

ACORD CERTIFICATE OF LIABILITY INSURANCE

CSR MS
RADEY-2

DATE (MM/DD/YYYY)
03/23/07

PRODUCER Rogers, Gunter, Vaughn Insurance, Inc. 1117 Thomasville Rd. Tallahassee FL 32303 Phone: 850-386-1111 Fax: 850-385-9827	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Radey Thomas Yon & Clark, PA Attn: Bert Combs 301 South Bronough St. Ste 200 Tallahassee FL 32301	INSURER A: Safeco Insurance Company	1635
	INSURER B: Westport Insurance Corp	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	02BP56788810	03/04/07	03/04/08	EACH OCCURRENCE	\$ 1000000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1000000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10000
						PERSONAL & ADV INJURY	\$ 1000000
						GENERAL AGGREGATE	\$ 2000000
						PRODUCTS - COMP/OP AGG	\$ 1000000
						GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	
A		AUTOMOBILE LIABILITY	02BP56788810	03/04/07	03/04/08	COMBINED SINGLE LIMIT (Ea accident)	\$ 1000000
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input checked="" type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
A		EXCESS/UMBRELLA LIABILITY	01CT10436710	03/04/07	03/04/08	EACH OCCURRENCE	\$ 1000000
		<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 1000000
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input checked="" type="checkbox"/> RETENTION \$ 0					\$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	01WC13814210	03/04/07	03/04/08	WC STATU-TORY LIMITS	OFF-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$ 500000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 500000
						E.L. DISEASE - POLICY LIMIT	\$ 500000
B		OTHER	WLW308004111501	05/02/06	05/02/07	Ech Claim	500000
		Professional Liability				Aggregate	500000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate Holder is listed as additional insured for general liability and under umbrella policy as defined in the definition of an insured in the policy

CERTIFICATE HOLDER

STATBIS

State of North Dakota
Public Service Commission
State Capitol 12th Floor
Bismark ND 58505-0480

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Manuela B Stokes

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

ACORD CERTIFICATE OF LIABILITY INSURANCE

CSR MS
RADEY-2

DATE (MM/DD/YYYY)
03/09/07

PRODUCER
Rogers, Gunter, Vaughn
Insurance, Inc.
1117 Thomasville Rd.
Tallahassee FL 32303
Phone: 850-386-1111 Fax: 850-385-9827

INSURED
Radey Thomas Yon & Clark, PA
Attn: Bert Combs
301 South Bronough St. Ste 200
Tallahassee FL 32301

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INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Safeco Insurance Company	1635
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10000
						PERSONAL & ADV INJURY	\$ 1000000
						GENERAL AGGREGATE	\$ 2000000
		GENL AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	\$ 1000000
		<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
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		<input type="checkbox"/> HIRED AUTOS					
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		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
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		E.L. EACH ACCIDENT				\$ 500000	
		E.L. DISEASE - EA EMPLOYEE				\$ 500000	
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - POLICY LIMIT	\$ 500000
		OTHER				PROPERTY	278000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate Holder is listed as additional insured for general liability and under umbrella policy as defined in the definition of an insured in the policy

CERTIFICATE HOLDER	CANCELLATION
<p>STATBIS</p> <p>State of North Dakota Public Service Commission State Capitol 12th Floor Bismark ND 58505-0480</p>	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.</p> <p>AUTHORIZED REPRESENTATIVE <i>Manuela B Stokes</i></p>

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ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

www.safeco.com

RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301



Thank you for placing your business with Safeco.

6-2413 (2-91) SOUTHEAST

SA (-027) CB INSURED COPY

PREPARED 03-02-07

Safeco Insurance

ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

03-02-07

Policy Number: 02-BP-567888-10
24-Hour Claims: 877-538-1920
Policy Service: (877) 538-1920

RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301

Welcome to Safeco!

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new Commercial Insurance policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles that apply, and the effective date of your policy. If, after reading your policy, you have any questions, please call (877) 538-1920.

The premium for your policy is \$1,579.39. Your billing statement will be mailed to you separately. Avoid any unnecessary installment fees by paying your bill in full or by choosing Electronic Funds Transfer (EFT) which offers the convenience of monthly deductions. Please use the form on the back of your billing statement to enroll.

For more information about Safeco products and services available to you, visit our website at www.Safeco.com. From here you may view billing information, including your payment history, next payment due date, and available billing plan options. Additionally, you can access our Risk Services site to obtain Risk Control materials and Premium Audit support including safety programs, calculators, inspection checklists, premium audit help and more. These programs and materials can be easily integrated into your business to help you achieve your risk management goals and control the cost of insurance.

For all other assistance please call (877) 538-1920.

Thank you for your business. We look forward to serving you.

Sincerely,

Mike LaRocco
President
Products, Claims & Underwriting



**BUSINESSOWNERS
BP 70 76 01 05**

ULTRA-PLUS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

All other terms and conditions applicable to SECTION I PROPERTY and SECTION II LIABILITY apply, except as provided by this endorsement.

SECTION I – PROPERTY is changed as follows:

Description	Section	The most we will pay is
Covered Property is extended to include electronic communications equipment, including radio and television antennas, satellite dishes and their lead-in wiring, masts or towers.	A.1.a.	
Covered Property is extended: Property of Others that is in your care, custody or control is extended to include the cost of labor, materials or services furnished or arranged by you on personal property of others. This is without regard to your legal liability.	A.1.b.(2)	
Proximity Limitation is broadened: The 100 feet limitation is increased to 1,000 feet.	A.1.a.(6)(b), A.1.b., A.5.f.(1), A.5.g.(1), A.6.	
Property Not Covered is amended to read: Outdoor fences, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the: (1) Outdoor Property Coverage Extension; or (2) Outdoor Signs Optional Coverage;	A.2.e.	
Additional Coverages		
Debris Removal is broadened:	A.5.a.(4)	\$25,000 for each location in any one occurrence.
Fire Department Service Charge is broadened.	A.5.c.	Actual Loss Sustained
Business Income is broadened: The 60-day limitation applicable to ordinary payroll is deleted. Also, APPLICABLE TO DENTIST OFFICES, the following paragraph is added: We will also pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration", resulting from loss by a Covered Cause of Loss to water pipes, electric power transmission lines or telephone lines not located at the described premises.	A.5.f.(1)	

Forgery and Alteration is broadened:	A.5.k.	\$25,000
Coverage Extensions		
Newly Acquired or Constructed Property is broadened:		
Buildings	A.6.a.(1)	\$1,000,000
Business Personal Property	A.6.a.(2)	\$500,000
Period of Coverage is broadened: Coverage will end: "30 days" is replaced with "180 days".	A.6.a.(3)(b)	
Personal Property Off Premises is amended: You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property (including Salesperson's samples) other than "money" and "securities" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate (other than the private residence of the owner).	A.6.b.	\$25,000
Outdoor Property is amended: Lawns are added as covered outdoor property. Radio and television antennas (including satellite dishes) are removed. The referenced causes of loss are replaced with "specified causes of loss".	A.6.c.	\$10,000, but not more than \$1,000 for any one tree, shrub or plant.
Personal Effects is broadened:	A.6.d.(2)	\$10,000
Exclusions		
Water is amended: Water that backs up or overflows from a sewer, drain or sump is deleted. The most we will pay as a result of water that backs up or overflows from a sewer, drain or sump is:	B.1.g.(3)	\$5,000 at each described premises, or the amount shown for this cause of loss in the Declarations, whichever is greater.
Building Limit — Automatic Increase is amended:	C.4.	
a. We will adjust the Limit of Insurance for Buildings on each anniversary and/or the renewal of the policy. The amount of the adjustment will be the percent of increase or decrease as that which has occurred during the preceding policy year in the cost-of-construction factor, as reported in the publication of a recognized independent appraisal company.		
b. When a loss exceeds the Limit of Insurance applying under this policy, the amount we will pay will be increased to the lesser of: (1) Full replacement value at the time of loss; or (2) 105% of the Limit of Insurance.		
c. You agree to report to us any additions, improvements or enlargements of Covered Property which have been made since the effective date of this policy. If any of these changes are not reported to us upon completion, and the enlargements are equal to more than 5% of the Limit of Insurance, any loss occurring after that time shall be adjusted in accordance with the provisions of the policy without consideration of paragraph C.4.b. above.		
Business Personal Property Limit — Seasonal Increase is broadened: The Limit of Insurance for Business Personal Property will automatically increase by 33% to provide for seasonal variations.	C.5.a.	

Deductibles is amended to read: Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is \$250:

- a. Money and Securities
- b. Outdoor Signs

But this \$250 Glass and Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the deductible in the Declarations.

No deductible applies to the following Additional Coverages:

- a. Arson Reward
- b. Extra Expense
- c. Employee Dishonesty
- d. Fire Department Service Charge
- e. Fire Extinguisher Recharge Expense
- f. Civil Authority
- g. Money Orders and Counterfeit Paper Currency

Loss Payment is amended to read:

- (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) We will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (i) The Limit of Insurance under Section I Property that applies to the lost or damaged property;
 - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
 - (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.
 - (b) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
 - (c) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and

D.2.

D.3.

E.6.d.(1)

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraph d.(1)(a) above whether or not the actual repair or replacement is complete.

(d) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

Employee Dishonesty is broadened: The Employee Dishonesty discovery period is extended from one year to two years from the end of the Policy Period.

G.3.g.

2. The following items are deleted:

Valuable Papers and Records

For valuable papers and records not at the described premises, the most we will pay is \$5,000.

A.6.e.(3)

PROPERTY LOSS CONDITIONS — Loss Payment
Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others.

E.6.d.(3)(b)

3. The following items are added:

Brands and Labels —

A.5.o.

\$25,000 for these costs, subject to the Business Personal Property Limit of Insurance shown in the Declarations.

A. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

1. Stamp salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
2. Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

B. We will pay reasonable costs you incur to perform the activity described in A.1. or A.2. above.

Consequential Damage to Pairs or Sets —
If pairs or sets of "stock" are damaged by a Covered Cause of Loss, we will pay any reduction in value of the undamaged parts of such damaged pairs or sets.

A.5.p.

the Limit of Insurance shown in the Declarations.

Arson Reward — We will pay an arson reward for information which leads to an arson conviction for loss or damage covered by this policy. This limit

A.6.g.

\$5,000

applies per occurrence regardless of the number of persons providing this information.

Theft Damage to Buildings (Coverage is broadened for Tenants) — Damage by burglars, meaning direct loss or damage to the described property by burglars. Damage by burglars does not include loss resulting from theft of the property. A.6.h. \$25,000

Leased Trees and Plants — You may extend the insurance provided by this policy to apply to trees and plants which are leased by you for your business purposes. The most we will pay for loss or damage under this Extension is: A.6.i. Actual Loss Sustained

Business Personal Property Limit — Automatic Increase C.6.
We will adjust the Limit of Insurance for Business Personal Property on each anniversary and/or renewal of the policy. The amount of the adjustment will be based on inflation and the economic factors for the preceding year.

SECTION II — LIABILITY is changed as follows:

The following items are amended:

Coverage Extension — Supplementary Payments A.1.f.(1)(d)
All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

2. **Applicable to Medical Expenses Coverage**
We will not pay expenses for "bodily injury"; B.2.a.
a. To any insured, except volunteer workers who are not paid a fee, salary or other compensation;

3. The following are added:

Exclusions

(6) An aircraft you do not own, provided it is not operated by any insured. B.1.g.(6)

C. **WHO IS AN INSURED** — Each of the following is also an insured: C.2.e.

e. Any person(s) who are volunteer worker(s) for you, but only while acting at the direction of, and within the scope of their duties for you. However, no volunteer(s) is an insured for:

- (1) "Bodily injury" or "personal and advertising injury" to you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-volunteer or your "employees" while that volunteer is in the course of performing his or her duties related to the conduct of your business;
- (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your co-volunteers or your

“employees”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

C. **WHO IS AN INSURED** — Coverage is added C.4.
for Newly Acquired Organizations:

4. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. **A. Coverages 1. Business Liability** does not apply to:
 - (1) “Bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
 - (2) “Personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.

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

All other provisions of this policy apply.



C 41 13 03 06

Policyholder Disclosure Notice of Terrorism Insurance Coverage

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from a certified act of terrorism. The policy's other provisions will still apply to such an act.

~~DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES.~~

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% (85% for 2007) of that portion of the amount of such insured losses that exceed the applicable insurer retention.

The premium charge, if any, for certified acts of terrorism under the program is presented on the declarations page of your policy. The premium is included in your billing.



C 43 54 08 06

NOTICE TO POLICYHOLDERS — POTENTIAL REDUCTION IN COVERAGE

**WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE
AND/OR
WINDSTORM OR HAIL EXCLUSION**

Your policy includes one or both of the following endorsements, and may represent a change from the expiring policy:

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES, BP 03 12 — if attached to your policy, Windstorm or Hail losses are subject to a percentage deductible for one or more locations. The deductible percentage(s) apply separately to each building, personal property in each building, and personal property in the open, if such property is covered on your policy. Examples of how the percentage deductibles apply are included in the deductible endorsement. Please review this endorsement and your policy declarations carefully to determine which location(s) are subject to the percentage wind/hail deductible and the applicable percentage(s).

WINDSTORM OR HAIL EXCLUSION, BP 81 64 — if attached to your policy, Windstorm or Hail are not covered causes of loss at one or more locations. Please review this endorsement and your policy declarations to determine which location(s), if any, are subject to this wind/hail exclusion.

No coverage is provided by this policyholder notice, nor can it be construed to replace any provisions of your policy. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

If you have any questions, your independent agent will be happy to assist you.



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

Safeco Plaza
Seattle, WA 98185-0001

Phone: (206) 545-5000

SAFECO BUSINESS INSURANCE

Florida Commercial Property and Casualty Risk Management Programs

Florida statutes reflect the legislature's concern about the availability of risk management services to purchasers of commercial property and casualty insurance.

We want to inform you about the risk management services we offer to our commercial property and casualty insureds. Although the responsibility for implementing risk management plans rests with you, the policyholder, we are able to assist you in this endeavor.

We provide our services based on the nature of your business, your business's size, hazards, or previous loss experience. We will also provide services to you when you request them. There is no charge for these services. The services we offer as part of our risk management program are described below.

1. Survey of Premises — We can conduct a survey of your premises to identify hazards, and existing physical and management controls of those hazards, at your business. When uncontrolled hazards are noted, we will provide you with written recommendations for improvement. We can conduct surveys in a number of areas including:
 - a. Fire prevention and protection
 - b. Product liability loss control
 - c. Surveys for liability hazards resulting from the operations of your business or your premises
 - d. Automobile liability surveys for liability and physical damage
 - e. Technical surveys on a variety of specific hazards
2. Risk Management Guidelines — we can provide you with criteria for evaluating risk in your own business operations, selecting control measures, and developing your own risk management plan.
3. Risk Management Plans — we can work with you directly to develop a risk management plan, based on results of an on-site survey of your operations, to control hazards identified in your business. We can assist you in developing a specific program to help monitor your risk management plan's effectiveness in controlling hazards specific to your business.
4. Training — we offer organized supervisory training programs for accident prevention and control, as well as fleet safety management, and fire prevention. We also offer a variety of driver improvement programs to customers who have passenger, van, or truck fleets.
5. Management consultation on a wide variety of technical subjects.
6. Management Support Materials — these materials include educational and promotional pamphlets on a variety of specific hazards with suggestions for hazard control. Also available are accident investigation forms, plant inspection checklists, safety meeting documentation forms, and a wide variety of warning signs and posters.

Our staff of technically trained risk control representatives is ready to assist you. Contact your insurance agent or the office listed below if you need assistance or have questions. You may also complete the response section of this form and mail to the address below.

William J. Miele, CSP
Vice President, Safeco Risk Services

Safeco Insurance Companies
Southeast Region Office
PO Box 100027
Duluth, GA 30096-9427
Phone: (678) 417-3061
Attn: Art Roberson, CSP
Director, Safeco Risk Services

Yes, I would like to request risk control services.

Policy Number: 02-BP-567888-10

Company Name: RADEY THOMAS YON & CLARK

Street Address: _____

City, State, ZIP: _____

Contact Name: _____

Phone Number: _____

Services Requested/Comments:

Signed

Your Independent Safeco Agent:

ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

(877) 538-1920

RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301

**Your
ULTRA SELECT POLICY**



AMERICAN ECONOMY INSURANCE COMPANY

A Stock Company
4333 Brooklyn Avenue NE
Seattle, WA 98185
www.safeco.com

NAMED INSURED AND MAILING ADDRESS
RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301

DECLARATIONS

POLICY NUMBER 02-BP-567888-1
RENEWAL OF NEW 03-07

POLICY PERIOD FROM 03-04-07 TO 03-04-08 12:01 AM
STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

AGENT NAME AND ADDRESS
ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

FORM OF BUSINESS: CORPORATION

09-82578 (877) 538-1920

THE TOTAL PREMIUM DUE FOR THE POLICY TERM IS \$1,579.39.
YOU WILL BE BILLED THROUGH YOUR CUSTOMER ACCOUNT #704-4093-966-01.
YOU NEED NOT PAY ANY PREMIUM AT THIS TIME. WE WILL SEND A BILLING STATEMENT IN A SEPARATE MAILING.

