YOUR POLICY INCLUDES:

- The Declarations Page, describing
  - You and Your Business
  - The Locations Covered
  - The Applicable Coverages
  - The Applicable Limits of Liability and Deductible
  - Who We are and Your Insurance Representative
- The Declarations Supplement, describing
  - Special Limits of Liability
  - Certain Special Conditions of Coverage
- This Bed & Breakfast Policy BU 04 15
  The policy may also include other endorsements.

THIS BUSINESSOWNERS FORM INCLUDES:

<table>
<thead>
<tr>
<th>PART I</th>
<th>ITEM</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part I A – Main Property Coverages Descriptions:</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Coverage A – Buildings</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage B – Business and Household Personal Property</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage C – Loss of Business Income</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage D – Money and Securities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Part I B – Supplemental Coverages</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Part I C – Losses Insured</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Part I D – Property Exclusions / Limitations</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Part I E – Losses Not Insured</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Part I F – Optional Coverages</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Part I G – Special Part I Conditions:</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Duties When Loss Occurs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>How Losses Are Settled</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Special Conditions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PART II</th>
<th>ITEM</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Part II A – Main Liability Coverages Descriptions:</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Coverage E – Liability to Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage F – Medical Payments to Others</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Part II B – Supplemental Coverages</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Part II C – Liability Not Insured</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Part II D – Special Liability Conditions, Including:</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Duties of Insureds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limits of Liability</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PARTS I AND II</th>
<th>ITEM</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common Exclusions</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Common Glossary</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Common Conditions, Including:</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Action or Suit Against Us</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cancellation / Termination</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concealment / Misrepresentation / Fraud</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coverage Territory</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Examination / Changes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Insurance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Conditions</td>
<td></td>
</tr>
</tbody>
</table>

DEFINITIONS AND WORD MEANINGS

Words shown in italics are defined in the Glossaries.

The word “Provisions” refers to all or part of the text of this insurance contract – including agreements, conditions, exclusions, limits, limitations, and all other terms.

The meanings of other words / phrases not specifically defined in the Glossaries are to be found in their relevant conventional definition based on consideration of the context in which they are used in this policy.
PART I A – MAIN PROPERTY COVERAGES

COVERAGE A – BUILDINGS
This agreement covers the following property at the described premises for which a limit of liability is shown for Coverage A, subject to all applicable provisions in this policy.
A. Buildings (buildings include related structures such as garages, storage and similar outdoor structures) owned by you and not used for business purposes other than your bed and breakfast business as described.
B. Additions under construction.* Alterations or repairs. Completed additions.
C. Equipment, fixtures and machinery, that are permanent parts of such structures. For example, air conditioning systems, elevators, and heating systems.
D. Outdoor yard fixtures. For example, fences, flag poles, and lamps.
E. Supplies and materials for use in alteration, construction, or repair of such property.*
   If a special limit for such property is shown in the Declarations Supplement, loss caused by theft is only covered up to that limit.
* Such property is covered by this policy only if not covered by other insurance.

COVERAGE B – BUSINESS AND HOUSEHOLD PERSONAL PROPERTY
This agreement covers the following property at the described premises for which a limit of liability is shown for Coverage B, subject to all applicable provisions in this policy.
A. Tangible personal property owned by you and usual to your bed and breakfast business as described.
B. Similar tangible personal property owned by others in your care, custody, or control for business purposes. This does not apply to the extent the loss is covered by others or if you are not responsible to others for the loss.
C. Tenant’s improvements and betterments. This means your remaining use interest in items made part of the premises by you, or otherwise acquired at your expense, which cannot legally be removed by you. This coverage applies only when the cost of such items is not included in your rent and repair or replacement is made at your expense.
D. If you reside at the described premises, household personal property or other property used for personal residential purposes and owned or used by you or a member of your household, anywhere in the world.
   But property usually located at another residence is covered for no more than 10% of the limit of insurance specified for Coverage B. If you move your household to a new residence, this limit does not apply until 30 days after you first move any property there.

COVERAGE C – LOSS OF BUSINESS INCOME RESULTING FROM DIRECT COVERED LOSS
This agreement covers your following loss of business income and related expenses, subject to all applicable provisions in this policy.

A. Coverage
1. Your following loss of business income (that otherwise would have been earned) and related incurred expenses are covered during a necessary interruption of your bed and breakfast business or untenantability of the premises at the described premises.
   a. The reduction in net profit, plus continuing usual operating expenses (such as payroll, utilities, rents, and the like) to the extent such are necessary to restore your bed and breakfast business. This includes loss which results from the cancellation or suspension of any written agreement which was made prior to the loss, provided that you can demonstrate that you otherwise would have been able to satisfy and meet all the requirements of the agreement had the direct covered loss not occurred.
   b. Reasonable extra expenses in excess of your usual operating expenses to the extent such are necessary to continue your bed and breakfast business.

Coverage is not provided for expenses incurred which need not continue during the period of interruption or untenantability.
2. Coverage applies only to loss and expenses that directly result from a direct covered loss at the described premises which causes the necessary interruption or untenantability.

Coverage also applies, for up to 14 consecutive days from the date of loss, when occupancy of the described premises is prohibited by civil authorities because of loss (as would be covered under this policy) at a local premises not owned or occupied by you.

3. You are required to immediately take all reasonable actions to reduce the amount of covered loss and period of interruption or untenantability. For example, by: resuming partial operations or occupancy, making use of other locations, or expediting restoration of your property. This condition applies in determining the extent and amount of your liability for any loss and expense otherwise covered by this policy.

B. Coverage Period
We will pay only for covered loss sustained and related expense incurred during the shorter period of time required, with diligence and ongoing effort, to either:
1. Restore the described bed and breakfast business to the same capability and quality of service which existed just prior to the loss; or
2. Promptly repair, restore, or replace that part of the property subject to the direct covered loss.

However, to assist after restoration, we will pay any continuing income loss which you sustain for a period up to 90 consecutive days beyond such coverage period: this extension
C. Coverage Limitations

*We do not pay for covered loss or expense caused by or resulting from the following:*

1. The cancellation or suspension of any lease or agreement, other than as provided in Part I A, Coverage C, Item A.1.a.

2. Loss or to data processing equipment (including component parts), media or software used in your bed and breakfast business beyond 30 consecutive days.

3. Interference at the described premises by strikers or others with the repair or replacement of property or with the resumption or continuation of your bed and breakfast business.

D. Limits of Liability / Coverage

1. If marked as “Included” (or if no dollar amount is shown) in the Declarations, no specific maximum dollar limit of liability applies in any one occurrence.

2. If a specific dollar amount is shown in the Declarations, the amount shown is our maximum limit of liability in any one occurrence.

**COVERAGE D – MONEY AND SECURITIES – EXPANDED COVERAGE EXTENSION**

This agreement covers, up to the applicable limits shown in the Declarations, your following loss to money and securities used in your bed and breakfast business, subject to all applicable provisions in this policy.

A. On Premises

Meaning loss to such property while within the described premises or within a bank or similar place of safe deposit.

B. Off Premises

Meaning loss to such property while being carried by you, your partners or any authorized officer, or employee. Coverage applies to property so in route to or from the described premises and any bank or similar place of safe deposit or, while so in route, within the living quarters of such authorized custodians.

C. A $200 deductible per occurrence applies, unless a greater deductible amount for this coverage is shown in the Declarations or elsewhere in this policy.

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**PART I B – SUPPLEMENTAL COVERAGES**

These coverages do not extend or modify any provisions of this policy except to the extent specifically described in the following Items 1 through 25. The limits shown for the following Supplemental Coverages are additional amounts of insurance unless otherwise indicated.

1. **ACCOUNTS RECEIVABLE COVERAGE**

This covers, up to applicable limit shown in the Declarations Supplement, loss due to your inability to collect on accounts receivable / credit card billings because of covered loss to records of such accounts. This covers all sums due you from customers which are uncollectible because of such loss. This also includes your increased collection expenses, and other reasonable necessary expenses incurred by you to replace or restore these records.

*Coverage does not apply to loss from the following:*

A. Due to accounting, billing, or bookkeeping error or omission.

B. Where proof is dependent upon an audit, or inventory computation. But such can be used in support of a claim which you prove through other sources.

Parts I D and I E (other than 7 and 12.A) and the Part I deductible do not apply.

2. **AUTOMATIC INCREASE IN POLICY LIMITS**

**Coverage A.** The limit of liability for Coverage A is increased on an annual pro rata basis by the percentage shown in the Declarations.

3. **BUILDING CODE / LAW COVERAGE**

A. Coverage A is extended to cover the loss or expense described in Items 1, 2 and 3 that ensues as a direct consequence of a covered loss at the described premises. We cover such for an amount determined by applying the applicable factor shown in the Declarations Supplement to the Coverage A limit for the subject property: the product is the specified limit for this Coverage. The losses or expenses covered are:

   1. The loss caused by enforcement of any building, land use, or zoning code / law in force on the date of the covered loss, that:
      a. Requires the demolition of parts of the same property not damaged by a covered cause of loss.
      b. Regulates the construction or repair of buildings, or establishes building, land use or zoning requirements at the described premises.

