or
- (4) You had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- d. Loss caused by you or anyone acting on your express or implied authority voluntarily parting with possession of or title to the property.
- e. Loss of "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- C. Section **D. DEDUCTIBLES** is amended by the addition of the following, but only with respect to the Crime Additional Coverages endorsement:
- We will not pay for loss in any one occurrence under the Crime Additional Coverages until the amount of loss exceeds the applicable Deductible shown in the Crime Additional Coverage Schedule. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.
- D. In addition to the conditions that apply to the Travelers Property Coverage Form:
1. The following conditions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement:
- a. **Cancellation as to any Employee**
- The insurance provided under the Crime Additional Coverages is cancelled as to any "employee":
- (1) Immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";

of theft or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed or delivered to the first Named Insured. That date will be at least 30 days after the date of mailing or delivery. We will mail or deliver our notice to the first Named Insured at the last mailing known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Amended Duties in the Event of Loss or Damage Condition

Under the Duties in the Event of Loss or Damage Condition in Section **E.3.** of the Travelers Property Coverage Form, the duty to notify the police if a law has been broken does not apply to the Employee Theft or the Forgery or Alteration Crime Additional Coverages.

c. Extended Period to Discover Loss

We will pay for loss that you sustain prior to the date this insurance terminates or is cancelled which is discovered by you no later than one year from the date of that termination or cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

d. Amended Legal Action Against Us Condition

The Legal Action Against Us Additional Condition in Section **F.4.** of the Travelers Property Coverage Form is amended as follows:

The time period during which a legal action involving loss under the Crime Additional Coverages may be brought against us will not begin until the date on which the loss is discovered. In addition, no one may bring a legal action against us involving loss under the Crime Additional Coverages until 90 days after you have filed proof of loss with us.

e. Loss Sustained During Prior Insurance

- (1) If you, or any predecessor in interest, sustained loss during the period of any prior crime coverage 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 the applicable Crime Additional Coverage provided in Section **A.** of this endorsement, provided:

- (a) The Crime Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and

- (b) The loss would have been covered under the Crime Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.

- (2) The insurance under this condition is included in and does not increase the Limits of Insurance applying to the Crime Additional Coverages and is limited to the lesser of the amount recoverable under:

- (a) The applicable Crime Additional Coverage as of its effective date; or

- (b) The prior crime coverage insurance had it remained in effect.

f. Amended Policy Period, Coverage Territory Condition

The following is added to the Policy Period, Coverage Territory Additional Condition in Section **F.8.** of the Travelers Property Coverage Form:

Subject to the above Loss Sustained During Prior Insurance Condition, we will pay for loss under the Crime Additional Coverages that you sustain through acts committed or events occurring:

- (1) During the policy period and discovered by you:

- (a) During the policy period; or

- (b) During the period of time provided in the Extended Period

To Discover Loss Condition above;

and

(2) Within the Coverage Territory. However:

(a) Under the Employee Theft Crime Additional Coverage, we will pay for loss caused by any "employee" while temporarily outside of the Coverage Territory for a period of not more than 90 days.

(b) Under the Forgery or Alteration Crime Additional Coverage, the Coverage Territory is extended to include anywhere in the world.

g. Loss Covered Under a Crime Additional Coverage and Prior Crime Insurance Issued by the Company or any Affiliate

If any loss is covered:

(1) Partly by a Crime Additional Coverage provided in Section A. of this endorsement; and

(2) Partly by any prior cancelled or terminated crime 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 the Crime Additional Coverage or the prior insurance.

h. Non-Cumulation of Limit of Insurance

Regardless of the number of years the Crime Additional Coverages remain in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

i. Amended Other Insurance Condition

With respect only to the Crime Additional Coverages, the Other Insurance Additional Condition in Section F.7. of the Travelers Property Coverage Form is replaced by the following:

The Crime Additional Coverages do 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 provided under the applicable

Crime Additional Coverage 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 Limit of Insurance that applies to that Crime Additional Coverage.

j. Amended Transfer of Rights of Recovery Against Others To Us Condition

The Transfer of Rights of Recovery Against Others to Us Additional Condition in Section F.9. of the Travelers Property Coverage Form applies to the Crime Additional Coverages except you may not, at any time, waive your rights to recover damages from another party for any loss you sustained and for which we have paid or settled under the Crime Additional Coverages.

k. Amended Valuation Condition

The following is added to the Loss Payment – Building and Personal Property Condition in Section E.4. of the Travelers Property Coverage Form

In the event of loss, we will determine the value of:

(1) "Money" at 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) "Securities" at 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 of 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 as would be charged for a 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.