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

PREMISES 001
MORTGAGE HOLDER
AM SOUTH BANK
PO BOX 830722
BIRMINGHAM, AL 35283

PREMISES 001
ADDL INSD-COWN INSR PREMS
C GARY COX
7485 HEARTLAND CIRCLE
TALLAHASSEE, FL 32312

THE FOLLOWING FORMS CURRENTLY APPLY TO THIS POLICY:

- BP0003(0702) BUSINESSOWNERS SPECIAL COVERAG
- BP7080(0702) ORDINANCE OR LAW COVERAGE
- BP8054(1003) EMPLOYEE BENEFIT LIABILITY COV
- BP7058(1003) HIRED AUTO PHYSICAL DAMAGE BO
- BP0437(0702) EXCLUSION-PERSONAL & ADVERT. I
- BP8136(0702) EQUIPMENT BREAKDOWN ENDORSEMEN
- BP0406(0702) ADDITIONAL INSURED-CONTROLLING
- BP0411(0702) ADDT'L INSD-CO-OWNER OF PREMIS
- SRS284(0704) FL COML PROP CAS RISK MGMT
- BP8068(0702) EXCLUSION -ASBESTOS
- BP0455(0702) BUSINESS LIABILITY COV-TENANTS
- BP7076(0105) ULTRA PLUS
- BP0404(0702) HIRED AUTO AND NON-OWNED A
- BP8094(0702) NON-OWNED AUTO LIAB. AMEND. EN
- BP7059(0105) COMMERCIAL FINE ARTS COV FORM
- BP0312(0702) WINDSTORM OR HAIL PERCENTAGE D
- BP0523(1102) CAP ON LOSSES CERTIFIED ACTS O
- BP0407(0702) ADDITIONAL INSURED-POLITICAL/ST
- C4063(1102) IMPORTANT NOTICE
- IL7201(0392) COMPANY COMMON POL CONDITIONS
- BP8029(0702) AMENDMENT-AGGREGATE LIMITS OF
- BP0576(1102) FUNGI OR BACTERIA EXCLUSION (P

COUNTERSIGNATURE

(DATE) BY _____ (AUTHORIZED REPRESENTATIVE)

9-BP(11-88)

COMPANY USE ONLY

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SOUTHEAST

SA (JUDREI) INSURED COPY

PREPARED 03-02-07 AGT * (MARMCB) CB

AFP-META2-02-PRINT001-5631-0019-K

POLICY DECLARATIONS EXTENSION

NAMED INSURED: RADEY THOMAS YON & CLARK

POLICY NUMBER: 02-BP-567888-1

THE FOLLOWING FORMS CURRENTLY APPLY TO THIS POLICY (CONTINUED FROM PREVIOUS PAGE):

BP0417(0702) EMPLOYMENT RELATED PRACT. EXCL
BP8128(0502) EMPLOYMENT PRACTICES LIABILITY

BP0303(1106) FLORIDA CHANGES

POLICY DECLARATIONS EXTENSION

NAMED INSURED: RADEY THOMAS YON & CLARK

POLICY NUMBER: 02-BP-567888-1

PREMISES 1	301 S BRONOUGH ST STE 200	CONSTRUCTION:	MODIFIED FIRE RESISTIVE
BUILDING 1	TALLAHASSEE, FL 32301	OCCUPANCY:	OFFICE - ATTORNEYS
APPLICABLE TO THESE PREMISES		LIMITS OF INSURANCE	
EXCEPT WHERE NOTED BELOW, A DEDUCTIBLE OF \$1,000 APPLIES FOR BUILDING OR BUSINESS PERSONAL PROPERTY, WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE IS 2%			
BUSINESS PERSONAL PROPERTY		\$ 278,000	
BUILDING CODE EFFECTIVENESS CREDIT: 3%			
BUSINESS INCOME (NOT EXCEEDING 12 CONSECUTIVE MONTHS) DEDUCTIBLE: NONE		ACTUAL LOSS SUSTAINED	
BUSINESS INCOME - 120-DAY EXTENDED PERIOD OF INDEMNITY		INCLUDED	
TENANTS LIABILITY DEDUCTIBLE: NONE		\$ 1,000,000	
EQUIPMENT BREAKDOWN		INCLUDED	
OUTDOOR SIGNS (DEDUCTIBLE: \$ 250)		\$ 7,500	
MONEY AND SECURITIES (DEDUCTIBLE: \$ 250):			
INSIDE THE PREMISES		\$ 10,000	
OUTSIDE THE PREMISES		\$ 5,000	
ACCOUNTS RECEIVABLE		\$ 25,000	
COMMERCIAL FINE ARTS		\$ 10,000	
VALUABLE PAPERS AND RECORDS		\$ 25,000	
MINI COMPUTER COVERAGE:			
EQUIPMENT		INCLUDED	
ACTIVE DATA PROCESSING MEDIA		INCLUDED	
EXTRA EXPENSE		INCLUDED	
MINI COMPUTER MECHANICAL BREAKDOWN		INCLUDED	
SEWER OR DRAIN BACK-UP		\$ 5,000	

POLICY DECLARATIONS EXTENSION

NAMED INSURED: RADEY THOMAS YON & CLARK

POLICY NUMBER: 02-BP-567888-1

APPLICABLE TO ALL PREMISES YOU OWN, RENT OR OCCUPY	LIMITS OF INSURANCE
BUSINESS LIABILITY:	
LIABILITY AND MEDICAL EXPENSES	\$ 1,000,000
MEDICAL EXPENSES (ANY ONE PERSON)	\$ 10,000
AGGREGATE LIMITS	\$ 2,000,000
HIRED AUTO AND NON-OWNED AUTO LIABILITY	SEE BUSINESS LIABILITY
HIRED AUTO PHYSICAL DAMAGE	\$ 50,000
DEDUCTIBLE: \$100 COMPREHENSIVE \$250 COLLISION	
EMPLOYEE DISHONESTY (DEDUCTIBLE: NONE)	\$ 15,000
FORGERY OR ALTERATION (DEDUCTIBLE NONE)	\$ 25,000
EMPLOYEE BENEFITS:	
EACH INCIDENT LIMIT	\$ 1,000,000
AGGREGATE LIMIT	\$ 2,000,000
RETROACTIVE DATE OF 03/04/2007	
EMPLOYMENT PRACTICES (DEDUCTIBLE: NONE):	
EACH INCIDENT LIMIT	\$ 5,000
AGGREGATE LIMIT	\$ 5,000
RETROACTIVE DATE OF 03/04/07	\$ 5,000
PREMIUM FOR CERTIFIED ACTS OF TERRORISM	\$ 6.00
FLORIDA SURCHARGE	\$ 1.39
FLORIDA EMERGENCY FUND	\$ 4.00

POLICY DECLARATIONS EXTENSION

NAMED INSURED: RADEY THOMAS YON & CLARK

POLICY NUMBER: 02-BP-567888-1

FHCF ASSESSMENT	\$	14.00
FLORIDA CPIC SURCHARGE	\$	116.00
TERM PREMIUM	\$	1,438.00
TOTAL TERM PREMIUM	\$	1,579.39

POLICY DECLARATIONS EXTENSION

NAMED INSURED: RADEY THOMAS YON & CLARK

POLICY NUMBER: 02-BP-567888-1

PREMISES 001
ADDL INSD-CNTRL INTEREST
TALLAHASSEE LAND MANAGEMENT
217 JOHN KNOX ROAD
TALLAHASSEE, FL 32330

PREMISES 001
ADDL INSD-POLITIC SUBDIV
FLORIDA LEAGUE OF CITIES, INC.
301 SOUTH BRONOUGH STREET
TALLAHASSEE, FL 32301



BUSINESSOWNERS
BP 80 68 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — ASBESTOS

This endorsement modifies insurance provided under Section II — Liability.

This insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of or resulting from the manufacturing, handling, selling, distribution, disposal, existence, use of or exposure to asbestos, asbestos dust, asbestos fibers or asbestos products.

We will not have the duty to defend any such claim or "suit."



**BUSINESSOWNERS
BP 00 03 07 02**

BUSINESSOWNERS COVERAGE FORM

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

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

In **Section II — Liability**, the word "insured" means any person or organization qualifying as such under **Paragraph C — Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Paragraph H. Property Definitions in Section I — Property** and **Paragraph F. Liability And Medical Expenses Definitions in Section II — Liability**.

SECTION I — PROPERTY

A. Coverage

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

1. Covered Property

Covered Property includes Buildings as described under **Paragraph a.** below, Business Personal Property as described under **Paragraph b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under **Paragraph 2. Property Not Covered**.

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;

- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.
- b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:
 - (1) Property you own that is used in your business;
 - (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition **Paragraph E.6.d.(3)(b)**;

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove; and

(4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2).

(5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

b. "Money" or "securities" except as provided in the:

(1) Money and Securities Optional Coverage; or

(2) Employee Dishonesty Optional Coverage;

c. Contraband, or property in the course of illegal transportation or trade;

d. Land (including land on which the property is located), water, growing crops or lawns;

e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:

(1) Outdoor Property Coverage Extension; or

(2) Outdoor Signs Optional Coverage;

f. Watercraft (including motors, equipment and accessories) while afloat.

g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy.

h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock".

3. Covered Causes Of Loss

Risks of direct physical loss unless the loss is:

a. Excluded in Paragraph B. Exclusions in Section I; or

b. Limited in Paragraph 4. Limitations in Section I.

4. Limitations

a. We will not pay for loss of or damage to:

(1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

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

(3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.

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

(5) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust,

whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

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

(2) Containers of property held for sale; or

(3) Photographic or scientific instrument lenses.

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

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

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

(3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

(a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property

that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

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

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

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of

Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500: \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

d. Collapse

- (1) With respect to buildings:

- (a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- (b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;

- (c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
 - (d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this policy, if the collapse is caused by one or more of the following:
- (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (c) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (d) Weight of people or personal property;
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

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

- (3) With respect to the following property:

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

if the collapse is caused by a cause of loss listed in Paragraphs (2)(b) through (2)(f), we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching

is the only damage to that personal property caused by the collapse.

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

- (5) This Additional Coverage, Collapse, will not increase the Limits Of Insurance provided in this policy.

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

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

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

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

f. Business Income

(1) Business Income

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the

described premises are located, your premises means:

- (i) The portion of the building which you rent, lease or occupy; and
(ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
(ii) Continuing normal operating expenses incurred, including payroll.
- (d) Ordinary payroll expenses:
- (i) Mean payroll expenses for all your employees except:
- i. Officers;
 - ii. Executives;
 - iii. Department Managers;
 - iv. Employees under contract; and

v. Additional Exemptions shown in the Declarations as:

- Job Classifications;
or
- Employees.

(ii) Include:

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

(2) Extended Business Income

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

(i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

(ii) Ends on the earlier of:

i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

ii. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss

of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

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

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; and

(b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) This Additional Coverage is not subject to the Limits of Insurance of **Section I – Property**.

g. Extra Expense

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

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

(a) The portion of the building which you rent, lease or occupy; and

(b) Any area within the building or on the site at which the described premises are located, if that area services, or is used

to gain access to, the described premises.

(2) Extra Expense means expense incurred:

(a) To avoid or minimize the suspension of business and to continue "operations":

(i) At the described premises; or

(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

(i) Repair or replace any property; or

(ii) Research, replace or restore the lost information on damaged "valuable papers and records"

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

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; and

(b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

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

h. Pollutant Clean Up And Removal

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

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

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

i. Civil Authority

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

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

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

(1) 3 consecutive weeks after the time of that action; or

(2) When your Business Income coverage ends;

whichever is later.

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

j. Money Orders And Counterfeit Paper Currency

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit" paper currency that is acquired during the regular course of business.

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

k. Forgery Or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in

Paragraphs (3) through (9) of this Additional Coverage.

- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (6) The most we will pay under this Additional Coverage, for each described building insured under **Section I — Property**, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or

damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in **Section I – Property** do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
 - (a) Source of materials; or

- (b) Outlet for your products.

- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
 - (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
 - (b) Accept your products or services;
 - (c) Manufacture your products for delivery to your customers under contract for sale; or
 - (d) Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income under this Additional Coverage:
 - (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
 - (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) Requires 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 reduce the Business Income coverage period.

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

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

o. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
 - (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

6. Coverage Extensions

In addition to the Limits of Insurance of **Section I — Property**, you may extend the insurance provided by this policy as provided below.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Business Personal Property

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

This Extension does not apply to personal property that you temporarily acquire in the course of installing or

performing work on such property or your wholesale activities.

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

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

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

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

b. Personal Property Off Premises

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

c. Outdoor Property

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

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

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

d. Personal Effects

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

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

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

e. Valuable Papers And Records

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

(2) This Coverage Extension does not apply to:

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

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

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

(4) Paragraph B. Exclusions in Section I — Property does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense; and
- (f) Paragraph B.3.

f. Accounts Receivable

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

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

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

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

(3) Paragraph B. Exclusions in Section I — Property does not apply

to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3.; and
- (g) Paragraph B.5. Accounts Receivable Exclusion.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance Or Law

(1) The enforcement of any ordinance or law:

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

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

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

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

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

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental

authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

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

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

This exclusion does not apply to loss or damage to "computer(s)" and "electronic media and records".

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;

- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings.

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

h. Certain Computer-Related Losses

(1) The failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;

(ii) "Computer" application software or other "electronic media and records" as may be described elsewhere in this policy;

(iii) "Computer" operating systems and related software;

(iv) "Computer" networks;

(v) Microprocessors ("computer" chips) not part of any "computer" system; or

(vi) Any other computerized or electronic equipment or components; or

(b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement

or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above results in a "Specified Cause of Loss" under **Section I – Property**, we will pay only for the loss or damage caused by such "Specified Cause of Loss".

We will not pay for repair, replacement or modification of any items in Paragraphs (1)(a) or (1)(b) to correct any deficiencies or change any features.

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

a. Electrical Apparatus

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

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

We will pay for loss or damage to "computer(s)" due to artificially generated electrical current if such loss or damage is caused by or results from:

(1) An occurrence that took place within 100 feet of the described premises; or

(2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay

for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

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

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

f. Dishonesty

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

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

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

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

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

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

h. Exposed Property

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

i. Collapse

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

j. Pollution

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

k. Neglect

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

l. Other Types Of Loss

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

This exclusion does not apply with respect to the breakdown of "computer(s)";

- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;

- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic media and records" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic media and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic media and records", except as provided for under the Coverage Extensions of **Section I – Property**.

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

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

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

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

4. Business Income And Extra Expense Exclusions

a. We will not pay for:

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

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and
- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

5. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

a. Loss or damage caused by or resulting from alteration; falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

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

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance of **Section I — Property** shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance of **Section I — Property**.
4. **Building Limit — Automatic Increase**
 - a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

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

Example:

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

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

5. Business Personal Property Limit — Seasonal Increase

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

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of **Section I — Property**.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is the Optional Coverage/Glass Deductible shown in the Declarations:

- a. Money and Securities;
- b. Employee Dishonesty; and
- c. Outdoor Signs.

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

3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense;
- d. Civil Authority; and
- e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of **Section I — Property**. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

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

4. Legal Action Against Us

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

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

5. Electronic Media And Records Limitation

We will not pay for any loss of Business Income caused by direct physical loss of or damage to "electronic media and records" after the longer of:

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

Example #1

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

Example #2

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

6. Loss Payment

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

- a. At our option, we will either:

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

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- c. We will not pay you more than your financial interest in the Covered Property.

- d. Except as provided in Paragraphs (2) through (8) below, we will determine the value of Covered Property as follows:

- (1) At replacement cost without deduction for depreciation, subject to the following:

- (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

- (i) The Limit of Insurance under **Section I — Property** that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:

- i. Of comparable material and quality; and
- ii. Used for the same purpose; or

- (iii) The amount that you actually spend that is necessary

to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
- (i) The actual cash value of the lost or damaged property; or
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
- (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably

possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value — Buildings" option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
- (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Tenants' Improvements and Betterments at:

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

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

- (c)** Nothing if others pay for repairs or replacement.
- (6)** Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (7)** Applicable only to the Optional Coverages:
 - (a)** "Money" at its face value; and
 - (b)** "Securities" at their value at the close of business on the day the loss is discovered.
- (8)** Applicable only to Accounts Receivable:
 - (a)** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- (i)** We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (ii)** We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

- (b)** The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (i)** The amount of the accounts for which there is no loss or damage;

- (ii)** The amount of the accounts that you are able to re-establish or collect;

- (iii)** An amount to allow for probable bad debts that you are normally unable to collect; and

- (iv)** All unearned interest and service charges.