   2. The increased expense you incur to construct, rebuild, or repair the property caused by enforcement of building, land use, or zoning code / law in force on the date of the covered loss: the property must be intended for the same use / occupancy as the current
property unless otherwise prohibited by such code / law.

3. The expense you incur to demolish undamaged parts of property and clear the site of such parts, caused by enforcement of building, land use, or zoning code / law in force on the date of the covered loss.

Coverage C is extended, as to Condition B under Part I A, to the increased period of time required to comply with the conditions described in the preceding Paragraph 1; but, in no event is coverage provided beyond 12 months (365 days) from the first day of the covered loss.

B. We are not liable for payment under this Supplemental Coverage:
1. Until the property is repaired or replaced by you or us (at the same premises or elsewhere if permitted or required by this policy); and
   Unless the repair or replacement is made as soon as possible after the loss, but not later than the period described in Part I G.2.C.

2. For any loss or expense arising out of the enforcement of any code, directive, law, ordinance, or regulation requiring any insured or others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat any pollutants, asbestos, fungi, mold, or lead contamination.

C. Our maximum liability under this Supplemental Coverage (A.1, 2 and 3 combined), subject to (1), the specified limit and (2), the applicable limits and limitations on our liability described in Part I G.2.A is the sum of the following:
1. The cost to demolish the property and clear the site. And,
2. The cost to reconstruct / replace the property on the described premises.

D. This Supplemental Coverage does not apply to buildings or structures insured on an Actual Cash Value basis.

4. BUILDING GLASS COVERAGE – LIMITED COVERAGE
Coverage A is extended to cover, up to the applicable limits shown in the Declarations Supplement, loss to building glass other than signs.

If the loss is caused by any specified causes of loss (other than vandalism) or the building is constructed of glass curtain walls, the special limits do not apply.

This Supplemental Coverage does not provide an additional amount of insurance.

5. BUSINESS PROPERTY COVERAGES
A. Consequent Loss Coverage (Spoilage)
Coverage B is extended to cover, up to the applicable limits shown in the Declarations Supplement, loss to property within buildings or other structures on the described premises: we cover loss to property spoiled as a consequence of the disruption in power, cooling, heating, or refrigeration service resulting from the following:
1. Loss of Utility Services
   The loss of utility services to the described premises resulting from direct loss (as would be covered by this policy) to property of the utility.

2. Mechanical Breakdown
   The sudden accidental mechanical breakdown or faulty operation (including refrigerant leakage) of equipment on the described premises providing cooling, electrical, heating, or refrigeration service.

   This Extension of Coverage does not include loss resulting from or caused by: any conditions within your control. For example, insufficient fuel, inadequate or improper maintenance, disconnection or failure to connect units to power source, failure to turn on power or units, and the like.

   When such loss results from covered loss to power, cooling, heating, or refrigeration equipment on the described premises the specified limits do not apply.

B. Off Premises Coverage
With respect to personal property covered in this policy (including any covered within the definition of or by extension of Coverage A), premises coverage applies to covered loss that takes place outdoors within 100 feet of described premises. Otherwise, coverage off the described premises is extended as follows:

Coverage A
Coverage A is extended to cover, up to the applicable limit shown in the Declarations Supplement, property temporarily away from the described premises for maintenance, repair, or service.

Coverage B
Coverage B is extended to cover, up to the applicable limit shown in the Declarations Supplement, covered business personal property while in transit or otherwise temporarily away from the described premises. Property while in transit is also insured for direct physical loss caused by collision, crashing, or derailment of vehicles; stranding or sinking of vessels; and collapse of bridges, culverts, docks or wharves.

C. Personal Effects
Coverage B is extended to cover, up to the applicable limit shown in the Declarations Supplement, loss to covered business personal property while in transit or otherwise temporarily away from the described premises. This Extension of Coverage does not apply:
1. To you if you reside at the described premises; or
2. If there is other insurance available which covers the loss.

D. Other than the preceding Paragraph 5.A, these Extensions do not provide additional amounts of insurance.

6. COLLAPSE COVERAGE
A. Coverage is extended to cover the collapse of a building or any structural part of a building that ensues only as a
consequence of the following:
1. Any cause of loss provided for in Coverage B under Basic Plus Coverage. Under this coverage, these causes of loss apply to both covered buildings and business personal property.
2. Hidden decay, unless such decay is known to an insured prior to collapse.
3. Hidden insect or vermin damage, unless such damage is known to an insured prior to collapse.
4. Weight of contents, equipment, animals, or people.
5. Weight of rain that collects on a roof.
6. Use of defective material or methods in construction, remodeling, renovation or repair.

B. For the preceding Items A.2 through A.6, we do not cover the following unless the loss is a direct result of the collapse of a building or a structural part of a building:
- antennas, including their lead-in wires, masts, or towers;
- awnings; beach or diving platforms and related equipment or structures; decks; docks, piers or wharves; downspouts or gutters; fences; outdoor swimming pools; paved surfaces of any sort (including but not limited to, bridges, driveways, parking lots, patios, pavements, roads, walks); retaining walls; yard fixtures.

This Supplemental Coverage does not provide an additional amount of insurance.

7. CREDIT CARD / FORGERY / COUNTERFEIT MONEY COVERAGE
A. Coverage B is extended, up to the limit specified in the Declarations Supplement, to financial loss to an insured:
1. Because of legal obligations to pay for the unauthorized use of credit cards or fund transfer cards issued or registered in the name of the insured.
2. Because of the alteration or forgery of checks, drafts, notes, or other negotiable instruments.
3. Because of the passing to the insured of counterfeit U.S. or Canadian paper money.

At our option, under the preceding Paragraphs A.1 and 2, we will provide a defense, with counsel of our choice, in a suit against an insured in connection with the obligations of the insured.

B. This Supplemental Coverage does not apply to financial loss caused by:
1. Any of your authorized representatives, directors, employees or trustees while performing services for you or while acting outside the scope of such service. This applies whether any such persons act alone or in collusion with other persons.
2. A resident of your household or family member.
3. Any person entrusted with such items.
4. All occurrences involving the acts of any one person, or in which any one person is implicated, are a single consolidated financial loss with respect to the limit of this coverage.

D. A $100 deductible per occurrence applies, unless another deductible amount is shown in the Declarations Supplement.

8. DEBRIS REMOVAL COVERAGE
A. Coverage is provided, subject to the limits specified in the following Paragraphs B and C, for the necessary reasonable expenses incurred to remove the debris of a property loss covered under this policy.

B. We pay such debris removal expense that you incur – but only up to an amount not exceeding that equal to the product of the amount otherwise payable by us for the covered direct physical loss times the factor shown in the Declarations Supplement. This amount is not additional insurance and does not increase our maximum limit of liability on the loss.

C. We also pay such debris removal expense, up to the special limit shown in the Declarations Supplement, if either:
1. The debris removal expense incurred exceeds the amount available for debris removal expense calculated in the preceding Paragraph 8.B; or
2. The sum of the debris removal expense incurred and the amount otherwise payable by us for the covered direct physical loss exceeds our maximum limit of liability on the loss.

We pay up to the shortfall or special limit, whichever is the lesser amount.

D. This Supplemental Coverage does not apply to any of the following expenses:
1. To remove the debris of trees.
2. To extract pollutants (whether or not covered property) from land or water.*
3. To remove, replace, or restore land or water that is polluted or is a pollutant.*
4. To remove volcanic ash, dust, or particulate matter that does not cause loss.

* This also excludes the expense to safely dispose of such as required by any code, directive, law, ordinance, or regulation.

E. This Supplemental Coverage applies only to such covered expenses reported to us in writing within 180 days from the date of the covered direct physical loss.

F. Other than Extension C, these Extensions do not provide additional amounts of insurance.

9. DWELLINGS LOSS OF USE
A. We cover the necessary and reasonable increase in living expenses that you incur to maintain your customary standard of living when that part of the described dwelling in which you reside is made incapable of being occupied by a direct covered loss.
Coverage also applies, for up to 14 consecutive days from the first day of loss, when occupancy of the described premises is prohibited by civil authorities because of a property loss (that we would cover under this policy if it were your property) to a local premises not owned or occupied by you.

We cover for an amount determined by applying the factor shown in the Declarations Supplement, to the limit shown in the Declarations for Coverage A.

**B. Coverage Condition**
The amounts otherwise payable for increased expenses or income loss are offset by any savings in any usual expenses which diminish or cease during the coverage period. For example, the reduction or elimination of utility or heating expenses.

**10. ELECTRONIC DATA COVERAGE**
**A.** Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, your expenses to replace or restore electronic data corrupted or destroyed by direct physical loss covered by this policy.

**B.** Exclusion 2 in Part I-E does not apply to this Supplemental Coverage. However, we do not cover any loss or damage caused by or resulting from manipulation of a computer or computer system, including its electronic data, by any of your employees or any entity retained, by or for you, to design, inspect, install, maintain, modify, repair or replace such computer or computer system.

**C.** The special limit specified for this Supplemental Coverage is our total liability for all such expenses for each annual (12 month) term of the policy – regardless of the number of occurrences or total expenses incurred. The limit is not cumulative from year to year even if the occurrence takes place over a period of years. If an occurrence begins in one policy term and continues into another policy term, all loss or damage is considered to have been sustained in the policy term in which the occurrence began. Coverage for that occurrence will not apply under the subsequent policy term.