I. Sole Benefit

The insurance provided under the Crime Additional Coverages is for your sole benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

- 2. The following additional conditions apply to the Forgery or Alteration Crime Additional Coverage:

a. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

b. 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. The following additional conditions apply to Employee Theft Additional Coverage if such options are indicated by an "X" in the Crime Additional Coverage Schedule:

a. Non-compensated Officers

The definition of "employee" under Paragraph E. of this endorsement includes your non-compensated officers.

b. Property Manager

The definition of "employee" under paragraph E. of this endorsement includes:

- (1) Each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity of Property Manager for Covered Property, but only while acting on your behalf or while in possession of

Covered Property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this insurance may have been amended by endorsement to provide such coverage on other "employees" as defined in Paragraph E. of this endorsement. The only Covered Cause of Loss for any agent is Employee Theft.

- (2) Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one "employee" for the purposes of this insurance. However, the Cancellation As To Any Employee Condition under Paragraph D.1.a of this endorsement applies individually to each of them.

- (3) The most we will pay under this insurance for loss in any one occurrence caused by an agent included as an "employee" is the Limit of Insurance applicable to Employee Theft.

- (4) Payments under this insurance are included in and do not increase the applicable Limits of Insurance for Employee Theft

c. Volunteer Workers

The definition of "employee" under Paragraph E. of this endorsement is changed to include any non-compensated natural person:

- (1) Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
- (2) While acting as a fund solicitor during fund raising campaigns.

- E. The following definitions are added to the **DEFINITIONS** Section, but only with respect to the Crime Additional Coverages provided under this endorsement:

"Employee"

- a. "Employee" means:

- (1) Any natural person:
 - (a) While in your service and for 30 days after termination of service; and

- (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
- (2) Any natural person who is furnished temporarily to you:
- (a) To substitute for a permanent "employee" as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
- 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 described premises.
- (3) Any natural person who is leased to you under a written agreement, between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph (2) above;
- (4) Any natural person who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan insured under this insurance; or
 - (b) Your director or trustee while that person is handling funds or other property of any "employee benefit plan" insured under this insurance.

- (5) Any natural person who is a former "employee", director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
 - (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the premises.
- b. But "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

"Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

"Money " means:

- a. Currency, coins and bank notes in current use; and
- b. Traveler's checks, register checks and money orders held for sale to the public.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "Money" or lottery tickets held for sale.

CRIME ADDITIONAL COVERAGES SCHEDULE

| Crime Additional Coverage | Limit of Insurance |
|---|---------------------------|
| Employee Theft: | \$25,000 |
| Non-compensated Officers Included | |
| Property Managers Included | |
| Volunteer Workers Included | |
| Forgery or Alteration: | \$25,000 |
| Theft, Disappearance and Destruction of Money and Securities: | |
| • Inside Premises: | \$25,000 |
| • Outside Premises: | \$25,000 |
| Money Orders and Counterfeit Paper Currency: | \$25,000 |
| Deductible: \$25,000 | |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

TRAVELERS PROPERTY COVERAGE FORM
TRAVELERS BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
TRAVELERS EXTRA EXPENSE COVERAGE FORM

The following is added to Paragraph **A.6. Coverage Extensions** of the TRAVELERS PROPERTY COVERAGE FORM:

Sewer or Drain Back Up

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer or drain inside the building.
- (2) When the Declarations show that the Travelers Business Income (And Extra Expense) Coverage Form or Travelers Extra Expense Coverage Form is part of your policy, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer or drain inside the building.
- (3) With respect only to water or sewage that backs up or overflows from a sewer or drain inside the building, Exclusion **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension at each described premises in any one occurrence is the applicable Limit of Insurance shown in the Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, except for any other Coverage Extension covering water or sewage back up or sump overflow or sump pump failure, do not increase this limit.

Sump Overflow

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from sump overflow inside the building.
- (2) When the Declarations show that the Travelers Business Income (And Extra Expense) Coverage Form or Travelers Extra Expense Coverage Form is part of your policy, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from sump overflow inside of the building.
- (3) With respect only to sump overflow inside of a building, Exclusion **B.1.h.(3)** does not apply to this Coverage Extension.
- (4) If *Included* is shown for Sump Overflow in the below Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage for the described premises, the most we will pay under this Coverage Extension in any one occurrence is \$100,000 at such described premises. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, except for any other Coverage Extension covering water or sewage back up or sump overflow or sump pump failure, do not increase this limit. Payments under this Coverage Extension are included in and do not increase the applicable Sewer or Drain Limit of Insurance shown in the Schedule Of Sewer or Drain Back Up and Optional Sump Overflow Coverage. If *Not Covered* is shown in such Schedule for the described premises, there is no coverage for Sump Overflow at that described premises.

SCHEDULE OF SEWER OR DRAIN BACK UP AND OPTIONAL SUMP OVERFLOW COVERAGE

| Prem. Loc. No. | Bldg No. | Sewer or Drain Back Up Limit of Insurance | Sump Overflow |
|-------------------------------|-----------------|--|----------------------|
| 001 | ALL | \$ 50,000 | Included |

GENERAL LIABILITY



GENERAL LIABILITY



**COMMERCIAL GENERAL LIABILITY
COVERAGE PART DECLARATIONS**

POLICY NO.: BIP-4T599332-23-42
ISSUE DATE: 05/05/2023

INSURING COMPANY:
FIDELITY AND GUARANTY INSURANCE COMPANY

DECLARATIONS PERIOD: From 06/16/2023 to 06/16/2024 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial General Liability Coverage Part consists of these Declarations and the Coverage Form shown below.