- e.** Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

- (1)** We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

7. Recovered Property

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

8. Resumption Of Operations

We will reduce the amount of your:

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

9. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant’s interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

- a. The term “mortgageholder” includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

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

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under **Section I — Property**:

a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

(b) The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

G. Optional Coverages

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

1. Outdoor Signs

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

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

b. Paragraph A.3., Covered Causes Of Loss, and Paragraph B., Exclusions in **Section I — Property**, do not apply to this Optional Coverage, except for:

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

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

- (1) Wear and tear;
- (2) Hidden or latent defect;

- (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
- (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to **Section I — Property**, we will not pay for loss:
- (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

- d. All loss:
- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
- (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
- (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.

d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of acts;

is considered one occurrence.

e. If any loss is covered:

- (1) Partly by this insurance; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss or damage would have been covered by this Optional

Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

4. Mechanical Breakdown

a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:

- (1) Owned by you or in your care, custody or control; and
- (2) At the described premises.

b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.

c. None of the following is an Accident:

- (1) Depletion, deterioration, corrosion or erosion;
- (2) Wear and tear;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Breakdown of any vacuum tube, gas tube or brush;
- (5) Breakdown of any "computer", including "computer(s)" used to operate production type machinery or equipment;
- (6) Breakdown of any structure or foundation supporting the Object or any of its parts;
- (7) The functioning of any safety or protective device; or
- (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.

d. Object means any of the following equipment:

(1) Boiler and Pressure Vessels:

- (a) Steam heating boilers and condensate return tanks used with them;
- (b) Hot water heating boilers and expansion tanks used with them;
- (c) Hot water supply boilers;
- (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;
- (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:

- (i) Are on your premises or between parts of your premises;
- (ii) Contain steam or condensate of steam; and
- (iii) Are not part of any other vessel or apparatus;

- (f) Feed water piping between any steam boiler and a feed pump or injector.

(2) Air Conditioning Units — Any air conditioning unit that has a capacity of 60,000 Btu or more, including:

- (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
- (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
- (c) Vessels heated directly or indirectly that:
 - (i) Form part of an absorption type system; and
 - (ii) Function as a generator, regenerator or concentrator;
- (d) Compressors, pumps, fans and blowers used solely with the

system together with their driving electric motors; and

- (e) Control equipment used solely with the system.

e. Object does not mean:

(1) As Boiler and Pressure Vessels:

- (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
- (b) Boiler settings;
- (c) Insulating or refractory material; or
- (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.

(2) As Air Conditioning Units, any:

- (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
- (b) Wiring or piping leading to or from the unit.

f. We will not pay for an Accident to any Object while being tested.

g. Suspension

Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the Object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and

- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.
- “Computer” does not include those used to operate production type machinery or equipment.
2. “Counterfeit” means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
 3. “Electronic media and records” means the following, if owned by you or licensed to you and used in your business:
 - a. Media, meaning disks, tapes, film, drums, cells or other media which are used with electronically controlled equipment.
 - b. Data, meaning information or facts stored on media described in Paragraph a. above. Data includes “valuable papers and records” converted to data.
 - c. “Computer” program, meaning a set of related electronic instructions which direct the operations and functions of a “computer” or a device connected to it, which enable the “computer” or device to receive, process, restore, retrieve or send data.
 - d. Software, including systems and applications software.
 4. “Manager” means a person serving in a directorial capacity for a limited liability company.
 5. “Member” means an owner of a limited liability company represented by its membership interest, who also may serve as a “manager”.
 6. “Money” means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
 7. “Operations” means your business activities occurring at the described premises.
 8. “Period of restoration”:
 - a. Means the period of time that:
 - (1) Begins:
 - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”.

The expiration date of this policy will not cut short the “period of restoration”.
 9. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
 10. “Securities” means negotiable and nonnegotiable instruments or contracts representing either “money” or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

- 11. "Specified Causes of Loss" means the following:

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

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

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

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

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

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

- 12. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

- 13. "Valuable papers and records" means:

- a. Inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts; and
- (3) Records;

including abstracts, books, deeds, drawings, films, maps or mortgages; and

- b. "Electronic media and records".

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

SECTION II — LIABILITY

A. Coverages

1. Business Liability

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

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

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

- b. This insurance applies:

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

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph C.1. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew

that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. Coverage Extension — Supplementary Payments

(1) In addition to the Limit of Insurance of **Section II — Liability** we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All costs taxed against the insured in the "suit".
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

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

(a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

i. Cooperate with us in the investigation, settlement or defense of the "suit";

ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

iii. Notify any other insurer whose coverage is available to the indemnitee; and

iv. Cooperate with us with respect to coordinating

other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

i. Obtain records and other information related to the "suit"; and

ii. Conduct and control the defense of the indemnitee in such "suit".

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

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

(a) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(b) The conditions set forth above, or the terms of the agreement described in Paragraph 2.f. above are no longer met.

2. Medical Expenses

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of **Section II — Liability**. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

tract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

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

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought

on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the ab-

sence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
 - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geo-

physical exploration, lighting and well servicing equipment.

h. Mobile Equipment

“Bodily injury” or “property damage” arising out of:

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

i. War

“Bodily injury” or “property damage” due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

“Bodily injury”, “property damage”, “personal and advertising injury” caused by the rendering or failure to render any professional service. This includes but is not limited to:

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

and similar products or hearing aid devices;

(8) Body piercing services; and

(9) Services in the practice of pharmacy.

k. Damage To Property

“Property damage” to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another’s property;
- (2) Premises you sell, give away or abandon, if the “property damage” arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the “property damage” arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to “property damage” (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance in **Section II – Liability**.

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

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

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

I. Damage To Your Product

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

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

o. Recall Of Products, Work Or Impaired Property

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

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

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

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of websites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under Paragraph F. Liability And Medical Expenses Definitions.

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

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (11) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants".
- (12) Arising out of an electronic chat-room or bulletin board the insured hosts, owns or over which the insured exercises control.
- (13) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

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

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

Exclusions **c., d., e., f., g., h., i., k., l., m., n. and o.** in **Section II – Liability** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate

Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph D. Liability And Medical Expenses Limits of Insurance in **Section II – Liability.**

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

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

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

This insurance does not apply:

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

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
- (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- d. As used in this exclusion:
- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - (2) "Hazardous properties" include radioactive, toxic or explosive properties;
 - (3) "Nuclear facility" means:
 - (a) Any "nuclear reactor";
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of uranium or plutonium;
 - (ii) Processing or utilizing "spent fuel"; or
 - (iii) Handling, processing or packaging "waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
 - (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
 - (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
 - (6) "Property damage" includes all forms of radioactive contamination of property.

- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (10) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
 - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

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

2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

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

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

- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

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

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

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of **Section II – Liability** shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;

- b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The most we will pay for the sum of all damages because of all:
- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
 - b. "Personal and advertising injury" sustained by any one person or organization;

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

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

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" or "property damage" that is included in the "products—completed operations hazard" is twice the Liability and Medical Expenses limit; and
- b. All:
 - (1) "Bodily injury" or "property damage" except damages because of "bodily injury" and "property damage" included in the "products—completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

This Aggregate Limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner, arising out of fire or explosion.

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

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

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

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

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

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

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

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

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

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Action Against Us

No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

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

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

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - (2) Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction

or demolition operations on or within 50 feet of a railroad;

- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of

your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraphs a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraphs a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products—completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

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

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

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

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other

compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

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

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

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

**SECTION III — COMMON POLICY CONDITIONS
(APPLICABLE TO SECTION I — PROPERTY AND
SECTION II — LIABILITY)**

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or
- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a covered cause of loss, permanent repairs to the building:

- (a) Have not started, and
- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;
- (b) An outstanding demolition order; or
- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

- (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

1. This policy;

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

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

F. Insurance Under Two Or More Coverages

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

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the

policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of **Section I -- Property**.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

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

Our forms then in effect will apply. If you do not pay the continuation premium, this policy

will expire on the first anniversary date that we have not received the premium.

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

J. Premium Audit

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

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after

loss to impair them. But you may waive your rights against another party in writing:

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

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

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

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

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

L. Transfer Of Your Rights And Duties Under This Policy

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

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



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. Paragraph E.4.b. Legal Action Against Us Property Loss Condition is replaced by the following:

b. Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

2. Paragraph E.5.g. Loss Payment Property Loss Condition is replaced by the following:

g. Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage:

(1) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or

(2) Within 30 days after we receive the sworn proof of loss and:

(a) There is an entry of a final judgment; or

(b) There is a filing of an appraisal award with us.

3. Paragraph H.12.a. Property Definitions is replaced by the following:

Throughout the policy references to sinkhole collapse mean Sinkhole Loss. The definition of sinkhole collapse is replaced by the following:

a. Sinkhole Loss means loss or damage to Covered Property when structural damage to the Building, including the foundation, is caused by settlement or systematic weakening of the earth supporting the Building, only when such settlement or systematic weakening results from movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect

of water on a limestone or similar rock formation.

Coverage for Sinkhole Loss includes stabilization of the Building (including land stabilization) and repair to the foundation provided such work is in accordance with the requirements of Florida Insurance Law and in accordance with the recommendation of an engineer and in consultation with you. The engineer must be selected or approved by us. However, until you enter into a contract for performance of building stabilization or foundation repair:

(1) We will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the Building; and

(2) Our payment for Sinkhole Loss to Covered Property may be limited to the actual cash value of the loss to such property.

After you have entered into a contract for performance of building stabilization or foundation repair, we will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred. If repair has begun and the aforementioned engineer determines that the repairs will exceed the applicable Limit of Insurance, we may at our option, either:

(1) Complete the recommended repairs; or

(2) Pay the applicable Limit of Insurance without a reduction for the repair expenses incurred.

Sinkhole Loss does not include sinking or collapse of land into man-made underground cavities.



BUSINESSOWNERS
BP 03 12 07 02

POLICY NUMBER: 02-BP-567888-1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Premises No.	Bldg. No.	Windstorm or Hail Deductible Percentage (enter 1%, 2% or 5%)
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* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following provisions apply to **Section I — Property:**

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of a Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

WINDSTORM OR HAIL DEDUCTIBLE CLAUSE

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that

has sustained loss or damage. This Deductible is calculated separately for, and applies separately to:

1. Each building, if two or more buildings sustain loss or damage;
2. The building and to personal property in that building, if both sustain loss or damage;
3. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
4. Personal property in the open.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of Insurance.

When property is covered under the Coverage Extension for Newly Acquired Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired Property is the highest percentage shown in the Schedule for any described premises.

EXAMPLE – APPLICATION OF DEDUCTIBLE:

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 \$80,000 on the building and \$64,000 on the business personal property.

The Deductible is 2%.

Building

Step (1) : \$80,000 x 2% = \$1,600
Step (2) : \$60,000 - \$1,600 = \$58,400

Business Personal Property

Step (1) : \$64,000 x 2% = \$1,280
Step (2) : \$40,000 - \$1,280 = \$38,720

The most we will pay is \$97,120 (\$58,400 + \$38,720). The portion of the total loss that is not covered due to the application of the Deductible is \$2,880 (\$1,600 + \$1,280).

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**ADDITIONAL INSURED-
CONTROLLING INTEREST**

BP 04 06 07 02
BUSINESSOWNERS

POLICY NUMBER: 02-BP-567888-1

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Name of Person or Organization:

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

The following is added to Paragraph C. Who Is An Insured in Section II - Liability:

4. The person or organization shown in the Schedule or in the Declarations, but only for their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy those premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**ADDITIONAL INSURED - STATE OR
POLITICAL SUBDIVISIONS - PERMITS
RELATING TO PREMISES**

BP 04 07 07 02
BUSINESSOWNERS

POLICY NUMBER: 02-BP-567888-1

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

State or Political Subdivision:

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

The following is added to Paragraph **C. Who Is An Insured** in Section **II - Liability**:

4. Any state or political subdivision shown in the Schedule is also an insured, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

- a. The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decoration and similar exposures;
- b. The construction, erection, or removal of elevators; or
- c. The ownership, maintenance, or use of any elevators covered by this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**ADDITIONAL INSURED-CO-OWNER OF
INSURED PREMISES**

BP 04 11 07 02
BUSINESSOWNERS

POLICY NUMBER: 02-BP-567888-1

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Name of Person or Organization:

Location of Premises:

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

The following is added to Paragraph **C. Who is An Insured**
in Section II - Liability:

4. The person or organization shown in the Schedule is also an insured, but only with respect to liability as co-owner of the premises shown in the Schedule.

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BUSINESSOWNERS
BP 04 17 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B. Exclusions** in Section II – Liability:

This insurance does not apply to:

1. “Bodily injury” or “personal and advertising injury” to:

a. A person arising out of any:

- (1) Refusal to employ that person;
- (2) Termination of that person’s employment; or
- (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment,

humiliation or discrimination directed at that person; or

b. The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” or “personal and advertising injury” to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.

2. This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.



BUSINESSOWNERS
BP 04 37 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — PERSONAL AND ADVERTISING INJURY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **Section II — Liability** and supersedes any provision to the contrary:

The insurance provided under Paragraph **A. Coverages** does not apply to "personal and advertising injury".

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BP 04 37 07 02



BUSINESSOWNERS
BP 04 55 07 02

POLICY NUMBER: 02-BP-567888-1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS LIABILITY COVERAGE —
TENANTS LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Premises:

Tenants Liability Limit Of Insurance (Per Occurrence):

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

With respect to the coverage provided under this endorsement, Section II — **Liability** is amended as follows:

A. The final paragraph of **B.1. Exclusions — Applicable To Business Liability Coverage** is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., g., h., k., l., m., n.** and **o.** do not apply to "property damage".

B. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following with respect to the premises shown in the Schedule of this endorsement:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

C. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.3.** is deleted.

D. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.4.b.** is replaced by the following:

4. Aggregate Limits

The most we will pay for:

b. All:

(1) "Bodily injury" or "property damage" except damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses Limit.



**BUSINESSOWNERS
BP 05 23 11 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

Cap On Certified Terrorism Losses

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a “certified act of terrorism” include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more “certified acts of terrorism” under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

- B.** The following provision is added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



BUSINESSOWNERS
BP 05 76 11 02

POLICY NUMBER: 02-BP-567888-1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI OR BACTERIA COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

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

The following provisions apply to Section I — Property:

A. Fungi Or Bacteria Exclusions

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

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

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

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

"fungi", wet or dry rot or bacteria.

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

(i) **"Fungi", Wet Rot, Dry Rot And Bacteria**

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

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

This exclusion does not apply:

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

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

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

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

B. Limited Fungi Or Bacteria Coverage

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

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

- (1) The coverage described in Paragraphs B.1.i.(2) and B.1.i.(6) only applies when the "fungi", wet or dry rot or bacteria are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria are present.
- (3) Unless a higher limit is selected in Schedule, the coverage described under this Limited Coverage is limited to \$15,000. If the Schedule indicates that the Separate Premises Or Locations Options applies, then the amount of coverage is made applicable to separate premises or

locations as described in the Schedule. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or bacteria, we will not pay more than the total of \$15,000 unless a higher limit is selected in the Schedule even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

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

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - a. If the loss which resulted in "fungi", wet or dry rot or

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

- b. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi",

wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

C. Fungi Definition

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

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



BUSINESSOWNERS
BP 70 58 10 03

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO PHYSICAL DAMAGE BUSINESSOWNERS

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section 8. DEFINITIONS.

COVERAGE — Physical Damage

1. We will pay for "loss" to a covered "hired auto" or its equipment under:

a. Comprehensive Coverage. From any cause except:

- (1) The covered "hired auto's" collision with another object; or
- (2) The covered "hired auto's" overturn.

b. Collision Coverage. Caused by:

- (1) The covered "hired auto's" collision with another object; or
- (2) The covered "hired auto's" overturn.

c. Glass Breakage — Hitting a Bird or Animal — Falling Objects or Missiles.

If you carry Comprehensive Coverage for the damaged covered "hired auto", we will pay for the following under Comprehensive Coverage:

- (1) Glass breakage;
- (2) "Loss" caused by hitting a bird or animal; and
- (3) "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "hired auto's" collision or overturn considered a "loss" under Collision Coverage.

2. Other Exclusions

a. We will not pay for "loss" to any of the following:

- (1) Tape decks or other sound reproducing equipment unless permanently installed in a covered "hired auto".
- (2) Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- (3) Sound receiving equipment designed for use as a citizens' band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "hired auto" manufacturer for the installation of a radio.
- (4) Equipment designed or used for the detection or location of radar.

b. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance.

- (1) Wear and tear, freezing, mechanical or electrical breakdown.
- (2) Blowouts, punctures or other road damage to tires.