**11. EMERGENCY REMOVAL COVERAGE**
Coverage is extended to cover direct physical loss to covered property when removed from a described premises when in imminent danger of loss by a covered cause of loss. This extension applies for up to 30 consecutive days from the date such removal begins. The “Off Premises” limits (Supplemental Coverage 5.B) and Part I-E do not apply.

**12. EMPLOYEE DISHONESTY COVERAGE**
**A.** Coverage is extended to cover, up to the limit shown in the Declarations Supplement, your loss of money, securities and other business personal property because of dishonest or fraudulent acts involving your employees (whether acting alone or in collusion with others). A series of similar or related acts is one occurrence.

**B.** The limit is not cumulative from year to year even if the acts take place over a period of years. We cover loss discovered during the policy year, or within one year from the end of the policy period or the expiration date of a prior bond covering the loss (but only if recovery cannot be made under the prior bond).

**C.** This does not cover loss where proof is dependent upon a profit and loss or inventory computation. But, such can be used to support a claim which you otherwise prove.

**D.** This insurance is automatically cancelled on any employee immediately upon discovery by you or your directors, members, officers, partners or trustees of such dishonesty or fraud by the employee, whether or not you make claim or report such to us.

**E.** A deductible, as shown in the Declarations Supplement, applies per occurrence.

**13. FIRE EXPENSE COVERAGES**
**A.** Fire Department Service Charges
Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, your written contractual obligation to pay service charges when a fire department is called to protect or save property from imminent direct physical loss covered by this policy.

The Part I deductible does not apply.

This Supplemental Coverage does not cover service charges:
1. Incurred prior to assumption of your contractual obligation.
2. Arising in connection with a false alarm.

**B.** Fire Extinguisher Recharge Expense
Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, the cost to recharge fire extinguishers/related equipment discharged in pursuit of extinguishing a fire at the described premises. The Part I deductible does not apply.

**14. FOOD CONTAMINATION SHUTDOWN COVERAGE**
Coverage C is extended to cover as follows:
**A.** Coverage
If the described premises is closed by the Board of Health or other governmental authority because of the discovery or suspicion of food contamination, the following coverages apply:

1. **Loss of Income Resulting from Food Contamination**
   We will pay for your loss of business income during such interruption of your business.

   Our maximum limit of liability in any one occurrence for this extension (Paragraph A.1) is the amount shown in the Declarations Supplement.

2. **Supplemental Coverage**
   We will also pay the following:
   a. The cost to clean your equipment as required by the Board of Health or other governmental authority.
   b. The cost to replace your consumable goods declared contaminated by the Board of Health or other governmental authority.
c. Necessary reasonable expenses incurred by your infected customers for medical care, hospitalization and blood work.
d. Necessary medical tests and vaccines for your infected employees as required by the Board of Health or other governmental authority.
e. Additional advertising expenses you incur to restore the bed and breakfast reputation.

Our maximum total limit of liability in any one occurrence for these extensions (Paragraph A.2.) is the amount shown in the Declarations Supplement.

The Part I deductible applies.

B. Losses Not Insured
Parts I D and I E (other than 3 and 7) do not apply. We also will not pay for any fines or penalties.

C. Additional Conditions
The DUTIES WHEN LOSS / DANGER OF LOSS OCCURS Condition in Part I G is extended to include the following:

1. Immediately notify any governmental authority that may have jurisdiction over the occurrence.
2. Give immediate notice to us of any order from the Board of Health or other governmental authority.
3. As soon as possible, give us a description of how, when and where the food contamination occurred.

15. GUEST RELOCATION EXPENSE COVERAGE

A. Coverage
1. Coverage is extended to cover, up to the limits shown in the Declarations Supplement, guest relocation expenses directly resulting from a direct covered loss at the described premises.
2. Guest relocation expenses are the necessary reasonable expenses incurred by your paying guests when their prearranged accommodations at the described premises cannot be honored. These expenses include:
a. Extra expenses incurred to reserve and use other comparable lodging accommodations which are located as near as possible to the described premises;
b. Extra expenses incurred to travel from the described premises to the location of such other lodging accommodations; and
c. Prepaid costs spent for activities or events away from the described premises that are lost because other lodging accommodations within 60 miles of the described premises are not available.

B. Coverage Period
We will pay only for guest relocation expenses resulting from a direct covered loss at the described premises during the period of time:

1. Beginning on the later of the dates your paying guest’s prearranged accommodations at the described premises are scheduled to begin, but cannot, or are interrupted; and
2. Ending at the earliest of the following:
a. The date your paying guest’s prearranged accommodations at the described premises are scheduled to end;
b. The date the described premises should be restored to the same capability and quality of service which existed just prior to the loss;
c. The date the described premises is actually restored to the same capability and quality of service which existed just prior to the loss; or
d. 14 days after the date determined in the preceding Paragraph B.1.

C. A deductible, as shown in the Declarations Supplement, applies per occurrence. We will then pay for covered guest relocations expenses up to the limit shown in the Declarations Supplement.

16. LOCK REPLACEMENT COVERAGE
Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, the cost to repair or replace door locks, lock tumblers or similar mechanisms at the described premises due to loss or theft of door keys.

Exclusion I E.3 and the Part I deductible do not apply.

17. LOSS OF INCOME FROM DEPENDENT PROPERTY COVERAGE

A. Coverage C Extension
Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, your loss of business income and related incurred expenses resulting from direct covered loss (as would be covered by this policy if such property were insured under this policy) to dependent property that causes necessary interruption of your business / operations.

B. Resumption of Operations
Any liability we otherwise have is reduced to the extent that you can, in whole or in part, use other available sources of materials or outlets for your products or services.

C. Coverage Period
We will pay only for covered loss sustained and related expenses incurred beginning on the date of the direct covered loss to the dependent property and ending on the date when the period required with diligence and ongoing effort to repair, restore or replace the damaged part of the dependent property for the same purpose ends.

18. LOSS OF INCOME FROM INTERRUPTION OF COMPUTER OPERATIONS

A. Coverage C Extension
Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, your loss of business income and related expenses during a necessary interruption of your business / operations due to an interruption in computer operations resulting from
19. NEWLY ACQUIRED PROPERTY COVERAGES

A. Coverage is provided for property newly acquired by you as follows:

Coverage A
You may apply an amount not exceeding 25% of the (greatest) limit of liability for Coverage A to buildings at newly acquired locations, or 25% of the specific limit of liability to additions made in the current policy period to a described premises.

Coverage B
You may apply an amount not exceeding 25% of the (greatest) limit of liability for Coverage B to your business personal property at newly acquired locations.

Coverage C
You may apply an amount equal to that applicable to Coverage A / Coverage B at the subject location.

These extensions apply when the occupancy at a newly acquired location is similar to the described business or the location is acquired for private warehousing. The “greatest” limit applies where two or more locations described in the Declarations are insured at different limits of liability.

B. This coverage applies for up to 45 days from the beginning date of acquisition, but not beyond the policy period or after you report to us such acquisitions or additions.

20. OUTDOOR SIGNS AND SATELLITE DISH COVERAGE

Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, loss caused by covered causes of loss to outdoor signs (including sign posts and poles) and satellite dishes at the described premises.

We cover such signs and dishes for direct physical loss. Parts I D and I E (other than 7 and 12.A) and the Part I deductible do not apply (but, a specific “signs and satellite dishes” deductible may apply).

21. POLLUTION CLEAN UP COST COVERAGE

A. Coverage is extended to cover, up to the applicable limit shown in the Declarations Supplement, the necessary reasonable expenses that you incur to extract pollutants from land or water at the described premises: but only if the discharge, dispersal, emission, escape, migration, release or seepage of pollutants is a consequence of fortuitous direct physical loss to covered property caused by a covered cause of loss.

The special limit specified for this Supplemental Coverage is our total liability for all such expenses for each annual (12 month) term of the policy – regardless of the number of occurrences or total expenses incurred.

This Supplemental Coverage applies only to such expenses reported to us in writing within 180 days from the date of such direct physical loss.

B. This Supplemental Coverage does not apply to the extraction of any sort of nuclear or radioactive materials – whether such is natural or human made.

C. If a specific deductible is shown for this Supplemental Coverage, such deductible applies in lieu of any other deductible otherwise shown as applicable in this policy.

22. TREES, SHRUBS, AND PLANTS COVERAGE

Coverage A is extended to cover, up to the applicable limits shown in the Declarations Supplement, loss (including debris removal expense) to lawns and decorative trees, shrubs and plants. This coverage applies for all covered causes of loss, other than loss by hail, ice, sleet, snow, or wind. This coverage does not apply to property held or grown for business purposes.

This Supplemental Coverage does not provide an additional amount of insurance.

23. VALUABLE PAPERS AND RECORDS COVERAGE

Coverage B is extended to cover, up to the applicable limit shown in the Declarations Supplement, your expenses (including the cost of research) incurred to replace or restore valuable papers and records because of loss to such property by direct physical loss covered by this policy. Parts I D and I E (other than 7 and 12. A) and the Part I deductible do not apply.
The full Coverage B limit applies to the cost of replacements in blank form, or other costs you incur to transcribe or copy written (non-electronic) records.