1. COVERAGE AND LIMITS OF INSURANCE:

| COMMERCIAL GENERAL LIABILITY COVERAGE FORM | LIMITS OF INSURANCE |
|---|----------------------------|
| General Aggregate Limit (Other than Products-Completed Operations) | \$ 4,000,000 |
| Products-Completed Operations Aggregate Limit | \$ 4,000,000 |
| Personal & Advertising Injury Limit | \$ 2,000,000 |
| Each Occurrence Limit | \$ 2,000,000 |
| Damage To Premises Rented To You Limit (any one premises) | \$ 300,000 |
| Medical Expense Limit (any one person) | \$ 5,000 |

2. AUDIT PERIOD: ANNUALLY

3. FORM OF BUSINESS: CORPORATION

4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

**COMMERCIAL GENERAL LIABILITY COVERAGE
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

DECLARATIONS PREMIUM SCHEDULE
Issue Date: 05/05/2023

Policy Number: BIP-4T599332-23-42

This Schedule applies to the Declarations for the period of 06/16/2023 to 06/16/2024.

It shows all of your known rating classes as of the effective date. Any exceptions will be so noted. This includes all locations you own, rent or occupy.

| STATE ZIP | CLASS DESCRIPTION/CODE NUMBER | PREMIUM BASE/ EXPOSURE | RATES | ADVANCE PREMIUM |
|-----------|---|------------------------------|---------|--------------------|
| MN 55449 | Residential Condos Premises/Operations | \$47,475 | 10.2159 | 485 |
| | Product/Completed Operations | \$47,475 | 0.0421 | 2 |

Rate Computation: The rate shown may change any time there is a change in exposure or risk characteristic during the policy period or at audit.

Premium Base Legend:

Premium Base
a = area
c = cost
e = employees
m = admissions
p = payroll
r = receipts

How Rates Apply
per 1000 sq. feet
per \$1000 of total cost
per employee
per 1000 of admissions
per \$1000 of payroll
per \$1000 of receipts

Premium Base
s = gross sales
u = units
t =

How Rates Apply
per \$1000 of gross sales
per unit
This premium base is reserved for unusual applications. Base and how rates apply are shown above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INTELLECTUAL PROPERTY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following replaces Exclusion **i.**, **Intellectual Property**, in Paragraph **2.** of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or suit that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;

(6) Trade secret; or

(7) Other intellectual property rights or laws.

This exclusion applies regardless of whether the allegation of infringement or violation of any of these rights or laws is made by any person or organization making the claim or bringing the suit, by any insured or by any other party to the claim or suit.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NONOWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

| COVERAGE | ADDITIONAL PREMIUM |
|-------------------------|--------------------|
| Hired Auto Liability | \$ INCLUDED |
| Nonowned Auto Liability | \$ INCLUDED |

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS

A. COVERAGE

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions **a., b., d., e., f.** and **i.** and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:
 - a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
 - b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph f.:

Paragraph f. does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA CHANGES – CONTRACTUAL LIABILITY EXCLUSION AND SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The second sentence of Paragraph (2) of Exclusion **b.**, **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is deleted.
2. The second sentence of Paragraph (2) of Exclusion **e.**, **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is deleted.
3. The following replaces Paragraph 1.f. of **SECTION I – COVERAGES – SUPPLEMENTARY PAYMENTS**:
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay.
4. The following replaces the second paragraph of Paragraph 2. of **SECTION I – COVERAGES – SUPPLEMENTARY PAYMENTS** :

So long as the above conditions are met, attorneys' fees incurred by us in the defense of your indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by your indemnitee at our request will be paid as Supplementary Payments.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED – MINNESOTA

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces the first sentence of Paragraph (2) of Exclusion **b.**, **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

2. The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of **SECTION I – COVERAGES – SUPPLEMENTARY PAYMENTS**:

2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which you have assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by you;
- c. The obligation to defend, or the cost of the defense of, that indemnitee has also

been assumed by you in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee;

- e. You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and

3. The following replaces the last sentence of Paragraph 2. of **SECTION I – COVERAGES – SUPPLEMENTARY PAYMENTS**:

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

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

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
TRAVELERS PROPERTY COVERAGE PART

The following definition is added to any Definitions Section and applies to any provision that uses the term actual cash value:

Actual cash value means the value of the covered property at the time of loss or damage.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration;
- c. Reduction in useful life; and
- d. Obsolescence.

This definition does not apply to covered property in the following states:

AR CA CT LA ME MT NY PR WA WV VT

POLICYHOLDER NOTICES



POLICYHOLDER NOTICES

IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

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