3. LIMIT OF INSURANCE

The most we will pay for "loss" in any one "accident" is the lesser of:

- a. The actual cash value of the damaged or stolen property as of the time of the "loss", but not more than \$50,000; or

- b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, but this cost shall not exceed \$50,000.

4. DEDUCTIBLE

For each covered "hired auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

5. LOSS PAYMENT

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "hired auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

6. OTHER INSURANCE

- a. For Hired Auto Physical Damage Coverage, this coverage form provides primary coverage.

7. WHO IS AN INSURED

- a. If you are designated in the Declarations as:
 - 1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - 2. A partnership or joint venture, you are an insured. Members, your partners and their spouse are also insureds, but only with respect to the conduct of your business.
 - 3. An organization other than a partnership or joint venture, you are an insured.

Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

b. Each of the following is also an insured:

- 1. Your employees, other than your executive officers, but only for acts within the scope of their employment by you.
- 2. Any person (other than your employee), or any organization while acting as your real estate manager.
- 3. Any person or organization having proper temporary custody of your property if you die, but only:
 - a. with respect to liability arising out of the maintenance or use of that property and
 - b. until your legal representative has been appointed.
- 4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

8. DEFINITIONS

- a. "Accident" means a continuous or repeated exposure to the same conditions resulting in bodily injury or property damage.
- b. "Hired Autos" means only those "autos" you lease, hire, or borrow. This does not include any "auto" you lease, hire, rent, or borrow from any of your employees or partners or members of their households.
- c. "Loss" means direct and accidental loss or damage.



**BUSINESSOWNERS
BP 70 59 01 05**

COMMERCIAL FINE ARTS COVERAGE FORM BUSINESSOWNERS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

All other terms and conditions applicable to Section I — Property apply, except as provided by this endorsement.

A. COVERAGE

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

1. COVERED PROPERTY, as used in this Coverage Form means:

"Fine Arts" comprised of "private collections" which are

- a. Your property or
- b. Property of others which is in your care or custody and for which you are legally liable.

2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Property on consignment or owned by you which is held for sale
- b. Property on exhibition at fair grounds or on the premises of any national or international exposition.
- c. Contraband; or
- d. Property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE — COLLAPSE

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of

glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;

- b. Hidden decay
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- g. Earth movement, including earthquake, volcanic eruption, landslide, mudflow, mine subsidence, earth sinking, rising or shifting.
- h. Flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray.

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

B. EXCLUSIONS

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

a. GOVERNMENTAL ACTION

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

b. NUCLEAR HAZARD

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

c. WAR AND MILITARY ACTION

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

d. WATER

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain; or
- (4) Water under the ground surface pressing on or flowing or seeping through;
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

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

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

- a. Delay, loss of use, loss of market or any other consequential loss.

- b. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - c. Unauthorized instruction to transfer property to any person or to any place.
 - d. Repairing, restoration or retouching process.
 - e. Breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, weather conditions, earthquake, flood, explosion, malicious damage or collision, derailment or overturn of the transporting conveyance.
 - f. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment. But this exclusion does not apply to a carrier for hire.
 - g. Your neglect to use all reasonable means to save and preserve the property at and after any "loss" or when the property is so endangered.
3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss".
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss".
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property wherever located.

- d. Collapse except as provided in the Additional Coverage-Collapse section of the Coverage section.
- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, mechanical breakdown, insects, vermin, rodents, corrosion, rust, dampness, cold or heat.

C. LIMITS OF INSURANCE

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

D. DEDUCTIBLE

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

E. ADDITIONAL CONDITIONS

1. COVERAGE TERRITORY

We cover property wherever located within:

- a. The United States of America
- b. Puerto Rico; and
- c. Canada

2. VALUATION

- a. The value of property individually listed and described in the declarations is the amount shown as Limit of Insurance for the individual item in the Declarations.
- b. The value of property covered but not individually listed and described will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before the "loss".

c. Pair, Sets or Parts

(1) Pair or Set. In case of "loss" to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
- b. Pay the difference between the value of the pair or set before and after the "loss".

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

3. LOSS PAYMENT

We will pay or make good any "loss" covered under this coverage part within 30 days after:

- (1) We reach agreement with you;
- (2) The entry of final judgment; or
- (3) The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

4. COINSURANCE

- (1) All items that are covered but not individually listed and described must be insured for their total value as of the time of "loss" or you will incur a penalty.
- (2) The penalty is that we will pay only the proportion of any "loss" to these items that the Limit of Insurance shown in the Declarations for them bears to their total as of the time of "loss".
- (3) If the Fine Arts Limit of Insurance shown in the Declarations is less than or equal to \$10,000, then (1) and (2) above are deleted.

5. ADDITIONAL ACQUIRED PROPERTY

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days. The most we will pay in a "loss" is the lesser of:

- a. 25% of the total Limit of Insurance shown in the Declarations for that type of property or
- b. \$10,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired.

6. NOTICE TO POLICE

You agree that you will report promptly to the Police Department all thefts or acts of vandals.

7. PACKING AND UNPACKING

You agree that the covered property will be packed and unpacked by competent packers.

F. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art (such as valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac) of rarity, historical value or artistic merit.
3. "Private collections" mean those owned by individuals, firms, corporations or associations (including hotels, universities, colleges or schools) that are not dealers, auctions rooms, museums, art galleries or art institutions.

All other provisions of this policy apply.



**BUSINESSOWNERS
BP 70 80 07 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Coverage is provided under this endorsement only with respect to the building(s) described in the declarations.

B. Application Of Coverage(s)

The coverage(s) provided by this endorsement apply only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement 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 endorsement.

2. a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also

sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A, B,** and/or **C** of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical 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 Coverages **A, B,** and/or **C** of this endorsement.

C. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

D. Coverage

1. Coverage **A** — Coverage For Loss To The Undamaged Portion Of The Building

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

Coverage **A** is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B — Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property. Paragraph E.6.d. Section I — Property, Loss Conditions does not apply to Demolition Cost Coverage.

3. Coverage C — Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

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

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

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

Paragraph E.6.d. Section I — Property, Loss Conditions does not apply to Increased Cost of Construction Coverage.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundations of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not

Covered, but only with respect to the coverage described in this Provision, 3.b.

E. Loss Payment

1. All following loss payment provisions, E.2. through E.3. are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

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

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

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

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

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

3. The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the combined limit of \$150,000, applicable to the following loss payment provisions:

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

b. With respect to the Increased Cost of Construction;

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

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

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

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

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

F. The terms of this endorsement apply separately to each building described in the Declarations.

G. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement)

Assume:

Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss

The building has a value of \$200,000

Total direct damage to building: \$100,000

The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value

Portion of direct physical damage that is covered (caused by wind): \$30,000

Portion of direct physical damage that is not covered (caused by flood): \$70,000

Loss under Ordinance or Law Coverage C. of this endorsement: \$60,000

Step 1.

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2.

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C. loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverage A and B of this endorsement.



BUSINESSOWNERS
BP 80 29 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT — AGGREGATE
LIMITS OF INSURANCE
(PER LOCATION)**

This endorsement modifies insurance provided under Section II — Liability.

Paragraph **4.b. Aggregate Limits** of Section D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE applies separately to each of your "locations" owned by or rented by you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way of a railroad.

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BUSINESSOWNERS
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THIS FORM PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE FORM CAREFULLY.

**EMPLOYEE BENEFIT LIABILITY
COVERAGE FORM**

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

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

The word "insured" means any person or organization qualifying as such under SECTION B — WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION F — DEFINITIONS.

SECTION A — EMPLOYEE BENEFIT LIABILITY COVERAGE

1. Insuring Agreement.

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of financial loss arising out of the "administration" of the insured's "employee benefit program." The financial loss must be caused by an "incident." However, we will have no duty to defend the insured against any "suit" seeking damages for an "incident" to which this insurance does not apply. This insurance does not apply to any "incident" which occurred before the Retroactive Date, if any, shown in the Declarations or which occurs after the policy expires. The "incident" must take place in the "coverage territory". We may, at our discretion, investigate any "incident" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION C — LIMITS OF INSURANCE;
- (2) Our right and duty to defend end when we have used up the applicable limit of

insurance in the payment of judgments or settlements.

No other obligation of liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS.

b. This insurance only applies if a claim for damages because of financial loss is first made against any insured during the policy period or during the Extended Reporting Period described in Section E.

- (1) A claim by a person or organization seeking damages will be deemed to have been made when notice of such claim is received and recorded by any insured or by us, whichever comes first.
- (2) All claims for damages because of financial loss to the same person will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to:

- a. Financial loss expected or intended from the standpoint of the insured.
- b. Financial loss arising out of:
 - (1) The willful violation of a statute or ordinance relating to the "administration" of all or part of an "employee benefit program";
 - (2) An insurer's failure to meet the requirements of a contract;
 - (3) Your failure to comply with any workers compensation, unemployment compensation or disability benefits law;
 - (4) The termination of any plan within an "employee benefit program";
 - (5) The failure of an investment to perform as represented by any insured;

- (6) The investment or non-investment of funds;
 - (7) Advice given to any person to participate or not participate in any plan within an "employee benefit program"; or
 - (8) The failure of an "employee benefit program."
- c. Financial loss or penalty arising out of the failure to comply with the Employee Retirement Income Security Act.
 - d. "Bodily injury," "property damage," "personal injury," or "advertising injury."
 - e. Loss arising out of any dishonest, fraudulent, criminal or malicious act or omission, committed by any insured.

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim or "suit" we defend:

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

These payments will not reduce the limits of insurance.

SECTION B — WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members and your partners and

their spouses are also insureds, but only with respect to the conduct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership or joint venture, or limited liability company, you are an insured. Your "executive" officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- 2. Each of the following is also an insured:
 - a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 - 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
 - b. Coverage does not apply to financial loss that occurred before you acquired or formed the organization.

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

SECTION C — LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or

- c. Persons or organizations making claims or bringing "suits."
- 2. The Aggregate Limit is the most we will pay for all financial loss as the result of the "administration" of your "employee benefit program."
- 3. Subject to the Aggregate Limit above, the each "incident" limit is the most we will pay for all financial loss sustained by one person as the result of the "administration" of your "employee benefit program."

If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION D — EMPLOYEE BENEFIT LIABILITY CONDITIONS

1. Bankruptcy.

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

2. Duties in the Event of an Incident, Claim or Suit.

- a. You must see to it that we are notified as soon as practicable when an "incident" occurs which may result in a claim. Notice should include:
 - (1) How, when and where the "incident" took place; and
 - (2) The names and addresses of any affected persons and witnesses.
- b. If a claim is made or "suit" is brought against any insured or if an action is initiated, you must see to it that we receive prompt written notice of the claim or "suit" or notice of action.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit" and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "incidents" on other than a claims-made basis, if:
 - a. No Retroactive Date is shown in the Declarations of this insurance; or

- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;

When this insurance is excess, we will have no duty under Section A to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's right against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of the Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned pre-

mium, we will return the excess to the first Named Insured.

- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Application and Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation of Insureds.

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

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

8. Transfer of Rights of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

SECTION E — EXTENDED REPORTING PERIOD

- 1. We will provide an Extended Reporting Period only if:
 - a. The policy containing this coverage part is canceled or nonrenewed for any reason; or
 - b. We renew or replace this Coverage Part with other insurance that:
 - (1) Does not apply to Employee Benefit Liability on a claims-made basis.
 - (2) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part.
- 2. If we provide an Extended Reporting Period, it will start with the end of the policy period and last for three years. The Extended Reporting Period shall be excess for claims that are covered under

any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

3. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to claims for "incidents" committed before the end of the policy period (but not before the Retroactive Date, if any, shown in the Declarations).

Claims for "incidents" which are first received and recorded during the Extended Reporting Period will be deemed to have been made on the last day of the policy period.

Once in effect, the Extended Reporting Period may not be cancelled.

4. The extended Reporting Period does not reinstate or increase the Limits of Insurance applicable to any claim to which this Coverage Part applies.

SECTION F — DEFINITIONS

1. "Administration" means any of the following services or duties which you authorize:
 - a. The enrollment of employees in or termination or cancellation of employees from your "employee benefit program";
 - b. The counseling of employees about your "employee benefit program";
 - c. The interpretation of your "employee benefit program"; or
 - d. The handling of "employee benefit program" records.
2. "Advertising injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Employee benefit program" means any of the following programs which are made available to the insured's employees:
 - a. Group life or health insurance;
 - b. Profit sharing plans;
 - c. Pension plans;
 - d. Employee stock subscription plans;
 - e. Workers compensation;
 - f. Unemployment insurance;
 - g. Social security;
 - h. Disability benefits insurance; or
 - i. Travel, savings or vacation plans.
7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Incident" means any act or omission in the "administration" of your "employee benefit program." All acts or omissions in the "administration" of your "employee benefit program" to any one person shall be deemed to be one "incident."
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
10. "Personal injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.

11. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; or
- b. Loss of use of tangible property that is not physically injured.

12. "Suit" means a civil proceeding in which damages because of financial loss to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the

insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

4. If windstorm is a Covered Cause of Loss, and Covered Property is located in:

- a. Monroe County; or
- b. East of the west bank of the Intra-Coastal Waterway in
 - (1) Broward County;
 - (2) Dade County;
 - (3) Indian River County;
 - (4) Martin County;
 - (5) Palm Beach County; or
 - (6) St. Lucie County;

the following applies:

If loss or damage to Covered Property is caused by or results from Windstorm, the following exclusion applies:

WINDSTORM EXTERIOR PAINT OR WATERPROOFING EXCLUSION

We will not pay for loss or damage caused by windstorm to:

- (1) Paint; or
- (2) Waterproofing material;

applied to the exterior of Buildings unless the Building to which such loss or damage occurs also sustains other loss or damage by windstorm in the course of the same storm event. But such coverage applies only if windstorm is a Covered Cause of Loss.

When loss or damage to exterior paint or waterproofing material is excluded, we will not include the value of paint or waterproofing material to determine:

- (1) The amount of the Windstorm or Hail Deductible; or
- (2) The value of Covered Property.

B. Section III — Common Policy Conditions is amended as follows:

1. Paragraph A.2. **Cancellation** is replaced by the following:

2. Cancellation For Policies In Effect 90 Days Or Less

- a. If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, accompanied by the

specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a) A material misstatement or misrepresentation; or
 - (b) A failure to comply with underwriting requirements established by the insurer.

b. We may not cancel:

- (1) On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
- (2) On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may cancel this policy if:
 - (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based.
- (3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to

prevent a future similar occurrence of damage to the insured property.

2. Paragraph A. 5. **Cancellation** is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.

3. The following is added to Paragraph A. **Cancellation:**

7. Cancellation For Policies In Effect For More Than 90 Days

a. If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained by a material misstatement;
- (3) There has been a failure to comply with underwriting requirements established by the insurer within 90 days of the effective date of coverage;
- (4) There has been a substantial change in the risk covered by the policy;
- (5) The cancellation is for all insureds under such policies for a given class of insureds;
- (6) On the basis of property insurance claims that are the result of an act of God, if we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property;
- (7) On the basis of filing of claims for partial loss caused by sinkhole damage, or on the ba-

sis of the risk associated with the occurrence of such a claim, if:

- (a) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
- (b) You have failed to repair the structure in accordance with the engineering recommendations upon which any loss payment or policy proceeds were based; or

(8) On the basis of a single property insurance claim which is the result of water damage, if we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

b. If we cancel this policy for any of these reasons, we will mail or deliver to the first Named Insured written notice of cancellation, accompanied by the specific reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if cancellation is for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs a.(2) through a.(8) above; and
 - (b) This policy does not cover a residential structure or its contents; or
- (3) 90 days before the effective date of cancellation if:
 - (a) Cancellation is for one or more of the reasons stated in Paragraphs a.(2) through a.(8) above; and
 - (b) This policy covers a residential structure or its contents.

4. The following Paragraphs are added:

M. Nonrenewal

1. If we decide not to renew this policy we will mail or deliver to the first Named Insured written notice of nonrenewal, accompanied by the specific reason for nonrenewal, at least:
 - a. 90 days prior to the expiration of the policy if this policy covers a residential structure or its contents; or
 - b. 45 days prior to the expiration of the policy for all other policies.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. We may not refuse to renew this policy:
 - a. On the basis of property insurance claims that are the result of an act of God, unless we can demonstrate, by claims frequency or otherwise, that you have failed to take action reasonably necessary as requested by us to prevent recurrence of damage to the insured property; or
 - b. On the basis of filing of claims for partial loss caused by sinkhole damage, regardless of whether this policy has been the subject of a sinkhole claim, or on the basis of the risk associated with the occurrence of such a claim. However, we may refuse to renew this policy if:
 - (1) The total of such property insurance claim payments for this policy exceeds the current policy limits of coverage for property damage; or
 - (2) You have failed to repair the structure in accordance with the engineering recommendations upon

which any loss payment or policy proceeds were based.