Valuable papers and records means abstracts, books of account, documents, deeds, electronic or magnetic media, manuscripts, and other like records.

24. VEHICLE COVERAGE
Coverage B is extended to cover your motorized land vehicles which are used principally on the described premises to service the premises or the described bed and breakfast business. For example, electric carts, fork lifts, lawn mowers, tractors and the like so used.

Coverage does not apply to any vehicles which are: licensed for use on public roads; not principally kept on the described premises; or more specifically insured.

This Supplemental Coverage does not provide an additional amount of insurance.

25. WATER DAMAGE / RELATED DAMAGE REPAIR EXPENSE COVERAGE
A. Coverage A is extended to cover the following additional expenses incurred in connection with an otherwise covered Sprinkler Leakage loss or Water Damage loss (including freezing) when the building containing the appliance, equipment, or system is covered property under this policy:
1. The expense to repair damage to the building that occurs because of necessary reasonable efforts to get at and repair damage to the appliance, equipment, or system from which water escapes.
2. The concurrently incurred expense to repair or replace that particular defective/damaged part (joint, piece of pipe, valve, or similar specific item) of the appliance, equipment, or system from which water escapes.

B. This Supplemental Coverage does not apply:
1. To the expense to repair or replace the subject appliances, equipment, or systems, other than the particular defective/damaged part as provided for in the preceding Paragraph A.2.
2. If others are responsible by contract or law for payment of such expenses.

This Supplemental Coverage does not provide an additional amount of insurance.

PART I C – LOSSES INSURED

GENERAL CAUSE OF LOSS CONDITIONS
Loss – covered loss – means fortuitous direct physical damage to or destruction of covered property by a covered cause of loss. Covered cause of loss means a cause of loss contemplated by the following to the extent that such are applicable to the subject covered property.

1. EXPANDED COVERAGE
Coverage A and Coverage B
Property covered by this policy is insured against fortuitous direct physical loss, not otherwise excluded or limited in this policy. Direct physical loss does not include or mean any sort of consequent loss, loss of use, or loss of utility. But such loss may otherwise be specifically provided for in this policy: for example, see Coverage C or Supplemental Coverage 5.

The losses and costs excluded under the following descriptions of the causes of loss Falling Objects and Sinkhole Collapse also apply to Expanded Coverage.

2. DESCRIPTION OF CAUSES OF LOSS
The following cause of loss definitions apply:
A. Aircraft: This means direct physical contact of aircraft with covered property. Aircraft includes objects that fall from aircraft, spacecraft, or self-propelled missiles.

B. Falling Objects: This means damage to other property caused by the falling object.
This does not include:
1. Loss to personal property outdoors (not in buildings).
2. Loss to the interior of a building, or any property within a building, unless the falling object first penetrates the roof or exterior walls of the building.

C. Glass Breakage: This means damage to other property caused by breakage of glass that is part of buildings.

D. Riot or Civil Commotion: This includes, but is not limited to:
1. Acts of striking employees while occupying the described premises;
2. Looting occurring at the time and place of riot or civil commotion.

E. Sinkhole Collapse: This means abrupt collapsing or sinking of land causing loss to covered property: such collapsing or sinking must be into an underground empty space created by the action of water on limestone or similar rock.
This does not include: the cost of filling sinkholes; collapsing or sinking into man made cavities.

F. Smoke: This means smoke causing abrupt accidental direct physical loss.

G. Sprinkler Leakage: This means accidental discharge or leakage from an automatic sprinkler system and the collapsing of a tank that is part of such system.

H. Vandalism: This means wilful malicious damage to property, and includes such damage done to a building by burglars while breaking into or out of such building.
This does not include: breakage of building glass or signs; loss by theft.

I. Vehiceles: This means direct physical contact of a vehicle, or an object thrown up by a vehicle, with covered property.
This does not include: loss caused by vehicles you own or which are operated in the course of your business.

J. Volcanic Eruption: This means only:
1. Airborne blast or shock waves;
2. Ash, dust, or particulate matter other than that which can be swept or washed away without leaving physical damage; and
3. Lava flow;
   caused by eruption of a volcano; but see Common Exclusions Part I, Item 1.
   All volcanic eruptions that take place within a continuous 168 hour period are considered a single occurrence and constitute a single loss.

K. Water Damage: Means the abrupt accidental discharge of water as a direct result of the breaking or cracking of any part of an appliance, equipment, or system containing water; but see Sprinkler Leakage for an automatic sprinkler system. Water includes steam and such discharge of other liquids or materials.

3. SPECIFIED CAUSES OF LOSS
Where the term specified causes of loss is used, the term means the following: Fire; aircraft; explosion; falling objects; lightning; riot or civil commotion; sinkhole collapse; smoke; sprinkler leakage; vandalism; vehicles; volcanic eruption; water damage; weight of ice, sleet, or snow; windstorm / hail.

However, these apply only to the extent that the subject property is otherwise insured for such causes of loss.

4. COVERED LOSS
A. Coverages A and B
 Covered loss as described in Part I C, General Cause of Loss Conditions.

B. Coverage C
Relevant to the context in which it is used:
1. Direct covered loss means:
   a. The fortuitous direct physical loss (as described in Part I C, General Cause of Loss Conditions) which occurs at described premises occupied by you (occupancy is not a condition for Rental Income loss), which directly results in the subject covered Loss of Income;
   b. For Loss of Income from Dependent Property Coverage, the fortuitous direct physical loss (as described in Part I C, General Cause of Loss Conditions) to dependent property resulting from a covered cause of loss otherwise insured by this policy.

2. Covered loss means: the subject covered Loss of Income which results as a direct consequence of such described direct covered loss.

PART I D – PROPERTY EXCLUSIONS / LIMITATIONS

1. PROPERTY NOT COVERED
 We do not cover the following property except to the extent otherwise specifically provided for in this policy.
A. Accounts, bills, deeds, evidence of debt, money or securities, notes, and gold, silver, or other precious metals. Valuable papers and records.
B. Building glass, outdoor signs, and satellite dishes. But see Supplemental Coverages 4 and 20.
C. Creatures of any sort.
D. 1. Earthworks and land, including costs of excavation, grading, and filling, and paved surfaces such as walks and driveways; water.
2. Pilings, piers, wharves and docks; and retaining walls not part of buildings.
3. Underground drains, flues, and pipes; and foundations below the ground surface or, if there is a basement, below the subsurface of the lowest basement.

E. Electronic data. But see Supplemental Coverage 10.
F. Property not described in this policy.
G. Property otherwise insured under Coverage B that is more specifically described and insured by this policy or under any other insurance contract.
H. Trees, shrubs, plants, lawns, and growing crops. But see Supplemental Coverage 22.
I. Vehicles, as follows: aircraft, motorized land vehicles, and watercraft. This includes any of their accessories, equipment, motors, and parts, and their trailers. But see Supplemental Coverage 24.

2. PROPERTY RESTRICTIONS – COVERAGE B
The following restrictions apply to loss to covered property.

Breakage
Glass and other similar fragile or glass type items are not covered for breakage. This does not apply to lenses of photographic or scientific equipment or to bottles or similar containers.
PART I E – LOSSES NOT INSURED

We do not insure loss consisting of, or directly or indirectly caused by, one or more of the following, except to the extent otherwise specifically provided for in this policy. Such loss is not insured whether or not an otherwise covered cause of loss contributes concurrently or otherwise to the loss.

1. BUILDING LAW EXCLUSION
   The enforcement of any laws regulating construction, repair, demolition, or debris removal, other than safety glazing laws. But see Supplemental Coverage 3.

2. COMPUTER HACKING AND COMPUTER VIRUS EXCLUSION
   Computer hacking or computer viruses.

3. DISAPPEARANCE OR DISHONESTY EXCLUSION
   The unexplained or mysterious disappearance of property including money and securities, or shortages disclosed on taking inventory. Acts of appropriation, pilferage or shoplifting. Criminal, dishonest, or fraudulent acts by, or instigated by, you or your directors, employees, officers, partners, or trustees or other insureds, or by anyone given possession of property, other than a bailee for hire.

4. ELECTRICAL DAMAGE EXCLUSION
   Loss, however caused, by artificially generated electrical currents to electrical or electronic appliances, devices or wiring. But, if loss by fire, not otherwise excluded, ensues we insure such ensuing loss.

5. EXPLOSION OF STEAM EQUIPMENT EXCLUSION
   The explosion of steam boilers, engines, pipes, or turbines you own or lease or which are operated under your control. But, if loss by fire or subsequent explosion, not otherwise excluded, ensues we insure such ensuing loss. We also insure loss by the explosion of gas or fuel within the firebox, combustion chamber or flues of any such equipment.

6. FLOOD / FLOODING EXCLUSION
   Flood, flooding, surface water, waves, storm surge, tidal water or tidal waves, overflow of streams or other bodies of water, or their spray, aggravated by or resulting from any natural or human made causes; all, whether or not caused by, or as a consequence of, rain, snow, wind or other conditions of the weather, or other covered causes of loss.
   But, if loss by fire, explosion or theft, to the extent otherwise covered by this policy, ensues, we insure such ensuing loss.