- (3) Solely on the basis of a single property insurance claim which is the result of water damage, unless we can demonstrate that you have failed to take action reasonably requested by us to prevent a future similar occurrence of damage to the insured property.

N. Limitations On Cancellation And Nonrenewal In The Event Of Hurricane Or Wind Loss — Residential Property

1. The following provisions apply to a policy covering a residential structure or its contents, if such property has sustained damage as a result of a hurricane or windstorm that is the subject of a declaration of emergency by the Governor and filing of an order by the Commissioner of Insurance Regulation:
 - a. Except as provided in N.1.b., we may not cancel or nonrenew the policy until at least 90 days after repairs to the residential structure have been substantially completed so that it is restored to the extent that it is insurable by another insurer writing policies in Florida. If we elect to not renew the policy, we will provide at least 90 days' notice that we intend to nonrenew 90 days after the substantial completion of repairs.
 - b. We may cancel or nonrenew the policy prior to restoration of the structure, for any of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Material misstatement or fraud related to the claim;
 - (3) We determine that you have unreasonably caused a delay in the repair of the structure; or
 - (4) We have paid the policy limits.

If we cancel or nonrenew for nonpayment of premium, we will give you 10 days' notice. If we cancel for a reason listed in **b.(2)**, **b.(3)** or **b.(4)**, we will give you 45 days' notice.

2. With respect to a policy covering a residential structure or its contents, any cancellation or nonrenewal that would otherwise take effect during the duration of a hurricane will not take effect until the end of the duration of such hurricane, unless a replacement policy has been obtained and is in effect for a claim occurring during the duration of the hurricane. We may collect premium

for the period of time for which the policy period is extended.

3. With respect to **N.2.**, a hurricane is a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service (hereafter referred to as NHC). The hurricane occurrence begins at the time a hurricane watch or hurricane warning is issued for any part of Florida by the NHC, and ends 72 hours after the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the NHC.



BUSINESSOWNERS
BP 81 36 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN ENDORSEMENT

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Section I — Property, A.5., Additional Coverages:

Equipment Breakdown

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

If an initial "accident" causes other "accidents," all will be considered one "accident." All "accidents" that are the result of the same event will be considered one "accident." "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.

- (2) The following coverages also apply to loss caused by or resulting from an "accident" to "covered equipment." These coverages do not provide additional amounts of insurance.
- (a) **Expediting Expenses**
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - (i) make temporary repairs; and
 - (ii) expedite permanent repairs or permanent replacement.
 - (b) **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional costs to clean up or dispose of such property.

"Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

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- b. Wrongful failure to promote a qualified "employee";
 - c. Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
 - d. Wrongful termination of employment, including retaliatory or constructive discharge;
 - e. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference; or
 - f. Oral or written publication of material that slanders, defames or libels an "employee" or violates or invades an "employee's" right of privacy.
- 8. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
 - 9. **"Pre-judgment interest"** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.
 - 10. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Spoilage coverage, is \$50,000.

(c) Spoilage

- (i) We will pay for your loss of "perishable goods" due to spoilage.
- (ii) We will also pay for your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.
- (iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.
- (v) Additional Definition. For the purpose of this coverage, "perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

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

(d) Computer Equipment

We will pay for loss or damage caused by or resulting from an "accident" to "computer(s)."

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

(e) Data Restoration

We will pay for your cost to research, replace and restore data, including programs and operating systems, that is lost or corrupted due to an "accident." The most we will pay for loss or damage under this coverage is \$50,000.

The following is added to Paragraph A.6.e.(4) Valuable Papers and Records in Section I — Property:

- (g) Paragraph B.2.a., Electrical Apparatus;
- (h) Paragraph B.2.d., Steam Apparatus; and
- (i) Paragraph B.2.1.(6), Mechanical Breakdown.

(f) Service Interruption

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

(3) Exclusions

(a) All exclusions and limitations apply except:

- (i) Exclusions B.2.a., B.2.d. and B.2.1.(6); and
- (ii) Limitations A.4.a.(1) and A.4.a.(2).

(b) The exclusions are modified as follows:

- (i) The following is added to Exclusion B.1.g.(1):

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

- (ii) As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph (1) above results in an "accident," we will pay only for the loss or damage caused by such "accident."

- (iii) As respects this endorsement only, the last paragraph of Exclusion B.2.I. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) above results in an "accident," we will pay for the loss or damage caused by that "accident."

- (iv) As respects this endorsement only, the following is added to Exclusions B.2.m. and B.2.n.:

We will also pay direct physical loss or damage caused by an "accident" to "covered equipment."

- (c) As respects this endorsement only, Coverage Extension 6.e. Valuable Papers and Records does not apply.

- (d) None of the following is "covered equipment":

- (i) structure, foundation, cabinet, compartment or air supported structure or building;
- (ii) insulating or refractory material;
- (iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping form a part of a refrigerating or air conditioning system;
- (v) vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
- (vi) dragline, excavation equipment or construction equipment; or
- (vii) equipment manufactured by you for sale.

- (e) We will not pay under this endorsement for loss or damage caused by or resulting from:

- (i) any defect, virus, loss of data or other situation within "electronic media and records". But if loss or damage from an "accident" results, we will pay for that resulting loss or damage;

- (ii) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

an insulation breakdown test of any type of electrical equipment.

- (f) With respect to Service Interruption coverage and Spoilage coverage, we will also not pay for loss or damage caused by or resulting from: fire, lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.

- (g) With respect to Service Interruption coverage and Business Income and Extra Expense coverages, we will also not pay for delay in resuming operations due to the need to reconstruct or reinput data or programs on "electronic media and records".

(4) Conditions

(a) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." We can do this by mailing or delivering a written notice of suspension to your

address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

(b) Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

(c) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

(5) Deductibles

The deductible for Property in the Declarations applies unless a separate deductible or deductibles is shown for Equipment Breakdown. If a separate deductible or deductibles is shown, the following applies:

(a) Deductibles for Each Coverage

(i) Unless the Equipment Breakdown deductible is shown as Combined, all coverages, multiple deductibles may apply to any one "accident."

(ii) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any one "accident," the highest deductible for each coverage will apply.

(b) Unless more specifically indicated in the Declarations:

(i) Business Income/Extra Expense Coverages Deductibles apply to Business Income and Extra Expense loss, and

(ii) Property Damage Coverages Deductibles apply to all remaining loss, damage or expense covered by the Equipment Breakdown Coverage.

(c) Application of Deductibles

(i) Dollar Deductibles

We will not pay for loss or damage resulting from any one "accident" until the amount of loss or damage exceeds the deductible or deductibles shown in the Declarations. We will then pay the amount of loss or damage in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

(ii) Time Deductible

If a Time Deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a Time Deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(iii) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income Coverage that is part of this policy) that would have been earned had no "accident" occurred during the period of interruption of business divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to all locations included in the valuation of the loss. The

number indicated in the Declarations shall be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(iv) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

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



BUSINESSOWNERS
BP 04 04 07 02

POLICY NUMBER: 02-BP-567888-1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**HIRED AUTO AND NON-OWNED
AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Additional Premium
Hired Auto Liability	\$ 41.00
Non-Owned Auto Liability	\$ 41.00

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in Section II — Liability, applies to “bodily injury” or “property damage” arising out of the maintenance or use of a “hired auto” by you or your “employees” in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in Section II — Liability, applies to “bodily injury” or “property damage” arising out of the use of any “non-owned auto” in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions, under Paragraph B.1. Applicable To Business Liability Coverages in Section II — Liability, other than Exclusions a., b., d., f. and i. and the Nuclear

Energy Liability Exclusion, are deleted and replaced by the following:

a. “Bodily injury” to:

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

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and**
- (b) To any obligation to share damages with or repay someone else who must pay damages because of injury.**

This exclusion does not apply to:

- (i) Liability assumed by the insured under an "insured contract"; or
- (ii) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

2. Paragraph C. Who Is An Insured in Section II — Liability, is replaced by the following:

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

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto," any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above. None of the following is an insured:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a

consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;

- (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- (4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

- (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. The following additional definitions apply:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired Auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
- 3. "Non-Owned Auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.



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POLICYHOLDER NOTICE

FLORIDA CITIZENS PROPERTY INSURANCE CORPORATION SURCHARGE

The Florida Department of Insurance has mandated a surcharge in order to recover from a deficit due to the 2004 hurricane season. The surcharge applies to the following lines of insurance:

- Commercial Fire
- Commercial Package, excluding Auto
- Businessowners Policies

The surcharge premium appears on the line declarations page(s) of your policy with a heading titled "Florida CPIC Surcharge".

The surcharge is given in full to the Department of Insurance and no compensation or benefit is provided to the agent or insurer.

Please contact your Independent Agent if you have any questions regarding this surcharge or your policy.



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COMPANY COMMON POLICY CONDITIONS

This policy consists of:

Common Policy Declarations which include your name and mailing address, the policy period, premium information and coverage part(s) included.

Common Policy Conditions.

Coverage parts consist of one or more of the following:

- Commercial Property
- Commercial Liability
- Commercial Inland Marine
- Commercial Crime/Bonds
- Commercial Automobile
- Businessowners
- Boiler and Machinery
- Workers' Compensation.

Each of the coverage parts consist of:

- One or more coverage forms
- One or more coverage part conditions
- Applicable endorsements.

If you have any questions, please contact your agent listed on the Common Policy Declarations.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

Stephanie Daley Watson
Secretary

Paul R. Reynolds
President



C-4063 11 02

IMPORTANT NOTICE

Your independent insurance agent is your best source of information on insurance and your specific insurance coverage. If you need further response to an inquiry, additional information on your coverage or assistance in resolving a complaint, you may call SAFECO Insurance Companies at this toll-free telephone number:

1-800-231-6047

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POLICYHOLDER NOTICE
Florida Hurricane Catastrophe Fund Assessment

Florida law requires licensed insurers that write certain lines of business in the state to collect the Florida Hurricane Catastrophe Fund (FHCF) assessment from their policyholders and pay it to the FHCF.

The assessment is given in full to the Florida Hurricane Catastrophe Fund and no compensation or benefit is provided to the agent or insurer.

If this assessment applies to your policy, the term "FHCF Assessment", along with the indicated dollar amount, will be displayed on your policy's Declarations Page.

Please contact your Independent Agent if you have any questions regarding this assessment or your policy.



EMPLOYMENT PRACTICES LIABILITY INSURANCE

THIS POLICY PROVIDES CLAIMS-MADE AND REPORTED COVERAGE. DEFENSE COSTS APPLY AGAINST THE LIMITS OF INSURANCE AND ARE SUBJECT TO THE DEDUCTIBLE.

PLEASE READ THE ENTIRE FORM CAREFULLY.

PLEASE READ THIS POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS. WE HAVE ISSUED THIS POLICY BASED UPON YOUR APPLICATION FOR THIS INSURANCE. THE APPLICATION IS A REPRESENTATION OF THE CORRECTNESS OF THE INFORMATION BASED UPON WHICH WE HAVE ISSUED THIS POLICY.

~~WE HAVE NO DUTY TO PROVIDE COVERAGE UNLESS THERE HAS BEEN FULL COMPLIANCE WITH ALL THE CONDITIONS — SECTION V — OF THIS POLICY.~~

Throughout this policy the words “you” and “your” refer to the named insured shown in the declarations, and any other person or organization qualifying as a named insured under this policy. The words “we”, “us” and “our” refer to the company providing this insurance. The word “insured” means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VII).

SECTION I — COVERAGES EMPLOYMENT PRACTICES LIABILITY

In consideration of the payment of premium and in reliance upon representations you made to us in applying for this insurance and subject to the limits of insurance shown in the declarations, and all the exclusions, terms and conditions of this policy, we agree with you as follows:

1. INSURING AGREEMENT

- a. We will pay on behalf of the insured for “damages” in excess of the deductible arising out of any “employment practices” to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in Item 2. below.

- b. This insurance applies to such “damages” only if:

- (1) The “damages” result from “claims” made by “employees”, “leased workers”, “temporary workers”, former “employees” or applicants for employment with you;
- (2) The “employment practices” take place in the “coverage territory”;
- (3) Such “employment practices” occurred after the retroactive date, if any, shown in the declarations and before the end of the policy period; and
- (4) A “claim” is both:
 - (a) First made against any insured, in accordance with paragraph c. below, during the policy period or any extended reporting period we provide under Section VI — EXTENDED REPORTING PERIODS; and
 - (b) Reported to us either (i) during the policy period or within thirty (30) days thereafter, or (ii) with respect to any “claim” first made during any extended reporting period we provide under Section VI — EXTENDED REPORTING PERIODS, during such extended reporting period.



BUSINESSOWNERS
BP 80 94 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NON-OWNED AUTO LIABILITY —
AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

HIRED AUTO AND NON-OWNED AUTO LIABILITY

Paragraph **A.2.** is replaced with the following:

2. NON-OWNED AUTO LIABILITY

The insurance provided under Section II — Liability of the "Businessowners Coverage Form", Paragraph **A.1.** Business Liability, applies to "bodily injury" or "property damage" arising out of the use of:

- a. any "non-owned auto" in your business by any person other than you; or
- b. any "non-owned auto" by you or your employees for the purpose of picking up, delivering or road testing the "non-owned auto."

Paragraph **C.3.** is replaced with the following:

3. "**Non-Owned Auto**" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business affairs.

BP 80 94 07 02

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c. A "claim" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph 2.a. below.

d. All "claims" for "damages" based on or arising out of:

- (1) One "employment practice"; or
- (2) An interrelated series of "employment practices"

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured(s).

Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under SECTION III — LIMITS OF INSURANCE.

2. DEFENSE OF CLAIMS, ADMINISTRATIVE HEARINGS & SETTLEMENT AUTHORITY

a. We have the right and duty to defend "claims" against the insured seeking "damages" to which this insurance applies and to pay for related "defense expense". However, we have no duty to (i) defend "claims" against the insured seeking "damages," or (ii) pay for related "defense expense," when this insurance does not apply. We may:

- (1) At our sole discretion, investigate any "employment practice" that may result in "damages"; and
- (2) Settle any "claim" which may result, provided:
 - (a) We have your written consent to settle; and
 - (b) The settlement is within the applicable limit of insurance available.

Our liability will be limited as described below if: (i) you refuse to consent to any settlement we recommend, and (ii) such recommended settlement is also acceptable to the claimant. When this happens, our liability under this policy for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if you had consented at the time of our recommendation. You shall thereafter negotiate and defend

that "claim" at your own cost and without our involvement.

b. Our right and duty to defend such "claims" end when we have used up the limit of insurance available, as provided under SECTION III — LIMITS OF INSURANCE. This applies both to "claims" pending at that time and those filed thereafter.

c. When we control defense of a "claim", we pay associated "defense expense" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment practices" "claims." If you give us a specific written request at the time a "claim" is first made:

- (1) You may select one of our panel of employment law attorneys; or
- (2) You may ask us to consider the approval of a defense attorney of your choice that is not on our panel.

We will use the panel attorney you selected in (1) above, or consider your request in (2) above, when we deem it appropriate to engage counsel for such "claim." If by mutual agreement or court order the insured assumes control of such defense before the applicable limit of insurance is used up, we will reimburse the insured for reasonable "defense expense," subject to the following limitation. If we defend you under a reservation of rights, both your and our counsel(s) will be required to maintain records pertinent to your "defense expenses." These records will be used to determine the allocation of any "defense expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

In any case, however, we only pay amounts in excess of the deductible and such payments will reduce the limit of insurance available as provided under SECTION III — LIMITS OF INSURANCE.

d. Upon prior notice to us and our approval, the first named insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any administrative hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar federal, state or local body or commission. This authorization is limited to (i) "damages" covered by this policy, (ii) "defense expenses" under part d. of the definition of "defense expenses" and (iii) amounts not in excess of two times the

amount of the deductible stated in the declarations.

3. EXCLUSIONS

This insurance does not apply to "claims" arising directly or indirectly from any:

a. (1) "Employment practices" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or

(2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured,

prior to the effective date of the earlier of (i) the first policy of this type that we issued to you of which this policy was an uninterrupted renewal of this type of coverage, or (ii) this policy.

b. Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment.

c. Obligation to pay "damages" by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

d. Of the following laws:

(1) Any workers compensation, disability benefits or unemployment compensation law, or any similar law, provided however, this exclusion shall not apply to any "claim" based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the Insured on account of the claimant's exercise of rights pursuant to any such law;

(2) Employees' Retirement Income Security Act of 1974, Public Law 93-406, (E.R.I.S.A.) as now or hereafter amended, or any similar state or other governmental law. This includes fiduciary liability, liability arising out of the administration of any employee benefit plan and any other liability under any such laws;

(3) The Fair Labor Standards Act, the National Labor Relations Act of 1938, the Worker Adjustment and Retraining

Notification Act (Public Law 100-37991988), the Consolidated Omnibus Budget Reconciliation Act of 1985, or the Occupational Safety and Health Act. This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any federal, state or local law, and to that part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee".

e. Oral or written publication of material, if such material:

(1) Was published by or at the direction of the insured with knowledge of the material's falsity; or

(2) Was first published before the retroactive date, if any, shown in the declarations.

f. Dishonest, criminal or fraudulent acts of the insured or the willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to employment practices. Willful means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured under this policy shall not be imputed to any other insured.

g. "Bodily injury".

h. "Employment practices" which occur when or after:

(1) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or

(2) Any other business entity acquires an ownership interest in you which is greater than fifty percent.

i. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

j. Lockout, strike, picket line, related worker replacement(s) or other similar actions resulting from labor disputes or labor negotiations.