7. INTENTIONAL LOSS EXCLUSION
   Acts committed by, or at the direction of, any insured with the intent to cause a loss.

8. LEAKAGE FROM FROZEN EQUIPMENT EXCLUSION
   The leakage or overflow from, or damage to, plumbing, heating, air conditioning or other equipment or appliances which freeze while the building is vacant or unoccupied. But, we do insure such loss if necessary and ongoing care is exercised to maintain adequate heat in the building, or such equipment and appliances are drained and the water supply shut off.

9. LOSS OF USE OR DELAY EXCLUSION
   Because you cannot sell or use property, or resulting from delay.

10. POWER, HEATING, OR COOLING FAILURE EXCLUSION
    Power, heating, or cooling failure, change in temperature or humidity, or loss of utility services. But see Supplemental Coverage 5. B.

11. WATER DAMAGE EXCLUSIONS
    A. Underground, surface or subsurface water that exerts pressure on or flows, seeps or leaks through: basements; doors, windows, or other openings; driveways; floors; foundations; paved surfaces; sidewalks; swimming pools; or walls. See also mudflow or mudslide under Exclusion 12.E.
    B. Water or sewage which backs up through sewers or drains or overflows from a sump.
    But, if loss by fire, explosion, sprinkler leakage or theft, to the extent insured by this policy, ensues we insure such ensuing loss.
    If BU 50 03 is listed in the Declarations, then Exclusion 11.B is amended in that we do cover damage caused by water or sewage which backs up through sewers or drains or overflows from a sump up to the applicable limit shown in the Declarations Supplement.

12. WEAR, TEAR AND OTHER SPECIFIED CAUSES OF LOSS EXCLUSIONS
    A. Wear and tear; birds, domestic animals, insects, raccoons, rodents or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of pollutants; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires you or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to pollutants, asbestos, fungi, mold or lead contamination or assess the effects of pollutants, asbestos, fungi, mold, or lead contamination: but see Supplemental Coverage 21 for certain coverage; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; fungi, mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); mechanical breakdown; rust.
    B. Buckling, bulging, contracting, cracking, expansion, settling, shrinkage, or sinking.
    C. Contamination by any virus or other pathological agent that causes disease or illness in humans, animals, birds, or other creatures, or the costs associated with enforcement
of any governmental directive, law or ordinance which requires you or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to any virus or other pathological agent.

D. Continuous or repeated leakage or seepage from any part of an appliance or system which contains water or other liquids resulting from a condition which you fail to repair.

E. Earth / ground / land movement on or below the surface of the earth aggravated by or resulting from any natural or human-made causes including, but not limited to: earth / ground / land collapsing (other than sinkhole collapse), pressure, rising, shifting, sinking, sliding, or subsidence; landslide; mine subsidence; mudflow or mudslide; rock slides or rock falls.

See also Common Exclusion 1 as to catastrophic earth movement.

F. Marring or scratching, but only with regard to personal property.

G. Smog, or smoke from agricultural or industrial activities.

If loss by a covered specified cause of loss ensues we insure such resulting loss, other than collapsing concurrent with or ensuing as a result of loss subject to in the preceding Exclusions B and E.

13. WEATHER / RELATED EXCLUSION
A. Coverage B
1. Loss to personal property caused by changes or extremes of temperature or by dampness or dryness of the atmosphere.
2. Loss by freezing, rain, hail, ice, sleet or snow: but these apply only to personal property while outdoors at the time of loss.

B. All Property
1. Drought.

14. HOT WATER / STEAM EQUIPMENT EXCLUSION
A. Hot Water Boilers
Hot water boilers or other equipment for heating water caused by any condition or occurrence within such boiler or equipment. But, we do insure loss by explosion.

B. Steam Equipment
Steam boilers, engines, pipes or turbines caused by any condition or occurrence within such boiler or equipment. But, we do insure loss caused by the explosion of gas or fuel within the firebox, combustion chamber, or flues of any such boiler or equipment.

AND WE DO NOT COVER LOSS TO THE FOLLOWING PROPERTY

15. UNAUTHORIZED / VOLUNTARY TRANSFER OF PROPERTY
A. Unauthorized Transfer
Loss in connection with property that is given or transferred to any persons or transferred to any place (not the described premises) on the basis of false / unauthorized instructions – however such are given or transmitted.

B. Voluntary Transfer
Loss in connection with property that you (or others to whom you have entrusted the property) voluntarily give or transfer to anyone on the basis of being induced to do so by false pretense or fraudulent device, scheme, or trick.

PART I F – OPTIONAL COVERAGES
These coverages do not extend or modify any provisions in this policy except to the extent specifically described as follows. Only those options designated as applicable in the Declarations or Declarations Supplement apply to this policy.

OUTDOOR (EXTERIOR) BUILDING GLASS COVERAGE
This covers loss to outdoor building glass and entrance glass, including encasing frames and lettering or ornamentation on such glass, at the described premises.

The covered property must be owned by you, or be in your care, custody and control and be part of that portion of the premises occupied by you.

This also includes the expense of boarding up damaged openings, installing temporary repairs or plates, and removal of obstructions, to the extent made necessary by the loss.

We cover direct physical loss. Parts I D and I E (other than 7 and 12.A) and the Part I deductible do not apply.

PART I G – SPECIAL PART I CONDITIONS

1. DUTIES WHEN LOSS / DANGER OF LOSS OCCURS
You, other insureds, and other coverage beneficiaries must do all of the following things:
A. Report the Loss
Give immediate written notice to us of any loss. Also, immediately notify the police in case of theft, vandalism, or other violation of law. As soon as possible, give us a description of how, when and where the loss occurred.

B. Protect Property
Protect property if in imminent danger from a covered
cause of loss or, if loss has occurred, from further damage. For example, by taking exposed property indoors, by covering openings or windows, or by making temporary repairs. We cover the reasonable necessary expenses that you incur for such immediate temporary repairs or safeguards.

However, it is your ongoing obligation, at your expense, to – as soon as feasible after you, your employees, or those you authorize to act on your behalf become aware of any condition under your control which could lead to loss while this policy is in force – undertake all reasonable construction, maintenance, or repair necessary to protect property from such covered loss. Listing of all such conditions is not feasible, but examples include: if a roof is leaking, to repair such; if a flooring support is collapsing / deteriorating, to repair such; if new supports or retaining walls become required, to construct such.

Any additional or subsequent loss resulting from your neglect of these duties is not covered under this policy, and you must either rely on other insurance or absorb such loss yourself.

C. Cooperation on the Loss
As often as we may reasonably request / require:

1. Immediately exhibit all that remains of the damaged and undamaged property, and allow us to take samples of such property for examination / inspection.

2. Produce for examination and copying: the inventory described in the following Paragraph 1.D; all relevant accounting procedures, affidavits, books of account, bills, contracts, deeds, documents, evidence, financial records, invoices, liens, leases, receipts, records, tax returns, vouchers, or other sources of information, or facsimiles acceptable to us.

3. Submit to examination and provide statements under oath, and sign and swear to such. If more than one person is examined we reserve the right to make such examination of each person out of the presence of the others. We also reserve the right to video record any examinations.

4. Otherwise cooperate with us in the investigation / settlement of the claim.

D. Inventory
At our request, prepare and sign an inventory of all damaged and undamaged property, showing in detail: age; description; quantity; actual cash value and, if so covered, replacement cost; source; amount of loss claimed. To the extent possible, set the damaged property aside and put such in best possible order for our examination.

E. Statement of Loss / Proof of Loss
Submit to us a statement about the loss that includes all information reasonably required by us (including, but not limited to, that described in the preceding Paragraphs C.2 and D) to determine: coverage; our liability for the loss and the amount and scope of loss; specifications of any damaged buildings. The statement is also to include detailed repair estimates.

And if required: submit to us within 60 days after our request a signed, sworn proof of loss. This is to include the information described in the preceding paragraphs and any other information reasonably required by us, including all knowledge available to you, and others about:

1. The time and cause of loss.

2. Your interest and that of all others in the property involved, including a description of all encumbrances on such property.

3. All other insurance policies which may apply to the loss.

4. Any changes in occupancy, title, or use of the property during the policy term.

Failure to comply with these (or other Conditions) can alter or void our obligations under this policy.

2. HOW LOSSES ARE SETTLED
A. Limits of Liability
Our liability for loss is limited to whichever amount is the smallest of the following:

1. The replacement cost or actual cash value of the property at the time of loss, whichever basis applies to the property covered under this policy. But not exceeding the lesser of: the reasonable cost required, with diligence, to repair or replace the property with equivalent property at the described premises intended for the same use / occupancy; or the amount spent for such repair or replacement – even if the actual cash value is greater.

2. The limits or amounts of insurance shown in the Declarations or Declarations Supplement as applicable to the loss.

3. Your insurable interest or that of any “mortgagee” named in this policy.

4. As to certain property coverage under Coverage B, the special limits specified for each item in the Declarations Supplement for all such described property.

B. Deductible
We are liable for that amount of the loss in any one occurrence in excess of the deductible amount shown in the Declarations. The deductible does not apply to Coverage C.

C. Bases of Settlement
1. Replacement Coverage
Loss settlement under Coverages A and B is on a replacement basis unless otherwise provided by this policy. But, this applies only if replacement is made at the described premises: We may waive this requirement in writing if building laws prohibit replacement at the described premises (then see Supplemental Coverage 3), or for other reasons acceptable to us.
We are not liable for payment on a replacement basis until the repair or replacement is completed, unless the total cost for full repair or replacement is less than the replacement threshold limit shown in the Declarations Supplement.

You may submit a claim on an actual cash value basis instead of on the replacement basis. You may then make further claim in writing for the additional coverage provided under this Replacement Coverage Option if you notify us of your intent to do so within 6 months of the later of the following:

- The last date you received a payment for actual cash value; or
- The date of entry of a final order of a court of competent jurisdiction declaring your right to full replacement cost.

2. Actual Cash Value
If the actual cash value settlement is applicable, then loss is settled on the basis of the actual cash value of the property at the time of loss.

3. Money or Securities
Our liability for loss to money or securities, to the extent covered by this policy, does not exceed whichever amount is the smaller of the following:

- The actual cash value of the property at the time of loss.
- The cost to replace the property with equivalent property. The cost of replacing securities may be determined by us by market value at the time of settlement.

If more than one location is covered, the “Off Premises” limits are not cumulative, and any specific location limit applies only to loss from the described location.

4. Tenant’s Improvements and Betterments
We will pay your use interest in such property based upon consideration of: (a) the unexpired term of the lease at the time of loss and, (b) the age of such property at the time the lease expires related to your expenses to acquire such property. However, if you repair or replace the property at your expense we will pay for the loss on a replacement cost or actual cash value basis, whichever coverage option is applicable under this policy.

D. Abandonment of Property
There can be no abandonment to us of any property.

E. Appraisal
1. If you and we do not agree on the amount of the loss or values or on the amount of Business Income or operating expenses, either one can require that the items in dispute be set by appraisal. Within 20 days of receipt of a written demand for appraisal, each is to select a competent disinterested appraiser. Each party is to then notify the other of the appraiser selected.

2. The two appraisers are to select a competent disinterested umpire. If the appraisers are unable to agree upon an umpire within 15 days, you or we may petition a judge of a Court of Record in the state in which the property is located to select an umpire.

3. The appraisers are to reach a mutual agreement on the items in dispute. If the appraisers fail to agree within a reasonable time, they are to submit their differences to the umpire. Written agreement signed by any two of these three persons constitutes settlement on the items in dispute.

4. Each appraiser is paid by the party selecting the appraiser. All other expenses of the appraisal are paid equally by you and us. However, if we made the written demand for appraisal, we will reimburse you for the reasonable cost of your appraiser and for your portion of the cost of the umpire.

5. If we agree to appraisal, we specifically retain our right to deny the claim.

F. Loss to a Portion of a Pair or Set of Articles – Coverage B
1. Loss to some portion of a pair or set of articles or to property consisting of two or more parts (when complete) is not considered a total loss unless: because of the loss, the remainder is of no use and repair or replacement is not feasible.

2. In case we agree to pay for total loss, you are required to give us the remainder of such property, at our request, prior to such payment.

G. Our Liability and Satisfaction of Your Loss
If the maximum liability payable by us on covered loss, as determined under this policy, does not fully satisfy your loss, then you must either seek insurance that may be provided by others for the difference or otherwise absorb the unsatisfied portion of the loss yourself.

However, loss does not reduce the amount of insurance unless an aggregate limit applies.

H. Our Options in Settling Losses – Coverages A and B
1. We may pay for the loss in money.

2. We may repair or replace all or any part of the property as provided for in this policy, or take all or any part of such property at a mutually agreed, or appraised, value. We may give notice of our intent to do so at any time up to 30 days after our acceptance of our liability for the loss (i.e., proof of loss).

3. We may settle the claim with you, any loss payee named in this policy, or others legally entitled to receive payment. If the claim applies to property of others, we have the right to adjust the loss with the owners of the property: satisfaction of their claim is also satisfaction of your claim as to such property.

If legal action is taken in a claim against you, we have the right to conduct and control a defense at our expense (but without increasing our liability under this policy).
I. Recovery of Covered Property
In the event we make a payment for loss and a subsequent recovery is made of any of the property, you may choose to keep the property you have recovered or receive the property that we have recovered. If you choose this option, our liability is reduced accordingly; payment is adjusted for the amount which you received for the loss to such property, and you must compensate us for the amount we previously paid.

If you do not choose this option, the recovered property becomes our property: if you have such property, you are required to give us those items we request.

J. When Loss Becomes Payable / Payment to Others
1. Loss becomes payable 30 days after completion and acceptance by us of a written agreement between the parties, or after an award is filed with us as provided in this policy. Our payment does not reduce the amount of insurance provided under this policy.

2. With respect to any mortgagee or secured party named in this policy; governmental entity; or others with contractual, legal, or statutory rights in loss payable under this policy: we may make payment jointly to all interested parties at our option. But we need not pay any loss assignee, unless they receive a full assignment of the loss from you.

3. If an insurance trustee is named in this policy, we may negotiate the loss and make payment solely to such trustee – to the extent the trustee represents those with an interest under this policy.

3. OTHER SPECIAL CONDITIONS
A. Mortgagee Clause
Mortgagees named in this policy are covered for loss to the extent of their interest and in order of precedence of the mortgages. This condition applies to all mortgagees, trustees or secured parties named in this policy who comply with the following conditions of this policy.

Provided that the mortgagee will:
1. Without delay, notify us of any change in ownership or occupancy, foreclosure proceeding or increased hazard known to the mortgagee.

2. Pay, on our demand, any required premium, if you fail to do so.

3. Furnish proof of loss within 60 days after our request, if you fail to do so.

4. Give us the mortgagee’s rights of recovery against anyone liable for the loss. This is not to impair the right of the mortgagee to recover the full amount of the mortgagee’s claim.

5. Permit us, after a loss, to satisfy the mortgage requirements and receive a full assignment of the mortgage and all collateral securities to the debt.

We agree to provide this insurance to protect the mortgagee’s interest in covered property in case we deny your claim.

Cancellation may be made by us in accordance with the cancellation provisions described in the Common Conditions.

B. No Benefit to Bailee
This insurance does not inure to the benefit of any carrier or others having custody of your property for a fee or other payment.

C. Vacancy, Unoccupancy, and Other Increase in Hazard
1. This insurance is suspended on a covered building while vacant beyond a period of 60 consecutive days. “Vacant” or “Vacancy” means not containing the contents customary to occupancy of the building. A building in the course of lawful construction or renovation is not considered vacant.

2. This insurance is suspended on a covered building while unoccupied beyond a period of 60 consecutive days. This does not apply to unoccupancy during that part of the year when it is your custom to close because of seasonal use.

3. We are not liable for loss occurring while the hazards we undertook to insure at the subject premises are increased by means which are within your control (or of those you designate to have control of the premises in your absence). Lawful building alteration, construction, maintenance, or repair, unless changing the use of the premises, is not an increase in hazard.

PART II A – MAIN LIABILITY COVERAGES

APPLICATION OF THIS INSURANCE (PART II)
This insurance applies to liability arising out of your premises and bed and breakfast business, designated in the Declarations or elsewhere in this policy, to the extent covered in this policy, or those newly acquired or formed by you during the current policy period as provided in the definition of insureds.

All provisions applicable to your bed and breakfast business and your premises designated in this policy apply to additions, changes, and new entities, unless otherwise modified.

We have no obligations to provide any insurance or service, or pay any expenses or any sums, other than those specifically described as applicable and insured in this policy.

COVERAGE E – LIABILITY TO OTHERS
A. We pay for the benefit of insureds, up to the applicable limit(s) of liability (See Part II D) shown in the Declarations, those sums that insureds become legally liable to pay as damages because of bodily injury or property damage insured in this policy.

Such bodily injury or property damage must:
1. Be caused by an occurrence that takes place within the applicable coverage territory: See Common Condition 6;
2. Occur during the policy term; and

3. Prior to the policy term, no insured or no employee authorized by you to give or receive notice of a claim or occurrence, knew that the bodily injury or property damage had occurred in whole or in part. If any insured or authorized employee knew, prior to the policy term, that the bodily injury or property damage occurred, then any change in, continuation of, or resumption of such bodily injury or property damage during or after the policy term will be deemed to have been known prior to the policy term.

Damages because of bodily injury insured in this policy include claims by others for care, death (at any time), or loss of services resulting from such bodily injury.

B. Bodily injury or property damage which occurs during the policy term, provided no insured or employee authorized by you to give or receive notice of a claim or occurrence knew, prior to the policy term, that such bodily injury or property damage had occurred, includes any change in, continuation of, or resumption of that bodily injury or property damage after the end of the policy term.

C. Bodily injury or property damage will be deemed to have been known to have occurred at the earliest time when any insured or any employee authorized by you to give or receive notice of a claim or occurrence:
   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, claim or suit for damages because of the bodily injury or property damage; or
   3. Becomes aware of anything that indicates that bodily injury or property damage has occurred or is occurring.

D. We have no obligation to pay any damages not covered in this policy or in excess of our limits of liability (See Part II D) for any covered damages.