SECTION II — WHO IS AN INSURED

1. If you are designated in the declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.
2. Each of the following is also an insured:
 - a. Your current or former "employees" but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. Any heirs, executors, administrators, assignees or legal representatives of any individual insured above, in the event of the death, bankruptcy or incapacity of such insured, but only to the extent this insurance would have been available to such insured.
4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization. However:
 - a. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;
 - b. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- c. Coverage does not apply to any "employment practices" that occurred before you acquired or formed the organization; and
- d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This part 4 does not apply to any organization after it is shown in the declarations or added to this policy by endorsement.

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

SECTION III — LIMITS OF INSURANCE

1. The amount of insurance stated as the policy aggregate limit is the most we will pay for the sum of:
 - a. All "damages" for all "claims" arising out of any actual or alleged "employment practices" covered by this insurance; and
 - b. All "defense expense" for all "claims" seeking "damages" payable under paragraph a. above.

Each payment we make for such "damages" or "defense expenses" reduces the policy aggregate limit by the amount of the payment. The reduced limit will then be the amount of insurance available for further "defense expenses" and "damages" under this policy.

2. Subject to 1. above, the amount of Insurance stated as the each "claim" limit of insurance is the most we will pay in excess of the deductible as further described in SECTION IV — DEDUCTIBLE for the sum of:
 - a. All "damages" for injury arising from "employment practices" covered by this insurance arising out of one "claim", whether such "claim" is brought by one or more claimants; and
 - b. All "defense expense" associated with that specific "claim" in item 2.a. immediately preceding.
3. In addition to the payments for "damages" and "defense expense" in paragraphs 1. and 2. above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of paragraphs 1. and 2. above.

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

4. Transfer Of Duties When Limit Of Insurance Is Used Up

- a. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the Aggregate or Each Claim limit of insurance is likely to be used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.
- b. When the Aggregate or Each Claim limit of insurance has actually been used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "claims" seeking damages subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "claims" for which the duty to defend has ended for the reason described in Paragraph b.(1) above and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

SECTION IV — DEDUCTIBLE

1. A deductible applies to all "damages" for injury arising from "employment practices" and any "defense expense" however caused.
2. Our obligation under this employment practices liability insurance to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" each

"claim" which are in excess of the deductible amount stated in the declarations.

3. Your obligation is to pay that deductible which is applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "employment practices" paid for each "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
 - a. Our right and duty to defend any "claims" seeking those "damages"; and
 - b. Your duties in the event of a "claim".
5. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
6. The application of the deductible does not erode the limits of insurance provided.

SECTION V — CONDITIONS

1. **Bankruptcy** Subject to exclusion h., the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.
2. **Cancellation**
 - a. The first named insured shown in the declarations may cancel this policy by mailing or delivering to us written advance notice of cancellation.
 - b. We may cancel this policy by mailing or delivering to the first named insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - c. We will mail or deliver our notice to the first named insured's last mailing address known to us.

- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first named insured any premium refund due. If we cancel, the refund will be pro rata. If the first named insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

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

4. Duties in Event of "Employment Practices" or "Claims"

- a. You must see to it that we are notified as soon as practicable of any specific "employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. To the extent possible, notice should include:

- (1) How, when and where such "employment practices" took place;
- (2) The names and addresses of any potential claimants and witnesses; and
- (3) The nature of any injury arising out of such "employment practices".

Notice of such "employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment practices" as described in the Basic Extended Reporting Period of Section VI — EXTENDED REPORTING PERIODS.

- b. If a "claim" is received by any insured:
 - (1) You must immediately record the specifics of the "claim" and the date received;
 - (2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as

practicable, but in any event we must receive notice either:

- (a) During the policy period or within thirty (30) days thereafter; or
- (b) With respect to any "claim" first made during any extended reporting period we provide under Section VI — EXTENDED REPORTING PERIODS, during such extended reporting period,

as a condition precedent for coverage under this insurance. Such notice must provide us with the same information as is required in item a. immediately preceding; and

- (3) You and any other involved insured must:

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

- c. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under Section I item 2.d. — DEFENSE OF CLAIMS, ADMINISTRATIVE HEARINGS & SETTLEMENT AUTHORITY.

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

6. Inspections and Surveys We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the employment conditions we find; and
- c. Recommend procedures, guidelines and changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the

premiums to be charged. We do not undertake to perform the duty of any person or organization to provide for the health or safety of, or lawful practices with your workers or the public. We do not warrant that conditions:

- (i) Are safe or healthful; or
- (ii) Comply with laws, regulations, codes or standards as they relate to the purpose of this or any other insurance.

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

7. Legal Action Against Us No person or organization has a right under this policy:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

8. Other Insurance If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Policy, our obligations are limited as follows:

- a. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.
- b. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

9. Payment of Premiums, Deductibles and Coinsurance Amounts

- a. We will compute all premiums for this insurance in accordance with our rules and rates; and
- b. The first named insured shown in the declarations is responsible for the payment of all premiums, deductibles and coinsurance payments due and will be the payee for any return premiums we pay.

10. Representations By accepting the policy, you agree:

- a. The statements in the declarations are accurate and complete;
- b. Those statements are based upon representations you made to us in your application for this insurance. That application is incorporated into this policy and forms the basis of our obligations under this policy; and
- c. Since we have issued this policy in reliance upon your representations, this policy is voidable if any material fact or circumstance relating to the subject of this insurance is omitted or misrepresented in your application.

11. Separation Of Insureds Except with respect to the limits of insurance, and any rights or duties specifically assigned in this policy to the first named insured, this insurance applies:

- a. As if each named insured were the only named insured; and
- b. Separately to each insured against whom "claim" is made.

12. Sole Agent The first named insured is authorized to act on behalf of all insureds as respects the giving or receiving of notice of cancellation or nonrenewal, receiving premium refunds, requesting any supplemental extended reporting period and agreeing to any changes in this policy.

13. Transfer Of Rights Of Recovery Against Others If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

14. Transfer of Your Rights and Duties Under This Policy Your rights and duties under this policy may not be transferred without our written consent.

15. When We Do Not Renew If we decide not to renew this insurance, we will mail or deliver to the first named insured shown in the declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION VI — EXTENDED REPORTING PERIODS

1. We will provide extended reporting periods, as described below, if:
 - a. This policy is canceled or not renewed; or
 - b. We renew or replace this policy with insurance that:
 - (1) Has a retroactive date later than the date shown in the declarations of this policy; or
 - (2) Does not apply on a claims-made basis.
2. Extended reporting periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "employment practices" which occurred after the retroactive date, if any, shown in the declarations and before the end of the policy period. Once in effect, extended reporting periods may not be canceled.
3. Extended reporting periods do not reinstate or increase the limits of insurance.
4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
 - a. Five years with respect to "claims" arising out of "employment practices" which had been properly reported to us during the policy period in accordance with paragraph 4.a. of Duties in the Event of "Employment Practices" or "Claims", in CONDITIONS (Section V); and
 - b. Sixty days with respect to "claims" arising from "employment practices" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

5. A Supplemental Extended Reporting Period of thirty six (36) months but only by an endorsement and for an extra charge. This supplemental

period starts when the Basic Extended Reporting Period, set forth in paragraph 4.b. above, ends. You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this policy for future payment of "damages"; and
- d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Policy.

6. The Supplemental Extended Reporting Period endorsement we issue shall set forth the terms, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

SECTION VII — DEFINITIONS

1. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from an "employment practice".
2. "Claim" means written or oral notice presented by:
 - a. Any "employee", "leased worker", "temporary worker", former "employee" or applicant for employment by you; or
 - b. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of such person in item a. immediately preceding.

that the insured is responsible for "damages" as a result of injury arising out of any "employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the actual or alleged

result of any "employment practice" to which this insurance applies. This includes:

- (i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
- (ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
- (iii) Any administrative proceedings established under applicable federal, state or local laws as may be applicable to "employment practices" covered under this insurance.

3. "Coverage territory" means:

- a. The United States of America (including its territories and possessions) and Puerto Rico; or
- b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in a. above, while he or she is away for a short time on your business;

provided that the insured's responsibility to pay "damages" is determined in a suit (or in any other type of civil proceeding as described under the definition of "claim") on the merits in, and under the substantive law of, the United States of America (including its territories and possessions) or Puerto Rico.

4. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments, awards and settlements to which we have agreed in writing. "Damages" include (i) "prejudgment interest" awarded against the insured on the part of the judgment we pay and (ii) to the extent allowed by law, any portion of a judgment or award that represents a multiple of the compensatory amounts or punitive or exemplary damages.

"Damages" do not include:

- a. Civil, criminal, administrative or other fines or penalties;
- b. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
- c. Judgments or awards because of acts deemed uninsurable by law.

5. "Defense expense" means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

- a. Attorney fees and all other litigation expenses.
- b. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.
- d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "claim".

"Defense expense" does not include:

- i. Salaries and expenses of our employees or your "employees", other than:
 - (a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; and
 - (b) The expenses described in d. above; and
- ii. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of SECTION III — LIMITS OF INSURANCE.

6. "Employee" means a person (i) employed by you for wages or salary, or (ii) who is a current or former member of your board of directors. But "employee" does not include any independent contractor, any employees of any independent contractor while acting within the scope of their employment, any "leased worker" or any "temporary worker".

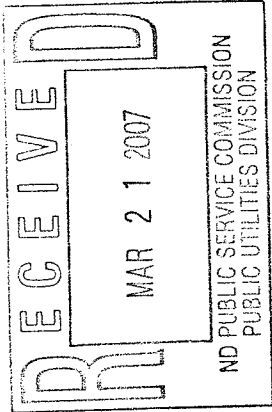
7. "Employment Practices" means any of the following practices (i) which are directed against any of your "employees," "leased workers," "temporary workers," former "employees" or any applicant for employment by you, and (ii) for which remedy is sought under any federal, state, or local statutory or common civil employment law:

- a. Wrongful refusal to employ a qualified applicant for employment;

Safeco Insurance

ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

www.safeco.com



RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301



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PREPARED 03-08-07



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Policyholder Disclosure Notice of Terrorism Insurance Coverage

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from a certified act of terrorism. The policy's other provisions will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% (85% for 2007) of that portion of the amount of such insured losses that exceed the applicable insurer retention.

The premium charge, if any, for certified acts of terrorism under the program is presented on the declarations page of your policy. The premium is included in your billing.

NAMED RADEY THOMAS YON & CLARK
INSURED 301 S BRONOUGH ST STE 200
AND TALLAHASSEE, FL 32301
MAILING
ADDRESS

6-4679
(5-01)

Dear SAFECO Policyholder:

Thank you for placing your commercial business with SAFECO. Your new SAFECO Ultra Catastrophe Liability policy is enclosed. Florida law requires that we offer you the opportunity to purchase Uninsured Motorist coverage. **This offer applies only if you have business owned vehicles which are insured under this policy.** If there are no business owned vehicles insured, this offer does not apply and you need take no further action.

If there are owned vehicles you **must take action** to either accept or reject Uninsured Motorists coverage. If you fail to advise us either way, we are obligated to add the coverage and make the necessary additional premium charges.

An Uninsured Motorist election/rejection form is enclosed. Please select one of the three options and return the form to your SAFECO agent or to us at:

SAFECO Insurance Companies
ATTN: Atlanta Region Commercial Underwriting
2055 Sugarloaf Circle
Duluth, GA 30097-4932

If you elect to take this coverage please be aware that you are required to:

- Carry Uninsured Motorist limits on your underlying auto policy equal to your automobile liability limits;
- Maintain those limits throughout the policy period; and
- Advise us whether underlying Uninsured Motorist limits are on a stacked or non-stacked basis.

Uninsured Motorist Coverage Defined:

Uninsured Motorist Coverage provides money damages for bodily injury, sickness, or disease, including death, that you are legally entitled to recover from the owner or operator of a motor vehicle;

- For which no liability bond or policy applies at the time of the accident;
- Which is underinsured, that is, a motor vehicle for which a liability bond or policy applies at the time of the accident, but the amount paid under that bond or policy to the insured is insufficient to pay the full amount the insured is legally entitled to recover as damages;
- For which an insuring or bonding company denies coverage or becomes insolvent; or
- For which neither the driver nor the owner can be identified.

Please be aware that any summaries of coverage contained in this notice are necessarily general in nature and not meant to replace the coverage description provided in the Florida Uninsured Motorist Coverage and the Florida Insurance Code.



ADDENDUM TO
ULTRA CATASTROPHE LIABILITY APPLICATION

FLORIDA UNINSURED MOTORIST COVERAGE

Florida law requires that when issuing a **Ultra Catastrophe Liability** policy such as the one for which you are applying, we must offer you the opportunity to purchase uninsured motorist coverage at a limit of \$1,000,000. In order to exercise your right to elect or reject this additional coverage, please select one of the options below:

PLEASE READ THESE OPTIONS CAREFULLY.

- OPTION A - REJECTION** - I/We do not want the **Ultra Catastrophe Liability** policy for which I/we have applied, or any extension or renewal of that policy, to include uninsured motorist coverage.

- OPTION B - ELECTION (NON-STACKED UNDERLYING)** I/we want the **Ultra Catastrophe Liability** policy for which I/we have applied to provide uninsured motorist coverage for a limit of \$1,000,000. I/we understand there is an additional charge for this coverage. My underlying uninsured motorist coverage is provided on a **non-stacked** basis.

- OPTION C - ELECTION (STACKED UNDERLYING)** I/we want the **Ultra Catastrophe Liability** policy for which I/we have applied to provide uninsured motorist coverage for a limit of \$1,000,000. I/we understand there is an additional charge for this coverage. My underlying uninsured motorist coverage is provided on a **stacked** basis.

The undersigned understands and agrees that any option selected above applies to all motor vehicles insured under this policy. I/we agree to continue to carry underlying uninsured motorist limits equal to the automobile bodily injury limits. If a different option is selected I/we must notify the company in writing.

NAMED INSURED:

01-CT-104367-1

SIGNATURE: _____

TITLE: _____

(If Named Insured is a corporation or partnership)

DATE OF ELECTION/REJECTION _____





ADVISORY NOTICE TO POLICYHOLDERS RESTRICTION OF COVERAGE

6-4753
(3-02)

Endorsement number CT 21 32 titled Exclusion - Fungi or Bacteria is added to your policy.

The endorsement specifies that your Ultra Catastrophe Liability coverage does not apply to losses arising from the inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any fungi or bacteria, on or within a building or structure, except fungi or bacteria that are, are on, or are contained in a product intended for consumption.

Coverage is not provided or amended by this summary nor should it be construed to replace any provision of your policy. You should read your policy for complete information on the coverages that you are provided. If there is any conflict between the policy and this summary, the provisions of the policy shall prevail.

Your Independent Safeco Agent:

ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317

(877) 538-1920

RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301

Your

ULTRA CATASTROPHE LIABILITY POLICY



AMERICAN STATES INSURANCE COMPANY

A Stock Company
4333 Brooklyn Avenue NE
Seattle, WA 98185
www.safeco.com



AMERICAN STATES INSURANCE COMPANY
SEATTLE, WASHINGTON
ULTRA CATASTROPHE LIABILITY POLICY

NAMED INSURED AND MAILING ADDRESS
RADEY THOMAS YON & CLARK
301 S BRONOUGH ST STE 200
TALLAHASSEE, FL 32301

DECLARATIONS

POLICY NUMBER 01-CT-104367-10
RENEWAL OF NEW 03-07

POLICY PERIOD FROM 03-04-07 TO 03-04-08 12:01 AM
STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

AGENT NAME AND ADDRESS
ROGERS GUNTER VAUGHN INS INC
PO BOX 12099
TALLAHASSEE, FL 32317
09-82578 (877) 538-1920

THE TOTAL PREMIUM DUE FOR THE POLICY TERM IS \$354.00.
YOU WILL BE BILLED THROUGH YOUR CUSTOMER ACCOUNT #704-4093-966-01.
YOU NEED NOT PAY ANY PREMIUM AT THIS TIME. WE WILL SEND A BILLING STATEMENT IN A SEPARATE MAILING.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE COMPANY AGREES WITH THE NAMED INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ULTRA CATASTROPHE LIABILITY COVERAGE	\$	354.00
		<hr/>
		354.00
PREMIUM FOR CERTIFIED ACTS OF TERRORISM	\$	0.00
TOTAL POLICY PREMIUM	\$	354.00

THIS POLICY IS ISSUED WITH THE CONDITION THAT THE UNDERLYING LIMITS AND COVERAGES SHOWN IN THE SCHEDULE ARE IN FORCE.

COUNTERSIGNATURE

(DATE) BY _____
(AUTHORIZED REPRESENTATIVE)

9-CU (4-93)

COMPANY USE ONLY

SOUTHEAST

SA (-027) INSURED COPY

PREPARED 03-08-07 AGT



ULTRA CATASTROPHE LIABILITY POLICY

PAGE

NAMED INSURED RADEY THOMAS YON & CLARK

POLICY NUMBER: 01-CT-104367-10

LIMITS OF INSURANCE

(A)	EACH OCCURRENCE	\$	1,000,000
(B)	AGGREGATE LIMITS - SEPARATELY AS RESPECTS:		
(1)	PRODUCTS HAZARD AND COMPLETED OPERATIONS HAZARD COMBINED	\$	1,000,000
(2)	OCCUPATIONAL DISEASE SUSTAINED BY ALL EMPLOYEES OF ANY INSURED	\$	
(3)	ALL OTHER COVERAGES COMBINED (EXCEPT AUTOMOBILE LIABILITY, WHICH IS NOT SUBJECT TO ANY AGGREGATE LIMIT)	\$	1,000,000
(C)	RETAINED LIMIT	\$	0

ITEM 5.

PREMIUM EXPLANATION.

CERTIFIED ACTS OF TERRORISM	\$	0.00
THIS PREMIUM INCLUDES: FHCF ASSESSMENT	\$	4.00

THE FOLLOWING FORMS CURRENTLY APPLY TO THIS COVERAGE:

CT7001(0705) ULTRA CATASTROPHE LIAB. COV.	CT0004(0900) SCHEDULE OF UNDERLYING INS
CT0107(1006) FL CHGS-CANCELLATION/NON-REN	CT2105(0900) EXCLUSION - ASBESTOS
CT2212(0900) FOL FORM-PUNITIVE DAMAGES	6-4680(0501) FL ADDENDUM
6-4679(0501) DEAR SAFECO POLICYHOLDER	CT2228(1102) CAP ON LOSSES - CERT ACTS OF
CT2132(0704) EXCLUSION - FUNGI OR BACTERI	6-4753(0302) ADVISORY NOTICE TO POLICYH
CT2164(0305) EXCLUSION - SPAM	CT0195(0704) SCHEDULED UNDERLYING INSURAN



SCHEDULE OF UNDERLYING INSURANCE

CT 00 04 09 00

The coverages and limits indicated are the minimum coverages and limits required for this policy. Issued to form a part of policy number 01-CT-104367-10

General Liability or Businessowners Liability

General Aggregate	\$ 2,000,000
Products-Completed Operations Aggregate	\$ 2,000,000
Personal and Advertising Injury	\$
Each occurrence	\$ 1,000,000

Including Hired and Non-owned Automobile Liability

Including Professional Liability

Including Employers Contingent Liability

Commercial Automobile Liability

Each Accident	\$
---------------	----

Employers Liability or Employers Contingent Liability

Bodily Injury by Accident, Each Accident	\$ 500,000
Bodily Injury by Disease, Each Employee	\$ 500,000
Bodily Injury by Disease, Each Policy	\$ 500,000

Liquor Liability

Aggregate	\$
Each Common Cause	\$

Employee Benefit Liability

Aggregate	\$ 2,000,000
Each Incident	\$ 1,000,000

Directors & Officers Liability

Aggregate	\$
Each Loss	\$

Uninsured/Underinsured Motorist

Each Accident	\$
---------------	----



CT 01 07 10 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

A. The Cancellation condition of this policy is replaced by the following:

CANCELLATION

1. This policy may be cancelled by the named insured by returning it to us or any of our authorized representatives, or by mailing to us written notice stating when thereafter the cancellation shall be effective.

2. a. Cancellation for policies in effect 90 days or less —

If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first named insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (1)** 10 days before the effective date of cancellation if we cancel for non-payment of premium.
- (2)** 20 days before the effective date of cancellation if we cancel for any other reason, except we may cancel immediately if there has been:
 - (a)** A material misstatement or misrepresentation; or
 - (b)** A failure to comply with underwriting requirements established by the insurer.

b. Cancellation for policies in effect for more than 90 days —

If this policy has been in effect for more than 90 days, we may cancel this policy only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** The policy was obtained by a material misstatement;
- (3)** There has been a failure to comply with underwriting requirements

within 90 days of the effective date of coverage;

- (4)** There has been a substantial change in the risk covered by the policy; or
- (5)** The cancellation is for all insureds under such policies for a given class of insureds.

If we cancel this policy for any of these reasons, we will mail or deliver to the first named insured written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (a)** 10 days before the effective date of cancellation if cancellation is for the reason stated in b.(1) above; or
- (b)** 45 days before the effective date of cancellation if cancellation is for the reasons stated in b.(2), (3), (4) or (5) above.

3. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will mail the refund within 15 working days after the date cancellation takes effect. The cancellation will be effective even if we have not made or offered a refund.

B. The Nonrenewal condition of this policy is replaced by the following:

NONRENEWAL

1. If we decide not to renew this policy we will mail or deliver to the first named insured written notice of nonrenewal, accompanied by the reason for nonrenewal, at least 45 days prior to the expiration of this policy.

2. Any notice of nonrenewal will be mailed or delivered to the first named insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

C. Under SECTION II – EXCLUSIONS AND LIMITATIONS paragraph E is amended as follows:

“Bodily injury” to:

1. An "employee" of any insured arising out of and in the course of employment by the

insured or performing duties related to the conduct of the insured's business; or

2. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph 1 above.

This exclusions applies:

1. Whether the insured may be liable as an employer or in any other capacity; and
2. To obligation to share damages with or repay someone else who must pay damages because of the injury.



QUICK REFERENCE

Declarations Page

- Your Name and Address
- Policy Period
- Premium
- Limits of Liability
- List of Forms

Section

**Beginning
On Page**

CONDITIONS	9
Financial Impairment	
Duties in the Event of Occurrence, Claim or Suit	
Legal Action Against Us	
Other Insurance	
Premium Determination	
Maintenance of Scheduled Underlying Insurance	
Representations	
Separation of Insureds	
Transfer of Rights of Recovery Against Others to Us	
Cancellation	
Nonrenewal	
Appeals	
Changes	
Transfer of Your Rights and Duties Under This Policy	
COVERAGE	3
DEFINED WORDS AND PHRASES	13
EXCLUSIONS AND LIMITATIONS	3
LIMITS OF INSURANCE	8
DEFENSE AND SUPPLEMENTARY PAYMENTS	11
WHO IS AN INSURED	8

This is a legal contract between you and us.
READ YOUR POLICY CAREFULLY.

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ULTRA CATASTROPHE LIABILITY COVERAGE FORM

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

Throughout the policy, the words "you" and "your" refer to the named insured shown in the declarations, and any other person or organization qualifying as a named insured under this policy. The words "we," "us" and "our" refer to the company providing this insurance.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII — Defined Words and Phrases.

SECTION I — COVERAGE

We will pay those sums that the insured becomes legally obligated to pay as damages in excess of "underlying limits" because of:

- A. "Bodily injury" or "property damage"; or
- B. "Personal injury" or "advertising injury"

to which this insurance applies.

Our right or duty to defend is limited as set forth in Section VI — Defense and Supplementary Payments. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in this coverage form.

This insurance applies only to:

- A. "Bodily injury" or "property damage" if the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory" and the "bodily injury" or "property damage" occurs during the policy period.
- B. "Personal injury" or "advertising injury" if the "personal injury" or "advertising injury" is caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

SECTION II — EXCLUSIONS AND LIMITATIONS

This policy does not apply to:

- A. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.
- B. "Bodily injury", "property damage," "personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
 - 1. That the insured would have in the absence of the contract or agreement; or
 - 2. For "bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage," provided:
 - a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this policy applies are alleged.
- C. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
 - 1. Causing or contributing to the intoxication of any person;
 - 2. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - 3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for exhaustion of its limits of insurance.

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

E. "Bodily injury" to:

1. An "employee" of any insured arising out of and in the course of employment by the insured or performing duties related to the conduct of the insured's business; or
2. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph 1 above.

This exclusion applies:

1. Whether the insured may be liable as an employer or in any other capacity; and
2. To obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance," or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

F. Any claim, loss or "suit" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

1. At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
2. At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
3. Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
4. At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

a. if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or

b. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraphs 1. and 4.a. do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

G. Any loss, cost, or expense arising out of any:

1. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of "pollutants"; or
2. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

H. The ownership, maintenance, use, operation, loading or unloading of any aircraft. This exclusion does not apply to "aircraft chartered with crew" by you.

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

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

J. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "automobile". Use includes operation and "loading or unloading."

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

Coverage provided will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance.

K. "Bodily injury" or "property damage" arising out of the use of "mobile equipment" or "automobiles" in, or while in practice for, or while being prepared for any prearranged racing, speed, demolition, or stunting activity or contest.

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

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

M. "Property damage" to:

1. Property you own, rent or occupy;
2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises. This paragraph (2) does not apply if the premises are "your work" and were never occupied, rented or held for rental by you;
3. Property loaned to you. This paragraph (3) does not apply to liability assumed under a sidetrack agreement;
4. Personal property in the care, custody or control of any insured. This paragraph (4) does not apply to liability assumed under a sidetrack agreement;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations. This paragraph (5) does not apply to liability assumed under a sidetrack agreement;
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it. This paragraph (6) does not apply to "property damage" included in the "products-completed operations hazard" or to liability assumed under a sidetrack agreement.

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

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

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

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

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

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

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

1. "Your product";
2. "Your work"; or
3. "Impaired property";

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

R. "Personal injury" or "advertising injury":

1. Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
2. Arising out of oral or written publication of material. If done by or at the direction of the insured with knowledge of its falsity;
3. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
4. Arising out of a criminal act committed by or at the direction of any insured;
5. For which the insured has assumed liability in a contract or agreement.

This exclusion does not apply to:

- a. Liability for damages that the insured would have in the absence of the contract or agreement.
 - b. Liability for false arrest, detention or imprisonment assumed in a contract or agreement;
6. Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
 7. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
 8. Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
 9. Committed by an insured whose business is:
 - a. Advertising, broadcasting, publishing or telecasting;
 - b. Designing or determining the content of websites for others;
 - c. An internet search, access, content or service provider;
 - d. An employment agency including temporary staffing, permanent staffing or employee leasing; or
 - e. Providing services as a lawyer.

However, sections a., b., c. and d. of this paragraph do not apply to the offenses listed as paragraphs 1., 2. and 3. of the definition of "personal injury".

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

10. Committed by an insured whose "scheduled underlying insurance" excludes "personal injury" or "advertising injury";
11. Arising out of infringement of copyright, title, slogan, patent, trademark, trade secret or other intellectual property rights, but this paragraph does not apply to infringement, in your "advertisement" of copyright, trade dress or slogan;
12. Arising out of an electronic chat room or bulletin board the insured hosts, owns or over which the insured exercises control; or

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

S. "Bodily injury" or "Personal injury" to:

1. A person arising out of any:
 - a. Refusal to employ that person;
 - b. Termination of that person's employment;
 - c. Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person at whom any of the employment-related practices described above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

T. Any damages claimed due to rendering or failure to render any professional service. This includes but is not limited to:

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

- 8. Body piercing services; and
- 9. Services in the practice of pharmacy.

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

- U. Any wrongful act, error or omission or breach of duty by any insured in the performance of the office of director or officer of any organization.

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

- V. Any alleged or actual violation of the Employees Retirement Income Security Act of 1974, any amendment or addition thereto, or any other similar law.

- W. Any obligation of the insured under any uninsured motorist, underinsured motorist, automobile no-fault or first party personal injury law or any similar law.

- X. Any claim, loss or "suit" arising out the "administration" of any "employee benefit program".

This exclusion does not apply when such insurance is provided by "scheduled underlying insurance" or would have been provided by "scheduled underlying insurance" except for the exhaustion of its limits of insurance.

- Y. "Bodily injury" or "property damage";

- 1. With respect to which an insured under the policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or

- 2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

- a. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or

- b. The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of

America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- 3. Resulting from the "hazardous properties" of "nuclear material"; if:

- a. The "nuclear material" is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or has been discharged or dispersed therefrom;

- b. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

- c. The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

- 1. Byproduct material, source material and special nuclear material have the meanings given them in the Atomic Energy Act of 1954 or any law amendatory thereof;

- 2. "Hazardous properties" include radioactive, toxic or explosive properties;

- 3. "Nuclear facility" means:

- a. Any "nuclear reactor";

- b. Any equipment or device designed or used for:

- i. Separating isotopes of uranium or plutonium;

- ii. Processing or utilizing "spent fuel"; or

- iii. Handling, processing or packaging "waste";

- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains

more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

- 4. "Nuclear material" means source material, special nuclear material, or by-product material;
- 5. "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- 6. "Property damage" includes all forms of radioactive contamination of property;
- 7. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- 8. "Waste" means any waste material:
 - a. Containing byproduct material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; or
 - b. Resulting from the operation by any person or organization of any "nuclear facility" included under paragraphs a and b under the definition of "nuclear facility."

- Z. Any damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

SECTION III — WHO IS AN INSURED

A. If the named insured is:

- 1. An individual, you and your spouse, but only with respect to the conduct of a business of which you are the sole owner.
- 2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

- 3. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- 4. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

B. Each of the following is also an insured:

- 1. Any organization you newly acquired or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a named insured if the organization qualifies as a named insured in "scheduled underlying insurance." However, coverage for this provision is afforded only until the end of the policy period and only with respect to "occurrences" taking place after you form, acquire or gain control of the organization.
- 2. Any other person or organization who is an insured under any policy of "scheduled underlying insurance" but only to the extent that coverage is provided them by "scheduled underlying insurance."

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

SECTION IV — LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the declarations and all other terms and conditions of this policy determine how and when our Limits of Insurance will apply. In no event will we pay more than the Limits of Insurance shown in the declarations regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
- 2. The Limits of Insurance are in excess of "underlying limits" including the "retained limit", if applicable, for damages to which this insurance applies.
- 3. Subject to the Maintenance of Scheduled Underlying Insurance Condition of this policy,

if any aggregate Limit of Insurance of "scheduled underlying insurance" is reduced or exhausted by payment of claims or "suits" for "occurrences" taking place during the policy period of this policy, our applicable Limit of Insurance will apply in excess of the reduced aggregate or will apply in place of such exhausted aggregate Limit of Insurance.

4. The Each Occurrence limit shown on the declarations is the most we will pay for damages arising out of any one "occurrence."
5. The Aggregate Limits shown on the declarations apply separately as follows:
 - a. The Products-Completed Operations Hazard Aggregate is the most we will pay for damages due to "bodily injury" or "property damage" included in the "products-completed operations hazard."
 - b. The Occupational Disease Aggregate is the most we will pay for damages due to occupational disease sustained by all "employees" of any insured.
 - c. The General Aggregate is the most we will pay for damages due to any other coverage provided by this policy except "automobile" liability which is not subject to an aggregate limit.
6. The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

For the beginning policy period shown in the declarations, the annual period means the policy period shown in the declarations. This policy period may be more or less than one year.

SECTION V – CONDITIONS

A. Financial Impairment

Bankruptcy, insolvency, receivership or other financial impairment of the insured or the insured's estate or any "underlying insurer" will not relieve or increase our obligations under this policy. With regard to financial impairment of any "underlying insurer," this policy shall apply only in excess of the limits of insurance stated for that "scheduled underlying insurance."

B. Duties in the Event of Occurrence, Claim or "Suit"

1. You must see to it that we are notified as soon as practicable of an "occurrence" which may result in a claim. To the extent possible, notice should include:
 - a. How, when and where the "occurrence" took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or damage arising out of the "occurrence."
2. If a claim is made or "suit" is brought against any insured, you must:
 - a. Immediately record the specifics of the claim or "suit" and the date received; and
 - b. Notify us as soon as practicable

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
3. You and any other involved insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers, received in connection with the claim or "suit";
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation, settlement of the claim or defense against the "suit," and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insured will, except at the insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
5. Knowledge of an "occurrence," claim or suit by your agent, servant or "employee" shall not in itself constitute knowledge of the named insured unless an officer of the named insured has received such notice from the agent, servant or employee.
6. You must notify us immediately of the exhaustion of any aggregate limit of insurance in any policy of "underlying insurance" due to "occurrences" taking place during the policy period of this policy or when the

obligations of the "underlying insurers" has ceased.