COVERAGE F – MEDICAL PAYMENTS TO OTHERS

A. We pay, up to the applicable limit of liability (See Part II D) shown in the Declarations, the reasonable necessary medical expenses, incurred by others, arising out of an accident which are both incurred and reported to us by you or the coverage beneficiary within three years from the date of such accident. The accident must: take place within the applicable coverage territory and policy term (See Common Conditions), and occur:
   1. On your premises.
   2. Away from your premises, but, if so, then only if the accident either:
      a. Arises out of a condition at your premises; or
      b. Arises out of the bed and breakfast business insured by this policy.

Fault or legal liability is not a condition for such payment (and our payment is not an admission of liability by any insured); however, we pay medical expenses only for bodily injury not otherwise excluded or uninsured under this policy.

B. Medical expenses means expenses for: ambulance, dental, funeral, hospital, medical, professional nursing, surgical or x-ray services; prosthetic devices; drugs and surgical supplies.

PART II B – SUPPLEMENTAL COVERAGES

The following coverages do not extend or modify any provisions in this policy, including our Limits of Liability or any applicable Exclusions, except to the extent specifically described.

1. DEFENSE COVERAGE

A. With counsel of our choice, we defend suits (civil proceedings) seeking damages covered by this insurance. We have no duty to investigate any claim, defend or provide for a defense for any insured:
   1. In connection with either suits seeking damages not covered by this policy or allegations within a suit which are not covered by this policy; or
   2. When the applicable limit of liability is used up in payment of judgments or settlements.

B. We may investigate and settle any claim or suit as we deem such to be reasonable.

C. We assume at our expense the following costs and expenses in a suit defended by us:
   1. All costs incurred by us.
   2. The interest which accrues after entry of a judgment, but only until that time when we pay, offer to pay, or deposit in court that part of the judgment within our limit of liability.
   3. The prejudgment interest awarded against any insured on that part of the judgment we pay. But, if we offer to pay our applicable limit of liability under this policy, we will not pay any prejudgment interest which is based on the period of time that follows our offer.

4. Costs taxed against the insured.

5. Costs of appeal bonds or bonds to release attachments, for that amount of the bond within our applicable limit of liability. We need not furnish or secure such bonds.

6. The reasonable expenses incurred by the insured at our request, as well as earnings (up to $250 per day) lost because of absence from work at our request. Suit includes alternative dispute resolution proceedings to which an insured either must submit or may choose to submit (but only if done with our prior written consent).

The payment of these costs or expenses does not reduce the limit of liability.
2. CONTRACTUAL COVERAGE
A. Coverage E is extended to include your liability to pay damages to others (third parties) because of bodily injury or property damage – to the extent otherwise insured by this policy – arising out of your assumed assumption of the liability of another (your indemnitee) under the following oral or written contracts:

Item 1.
1. Agreement to indemnify a municipality as required by law or ordinance. This does not include agreements made in connection with work for a municipality: but the assumption of tort liability of another for such work is included under Item 2.

2. Easements. This does not include easements involving work on, or within 50 feet of, a railroad, nor is the assumption of tort liability for such included under Item 2.

3. Lease of premises (but not as to fire or explosion damage) or elevator maintenance agreement.

4. Sidetrack agreement.

Item 2.
That part of other contracts (not as described in Item 1) in which you have expressly assumed the tort liability (liability imposed by law in the absence of contract) of another, provided that the bodily injury or property damage is caused, in whole or in part, by you or by those acting on your behalf, but only to the extent that you or those acting on your behalf contributed to the bodily injury or property damage.

B. The Automobiles / Aircraft / Watercraft Exclusions, in Part II C, do not apply to covered contracts under Item 2 with respect to maintenance, ownership, or use of automobiles, aircraft or watercraft.

C. This Supplemental Coverage applies only to contracts made in connection with your bed and breakfast business or your premises covered by this policy and, then, solely to bodily injury or property damage which occurs subsequent to execution of the covered contract.

3. LIABILITY FOR NONOWNED AUTOMOBILE COVERAGE
A. Coverage E is extended to include bodily injury and property damage arising out of the use (including loading or unloading) of nonowned automobiles in your business, as follows:

1. Use by anyone, with your permission, of a nonowned four wheel private passenger or station wagon automobile, or a four or six wheel private passenger van type automobile. But this does not apply to use by you, your partners, or members of your or your partners’ households.

2. Use on an occasional infrequent basis, by your employees, of a nonowned truck type vehicle designed to carry goods or materials on public roads.

B. None of the following is an insured as respects this coverage extension:

1. Your partner or executive officer for an automobile owned by such partner or executive officer or any member of their household.

2. The owner of a nonowned automobile or any agent or employee of such owner.

C. This extension applies only when primary automobile liability insurance is provided in another policy by others or by you. Coverage F does not apply to this extension.

If BU 50 04 is listed in the Declarations, this Supplemental Coverage is not applicable under this policy.

D. Glossary
Nonowned automobile means an automobile that is not: owned by you; hired or leased by you or on your behalf; registered in your name; or loaned to you: but includes automobiles loaned to you by your employees, executive officers, or partners or members of their household.

4. FIRST AID EXPENSE COVERAGE
We pay necessary reasonable medical expenses incurred for first aid to others at the time of an accident, other than in connection with bodily injury otherwise excluded by this policy.

5. GUEST PROPERTY COVERAGE
A. Coverage
We pay for your benefit, up to the applicable limit(s) of liability, shown in the Declarations Supplement those sums that you become legally liable to pay as damages because of damage to, destruction or loss of property belonging to your guests while such property is in a safe deposit box inside a building at the described premises or while the property is at the described premises or in your possession.

Such damage must:
1. Occur during the policy term, and
2. Be caused by an occurrence that takes place within the applicable coverage territory.

We have no obligation to pay any damages not covered by this policy or in excess of our limits of liability for any covered damages.

B. Property Not Covered
We do not cover damage to the following:

1. Samples or articles carried or held for sale or delivery after sale.

2. Motorized land vehicles, trailers or semi-trailers – including their accessories, equipment, motor, parts or tires; any property contained in or on such vehicle.

3. Property in any wall safe or other container used for safekeeping that is located in a guest’s quarters.

C. Additional Exclusions
In addition to the Exclusions in Part II C, we do not insure any of the following:

1. Acts Committed by You, Your Member or Partner
Criminal or dishonest acts committed by you or any
of your members or partners. This applies whether any such persons act alone or in collusion with other persons.

2. Assumed Liability
Liability you assume under any written contract or agreement.

This exclusion does not apply to any written agreement with a guest, entered into before the occurrence of any damage, destruction or loss, that increases only the amount of your statutory liability to a total amount not exceeding $1,000.

3. Fire
Damage to or destruction of property resulting from fire.

4. Food or Liquid
Damage to or destruction of property resulting from the leaking, spilling or upsetting of any food or liquid.

5. Laundering or Cleaning
Damage to, destruction or loss of property while in your care and custody for laundering or cleaning.

6. Release of Others From Liability
Your release of any other person or organization from legal liability.

7. Wear, Tear and Other Specified Losses
Wear and tear; birds, domestic animals, insects, raccoons, rodents or vermin; contamination or pollution including, but not limited to: (1) the discharge, dispersal, emission, escape, migration, release, or seepage of pollutants; (2) the costs associated with enforcement of any governmental directive, law or ordinance which requires you or any others to clean up, contain, detoxify, monitor, neutralize, remove, test for, or in any way respond to pollutants, asbestos, fungi, mold or lead contamination or assess the effects of pollutants, asbestos, fungi, mold, or lead contamination; corrosion; decay or deterioration; deficiency, error, or omission in design, materials, plans, or workmanship; disease; dry or wet rot; fungi, mold, spores, mildew, bacterium, or other natural growth; inherent vice (a customary characteristic of the property); latent defect (an original condition or fault leading to loss); mechanical breakdown; rust.

D. Limits of Liability
1. Our maximum limit of liability for all damages because of damage to, destruction or loss of property of any one guest is the Per Guest Limit shown in the Declarations Supplement.

2. Our aggregate / total maximum limit of liability for all damages in any one occurrence is the Per Occurrence Limit shown in the Declarations Supplement.

E. Other Insurance
The Other Insurance Common Condition is replaced by

the following:
This insurance does not apply to damages recoverable or recovered under any other insurance or indemnity. However, if the limit of such other insurance or indemnity is insufficient to cover the entire amount of the damages, this insurance will apply to that part of the damages not recoverable or recovered under the other insurance.

F. Glossary
The definition of occurrence in the Common Glossary is replaced by the following for Guest Property Coverage. Occurrence means an:
1. Act or series of related acts involving one or more persons; or
2. Act or event, or a series of related acts or events not involving any person.

6. INCIDENTAL ALCOHOLIC BEVERAGE COVERAGE
Coverage E is extended to include bodily injury and property damage arising out of the furnishing, giving, serving or use of alcoholic beverages, as follows:

A. When you furnish, give, or serve alcoholic beverages without charge and a license is not required for such activity.

B. If BU 50 05 is listed in the Declarations, then we also provide coverage when you furnish, give, or serve alcoholic beverages for which a charge may be made if such activities are an incidental and minor part of your bed and breakfast business (and such do not pertain to the distribution, manufacture, or sale of alcoholic beverages).