C. Legal Action Against Us

No person or organization has a right under this policy to join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or to sue us under this policy unless all its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

D. Other Insurance

If other insurance is available to the insured for a loss we cover under this policy, our obligations under this policy are limited as follows:

This policy is excess over any other insurance, whether primary, excess, contingent or any other basis, except such insurance specifically purchased to be excess of this policy's limits of insurance.

This policy shall not be subject to the terms, conditions or limitations of any other insurance.

When this policy is excess over other insurance, we will pay only our share of the loss, if any, that exceeds the total amount that all such other insurance would pay for the loss in the absence of this insurance. We will share any remaining loss with any other insurance that is not described in this policy condition that was not bought specifically to apply in excess of the Limits of Insurance shown in the declarations of this policy.

E. Premium Determination

We will compute all premiums for this policy in accordance with our rules and rates.

The premium for the policy may be adjusted to reflect any new organization you form, acquire or gain control of during this policy period or for material change in the premium for "scheduled underlying insurance" which you shall promptly report to us.

The premium for this policy is a flat premium and is not subject to audit.

F. Maintenance of Scheduled Underlying Insurance

You must keep the "scheduled underlying insurance" in full force and effect during the

policy period of this policy. You agree that the coverages listed as "scheduled underlying insurance" and their renewals or replacements shall be maintained without reduction of the limits of insurance, terms or conditions during the term of this policy.

This condition does not apply to any reduction or exhaustion of limits of insurance in the "scheduled underlying insurance" if such reduction or exhaustion is solely the result of "occurrences" taking place during the policy period of this policy.

Your failure to comply with this condition shall not invalidate this policy. However, in the event you fail to comply, this policy will apply only to the extent that it would have applied had you complied with this condition.

G. Representations

By accepting this policy, you agree:

1. The statements in the declarations are accurate and complete;
2. Those statements are based on representations you made to us; and
3. We have issued this policy in reliance upon your representations.

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage because of such failure. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal.

H. Separation of Insureds

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

1. As if each named insured were the only named insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

I. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer rights to us and help us enforce them.

Any recoveries shall be applied:

1. First to reimburse anyone (including the insured) that may have paid any amounts in

excess of our Limits of Insurance under this policy;

2. Then to reimburse us for any payment made hereunder;
3. And lastly to reimburse anyone else (including the insured) over whom this coverage is excess and who are entitled to claim such remainder.

When we assist in pursuit of the insured's rights of recovery, reasonable expenses resulting therefrom shall be apportioned among all interests in the ratio of their respective recoveries.

If there should be no recovery as a result of proceedings instituted solely at our request, we shall bear all expenses of such proceedings.

J. Cancellation

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

K. Nonrenewal

If we decide not to renew this policy, we will mail or deliver to the first named insured shown in the declarations written notice of the nonrenewal not less than 30 days before the expiration date. If

notice is mailed, proof of mailing will be sufficient proof of notice.

L. Appeals

If you or any of your "underlying insurers" elects not to appeal a judgment in excess of the Limits of Insurance provided by "underlying insurance" or the "retained limit", we may elect to do so. If we so elect, the Limits of Insurance for this policy shall not be increased because of such appeal. We shall, however, be liable, in addition to our Limits of Insurance, for all costs, taxes, expenses incurred and any interest on judgments incidental to such an appeal.

M. Changes

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

N. Transfer of Your Rights and Duties Under this Policy

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

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

SECTION VI — DEFENSE AND SUPPLEMENTARY PAYMENTS

- A. We will have the right to participate in the defense of claims or "suits" against the insured seeking damages because of injury or damage to which this insurance applies.
- B. We will also investigate and defend any "suit" brought against an insured for a claim that alleges damages arising out of an "occurrence" which is not covered, in whole or in part, under "scheduled underlying insurance" or "unscheduled underlying insurance" but which seeks damages arising out of an "occurrence" otherwise covered under this policy. The costs and expenses of such investigation and defense are not subject to the "retained limit."
- C. We will only have the duty to defend the insured against any "suit" seeking damages when those

damages are not covered by "underlying insurance" or when the applicable Limit of Insurance of "underlying insurance" has been exhausted. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply.

D. If, by mutual agreement or by court order, the insured assumes control of a claim or "suit," which we otherwise would have the duty to defend, before our Limits of Insurance have been exhausted, we will reimburse the insured for reasonable expenses described in G. below.

E. As soon as practicable after we have become aware that our Limits of Insurance available have been used up:

1. We will notify you of any outstanding claims and "suits" subject to that limit; and
2. You will then arrange to assume control of the defense of all such claims and "suits" against you or any other insured when our right or duty to defend them ends.

F. We will assist the insured in the transfer of control of the defense of claims or "suits" under D. and E. above. Until such arrangements are completed, we will take on behalf of any insured those steps that we think appropriate:

1. To avoid a default in any claim or "suit"; or
2. To the continued defense of a claim or "suit."

You agree that if we take such steps:

1. We do not waive or give up any of our rights under this insurance; and
2. You will reimburse us for any defense expense that arises out of such steps if the applicable Limit of Insurance has been used up.

G. When we have the duty to defend the insured against a claim or "suit" we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the

investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.

5. All costs taxed against the insured in the "suit."

6. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.

7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

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

1. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
2. This insurance applies to such liability assumed by the insured;
3. The obligation to defend, or the cost of the defense of that indemnitee has also been assumed but the insured in the same "insured contract";
4. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
5. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
6. The indemnitee agrees in writing to:
 - a. Cooperate with us in the investigation, settlement or defense of the "suit";
 - b. Immediately sends us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - c. Notify any other insurer whose coverage is available to the indemnitee; and

- d. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee.

The indemnitee also provides us with written authorization to:

- a. Obtain records and other information related to the "suit"; and
- b. Conduct and control the defense of the indemnitee in such "suit."

So long as the above conditions are met, attorney's fees incurred by us in defense of that indemnitee, necessary litigation expenses incurred by us, and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph B.2. of Section II — Exclusions and Limitations, such payments will not be deemed to be damages for "bodily injury" or "property damage" and will not reduce the Limits of Insurance.

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

- 1. We have used up the applicable Limits of Insurance in the payment of judgments or settlements; or
- 2. The conditions set forth above, or the terms of the agreement described in paragraph 6 above are no longer met.

SECTION VII — DEFINED WORDS AND PHRASES

- A. "Administration" means any of the following services or duties which you authorize:
 - 1. The enrollment of "employees" in or termination or cancellation of "employees" from your "employee benefit program";
 - 2. The counseling of "employees" about your "employee benefit program";
 - 3. The interpretation of your "employee benefit program"; or
 - 4. The handling of "employee benefit program" records.
- B. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.
- C. "Advertising injury" means injury, including consequential "bodily injury," arising out of one or more of the following offenses:

- 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- 2. Oral or written publication of material that violates a person's right of privacy;
- 3. The use of another's advertising idea in your "advertisement"; or
- 4. Infringing upon another's copyright, trade dress, or slogan in your "advertisement."

D. "Aircraft chartered with crew" means an aircraft chartered, leased or rented from a company:

- 1. In which no insured has ownership;
- 2. Whose full-time business operations include, but are not limited to, the chartering, leasing or renting of aircraft with crew; and
- 3. Such charter, lease or rental is evidenced by a written contract.

E. "Automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery and equipment. But "automobile" does not include "mobile equipment."

F. "Bodily injury" means bodily injury, sickness, disease, disability, mental injury or mental anguish sustained by a person, including death resulting from any of these at any time.

G. "Coverage territory" means:

- 1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- 2. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in 1 above; or
- 3. All parts of the world if:
 - a. The injury or damages arises out of:
 - (1) Goods or products made or sold by you in the territory described in 1 above; or
 - (2) The activities of a person whose home is in the territory described in 1 above but is away for a short time on business; and
 - b. The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in 1 above or in a settlement we agree to.

H. "Employee benefit program" means any of the following programs which are made available to the insured's "employees":

1. Group life or health insurance;
2. Profit sharing plans;
3. Pension plans;
4. Employee stock subscription plans;
5. Workers compensation;
6. Unemployment insurance;
7. Social security;
8. Disability benefits insurance; or
9. Travel, savings or vacation plans.

I. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

J. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

K. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.

L. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

1. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
2. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

1. The repair, replacement, adjustment or removal of "your product" or "your work"; or
2. Your fulfilling the terms of the contract or agreement.

M. "Insured contract" means:

1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. An elevator maintenance agreement;

6. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement:

1. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass, or crossing;

2. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

a. Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

b. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

3. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in 2 above and supervisory, inspection, architectural or engineering activities.

4. That pertains to the lease or rental of any "automobile" to you or any of your employees, if the "automobile" is loaned, leased or rented with driver; or

5. That holds a person or organization engaged in the business of transporting property by automobile for hire harmless for your use of a covered "automobile" over a route or territory that person or organization is authorized to serve by public authority.

N. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

O. "Loading or unloading" means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile";
2. While it is in or on an aircraft, watercraft or "automobile"; or
3. While it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered;

But "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile."

P. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted;
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 1 through 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;

6. Vehicles not described in 1 through 4 above maintained primarily for purposes other than the transportation of persons or cargo.

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

- a. Equipment designed primarily for snow removal, road maintenance (but not construction or resurfacing) or street cleaning;
- b. Cherry pickers and similar devices mounted on "automobile" or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Q. "Occurrence" means an accident, including continuous or repeated exposure to the same general harmful conditions, an offense, incident, error or omission or other negligent act resulting in injury or damage not otherwise excluded by this policy.

R. "Personal injury" means injury, including consequential "bodily injury" arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; or
5. Oral or written publication of material that violates a person's right of privacy.

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

T. "Products-completed operations hazard":

1. Includes all "bodily injury" and "property damage" occurring away from premises you

own or rent and arising out of "your product" or "your work" except:

- a. Products that are still in your physical possession; or
- b. Work that has not been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (1) When all the work called for in your contract has been completed;
 - (2) When all the work to be done at the job site has been completed if your contract calls for work at more than one job site;
 - (3) When that part of the work done at the job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement but which is otherwise complete, will be treated as completed.

2. Does not include "bodily injury" or "property damage" arising out of:

- a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- b. The existence of tools, uninstalled equipment or abandoned or unused materials; or
- c. Products or operations for which the classification in the "underlying insurance" states that products-completed operations are subject to the General Aggregate.

U. "Property damage" means:

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

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- V. "Retained limit" means the dollar amount stated in the declarations. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of such dollar amount for claims for which no coverage is provided by "underlying insurance".
- W. "Scheduled underlying insurance" means the limits of insurance and coverages listed in the Schedule of Underlying Insurance. It includes any renewal or replacement of such contracts.

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

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolutions proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.

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

Z. "Underlying insurance" means "scheduled underlying insurance" and liability insurance coverage provided by any other insurance policy or contract available to the insured, provided the "underlying limits" are equal to or greater than the "underlying limits" of "scheduled underlying insurance" for the same types of coverages. "Underlying insurance" does not include insurance specifically purchased to apply in excess of this policy's limits of insurance.

AA. "Underlying insurer" means any insurer or other organization whose policy or contract provides "underlying insurance."

AB. "Underlying limits" means "underlying insurance" or the "retained limit" for damages to which this insurance applies.

AC. "Your product" means:

1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. You;
 - b. Others trading under your name; or
 - c. A person or organization whose business or assets you have acquired; and
2. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product" and

2. The providing or failure to provide warnings or instructions.

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

AD. "Your work" means:

1. Work or operations performed by you or on your behalf; and
2. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

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

This policy is signed on our behalf by our president and secretary and countersigned by our authorized representative if required in your state.


Secretary


President

**AMENDATORY ENDORSEMENT
SCHEDULED UNDERLYING INSURANCE**

SECTION VII — DEFINED WORDS AND PHRASES

Paragraph W. is deleted and replaced by the following:

- W.** "Scheduled underlying insurance" means liability insurance coverage at the limits and coverages listed in the Schedule of Underlying Insurance (including any renewal or replacement of such contracts) if provided by a risk assuming entity as follows:
1. One or more of the "Safeco Insurance Company(s)" for all coverages listed on the Schedule of Underlying Insurance with the exception of Automobile Liability, Employers Liability or Employers Contingent Liability.
 2. For Automobile Liability, one or more of the "Safeco Insurance Company(s)" or Home State County Mutual Insurance Company.
 3. For Employers Liability or Employers Contingent Liability, an insurance company, self-insured trust, group insurance trust or other risk assuming entity that held an A.M. Best Rating of B+VI or stronger at the inception of the current policy period.

"Safeco Insurance Company(s)" means Safeco Insurance Company of America, American Economy Insurance Company, American States Insurance Company, American States Insurance Company of Texas, American States Preferred Insurance Company, American States Lloyds Insurance Company, First National Insurance Company of America, General Insurance Company of America, Insurance Company of Illinois, Safeco Insurance Company of Illinois, Safeco Lloyds Insurance Company, Safeco Surplus Lines Insurance Company, and any other Company which may hereafter become an affiliate of the Safeco Insurance Company of America.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



EXCLUSION - ASBESTOS

CT 21 05 09 00

This policy does not apply to any claim, loss or "suit" arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. The use of asbestos in constructing or manufacturing any good, product or structure; or
3. The removal of asbestos from any good, product or structure; or
4. The manufacture, transportation storage or disposal of asbestos or goods or products containing asbestos.

CT 21 05 09 00



CT 21 32 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — FUNGI OR BACTERIA

This policy does not apply to any claim, loss or "suit" resulting from:

1. "Bodily injury," "property damage," "personal injury" or "advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria, whether suddenly or over a long period of time, on or within a building or structure, including its contents.
2. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage, loss cost or expense.

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

As used in this endorsement:

"Fungi" means:

Any type or form of fungus, including but not limited to yeast, mold, mildew, blight or mushroom, and including any mycotoxins, spores, scents, or any other substances, products or byproducts produced by, released by, or arising out of the current or past presence of fungi.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION — VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

ULTRA CATASTROPHE LIABILITY COVERAGE FORM

This insurance does not apply to any claim, loss or "suit" resulting from:

1. "Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
 - b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 - c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.
2. "Personal injury" or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:
 - a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
 - b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 - c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

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SAFECO®

FOLLOWING FORM - PUNITIVE DAMAGES

CT 22 12 09 00

This endorsement does not apply to occurrences in Alabama, Florida, Illinois, Kansas, Michigan, South Carolina, Tennessee, Texas or Vermont.

Except to the extent that coverage is provided by "Scheduled underlying insurance," this policy does not apply to any claim, loss or "suit" arising out of punitive or exemplary damages awarded against the insured.



COMMERCIAL LIABILITY UMBRELLA
CT 22 28 11 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk

Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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POLICYHOLDER NOTICE

Florida Hurricane Catastrophe Fund Assessment

Florida law requires licensed insurers that write certain lines of business in the state to collect the Florida Hurricane Catastrophe Fund (FHCF) assessment from their policyholders and pay it to the FHCF.

The assessment is given in full to the Florida Hurricane Catastrophe Fund and no compensation or benefit is provided to the agent or insurer.

If this assessment applies to your policy, the term "FHCF Assessment", along with the indicated dollar amount, will be displayed on your policy's Declarations Page.

Please contact your Independent Agent if you have any questions regarding this assessment or your policy.

SPECIAL NOTICE TO POLICYHOLDERS FLORIDA COMMERCIAL PROPERTY AND CASUALTY RISK MANAGEMENT PROGRAM

The Florida Risk Management Program (Rule 4-75.001) is available upon request to any commercial property or casualty insurance policyholder. A Risk Management Program is a series of steps or actions aimed to eliminate or reduce losses at your business.

The Risk Management Program offered by American States Insurance Companies includes:

1. A listing of Risk Management Program Guidelines for getting your management actively involved in loss control.
2. A Self-Inspection Questionnaire designed to help you identify and control current hazards that can increase the chance of loss in your operation.

Additional Risk Management services are available upon request. There may be an additional charge for some services.

You can enroll in the Florida Risk Management Program by returning the form at the bottom of this page to American States Insurance Companies.

If you have any questions on the Florida Risk Management Program, please contact your independent agent listed on the declarations page of your policy.

FLORIDA COMMERCIAL PROPERTY AND CASUALTY RISK MANAGEMENT PROGRAM

Yes, I would like to enroll in the Florida Risk Management Program.

Name: _____ Title: _____

Phone Number: (____) _____

Mailing Address: _____

City _____ State _____ Zip _____

Policy Number: _____

Send this portion to:

American States Insurance Companies
Eastern Territory Loss Control Department
P.O. Box 100027
Duluth, Georgia 30096-0027





SAFECO®

FLORIDA - IMPORTANT NOTICE

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Your independent insurance agent is your best source of information on insurance and your specific insurance coverage. If you need further response to an inquiry, additional information on your coverage or assistance in resolving a complaint, you may call American States Insurance at this toll-free telephone number:

1-800-231-6047

American States Insurance Company