7. INCIDENTAL AUTOMOBILE COVERAGE
Coverage E is extended to include bodily injury and property damage arising out of the following:

A. The parking of automobiles (not borrowed or owned by, or rented to, any insured) at your premises.

B. The operation of any device permanently attached to a vehicle that would qualify as mobile equipment, under the definition of mobile equipment, if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

8. INCIDENTAL PROPERTY LEGAL LIABILITY COVERAGE
Coverage E is extended to include, up to the applicable limit of liability (See Part II D) shown in the Declarations Supplement for Property Legal Liability Coverage, property damage arising out of any other fortuitous direct physical loss at a nonowned premises rented to, or occupied by, you.

9. INCIDENTAL MEDICAL / PROFESSIONAL LIABILITY COVERAGE
Coverage E is extended to include bodily injury arising out of your providing for the benefit of others, without charge, any incidental medical or nursing services or drugs or related supplies. This does not apply to any insured, or any insured’s indemnitee, whose business / profession involves the rendering of such services or drugs or supplies.
10. INCIDENTAL MOBILE EQUIPMENT COVERAGE
   A. Coverage E is extended to include bodily injury and property damage arising out of loading or unloading, maintenance, ownership, or use of mobile equipment.

   B. Glossary
      1. Mobile equipment means solely land vehicles (including any equipment or machinery permanently attached to, or forming an integral part of, the vehicle) as follows:
         a. Vehicles used solely at your premises.
         b. Vehicles designed for primary use off public roads such as bulldozers, farm machinery, forklifts, and similar commercial types.
         c. Vehicles used primarily to provide mobility to the following:
            1. Diggers, drills, loaders, power cranes, or shovels.
            2. Road construction and resurfacing equipment, such as graders, rollers, or scrapers.*
         d. Vehicles that are not self-propelled used primarily to provide mobility to:
            1. Air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.*
            2. Cherry pickers and similar devices used to lower / raise workers.*
         e. Vehicles that travel on crawler treads.
         f. Golf carts while being used to play golf at a golfing facility, or for other recreational or leisure activities allowed by such facility, including traveling to or from motor vehicle or golf cart parking or storage areas and crossing public roads at points designed to access other parts of the golfing facility.
         g. Vehicles designed for recreational use off public roads (other than golf carts) that are not subject to motor vehicle registration, and are either:
            1. Not owned by an insured; or
            2. On your premises at the time of the occurrence.
         h. Vehicles not subject to motor vehicle registration requirements that are:
            1. Designed for assisting the handicapped and, at the time of an occurrence, were being used to assist a handicapped person or were parked on your premises;
            2. In dead storage on the described premises.
         i. Vehicles not otherwise used as described in the preceding Paragraphs 1.a. through 1.e. that are maintained by you primarily for uses other than the transportation of cargo or persons: but this Supplemental Coverage does not extend to self-propelled vehicles as described in the following paragraphs or equipped with any of the following permanently attached devices:
            1. Designed primarily for road maintenance (other than road construction or resurfacing), snow removal, or street cleaning.
            2. Equipped with air compressors, generators, or pumps; building cleaning, geophysical exploration, lighting, spraying, welding, or well servicing equipment.
            3. Equipped with cherry pickers and similar devices mounted on automobile or truck chassis and used to raise / lower workers.

      All such vehicles are automobiles for purposes of this insurance. But see Supplemental Coverage 7 for coverage of the operation of the described devices.

      * But only if permanently attached to, or forming an integral part of, the vehicle.

11. INCIDENTAL WATERCRAFT COVERAGE
   Coverage E is extended to include bodily injury and property damage arising out of any of the following:
   A. Watercraft while ashore at your premises (other than premises you have abandoned, sold, or transferred to others).
   B. Watercraft not owned by, or loaned or rented to, any insured, if the occurrence arises out of your direct act.
   C. Watercraft not owned by you, if less than 26 feet in length and not used to carry persons or property for a charge.

12. PERSONAL INJURY / ADVERTISING INJURY COVERAGE
   A. Liability to Others
      We pay for the benefit of insureds, up to the limit of liability shown in the Declarations or Declarations Supplement, those sums that insureds become legally liable to pay as damages because of: 1. Advertising Injury; or 2. Personal Injury, as described and covered by this policy, arising out of a covered offense.

      A covered offense must take place within the policy term and within the applicable coverage territory: See Common Condition 6.
This Supplemental Coverage applies only to the following:

1. **Advertising injury** arising out of an offense committed in the course of advertising goods, products, or services of your bed and breakfast business covered by this policy.

2. **Personal injury** arising out of an offense committed in the conduct of your bed and breakfast business covered by this policy, but not advertising, broadcasting, publishing, or telecasting done either by you or on your behalf.

B. **Defense in Connection with Advertising Injury / Personal Injury**

Defense is provided in connection with these coverages in accordance with the defense provisions described under Supplemental Coverage 1.

C. **Liability Not Insured (Additional Exclusions)**

*We* do not provide insurance for any sort of damages or liability directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following:

**Personal Injury / Advertising Injury Exclusions.**

*We do not insure any of the following:*

1. Injury arising out of oral or written publication of material, done by or at the direction of any *insured* with knowledge that such is false or such would violate the rights of another and would inflict the injury.

2. Injury arising out of oral or written publication of material whose first publication took place prior to the beginning of this policy or such coverage under this policy.

3. Injury arising out of rendering / failure to render professional advice or service.

4. Injury for which the *insured* has assumed liability in an implied, oral, or written agreement or contract. This does not apply to liability for damages, otherwise insured in this policy, that the *insured* has in the absence of contract.

5. Injury to you or your members or partners (if you are a joint venture, partnership or limited liability company).

6. Injury arising out of an electronic bulletin board or chatroom hosted or owned by the *insured* or over which the *insured* exercises control.

7. Injury 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 methods to mislead another’s current or potential customers.

**Advertising Injury – Additional Exclusions.**

*We do not insure any of the following:*

8. Injury arising out of breach of contract, other than misappropriation of advertising ideas under an implied contract.

9. Injury arising out of the failure of goods, products, or services to conform with advertised quality or performance.

10. Injury arising out of the wrong description of the price of goods, products, or services.

11. Injury arising out of an offense committed by an *insured* whose business is:

   a. Advertising, broadcasting, publishing, or telecasting;
   b. Designing or determining the content of websites for others; or
   c. Providing internet access, content, search or service.

D. **Glossary**

**Advertising injury** means solely the following:

1. Infringement of copyright, slogan, title or trade dress.

2. Misappropriation of advertising ideas or style of doing business.

3. Oral or written publication of material that: slanders or libels a person or organization; disparages a person’s or organization’s goods, products, or services.

4. Oral or written publication of material that violates a person’s right of privacy.

**Personal injury** means solely the following:

1. False arrest, detention, or imprisonment.

2. Malicious prosecution.

3. Oral or written publication of material that: slanders or libels a person or organization; disparages a person’s or organization’s goods, products, or services.

4. Oral or written publication of material that violates a person’s right of privacy.

5. Wrongful entry into, eviction of a person from, or invasion of the right of private occupancy of, a dwelling, room, or other private premises that the person occupies: but only if done by, or on behalf of, the landlord, lessor, or owner of such premises.

**Advertising Injury / Personal Injury do not include bodily injury or property damage.**

Accordingly, Part II C – other than Exclusions 5, 7, 10, and 13 – does not apply: however, *Advertising Injury / Personal Injury* do not include or extend coverage in this policy in any way to any costs, damages, liability, or loss expressly excluded under Coverage E.
PART II C – LIABILITY NOT INSURED

We do not provide insurance for any sort of costs, damages, expenses, or liability, directly or indirectly, wholly or partially, aggravated by, caused by, or resulting from any of the following, even if an occurrence otherwise covered contributes to such concurrently or in any sequence – except to the extent otherwise specifically described and provided for in this policy.

1. ALCOHOLIC BEVERAGE EXCLUSION
   We do not insure bodily injury or property damage, arising out of: contributing to any person’s intoxication; furnishing alcoholic beverages to persons under the legal drinking age or under the influence of alcohol; violating any law, ordinance, or regulation relating to the distribution, gift, sale, or use of alcoholic beverages. But see Supplemental Coverage 5.

2. AUTOMOBILES / AIRCRAFT / WATERCRAFT EXCLUSIONS
   We do not insure bodily injury or property damage arising out of the loading or unloading, loaning, maintenance, operation, renting, use, or entrustment to others (whether supervised or not) of any automobile, aircraft, or watercraft operated or owned by, or loaned or rented to, any insured. This also applies to such bodily injury or property damage arising out of: any device, equipment, machinery, parts, trailers or semitrailers attached to any automobile, aircraft, or watercraft. But see Supplemental Coverages 3, 6 and 10.

3. BUSINESS ACTIVITIES / BUSINESS RISK EXCLUSIONS
   A. We do not insure any property damage to your products or your work caused, to any extent, by your products or your work or any part of such.

      This Exclusion does not apply to your work if:
      1. The work has not, at the time of damage, been abandoned or completed; or
      2. The damaged work, or work out of which the damage arises, was performed on your behalf by a subcontractor.

   B. With respect to impaired property or property that has not been physically damaged, we do not insure property damage arising out of any of the following:
      1. An inadequacy, defect, deficiency, or dangerous condition in your products or your work.
      2. A delay or failure by you or others acting on your behalf to perform an agreement or contract in accordance with its terms.

      This Exclusion does not apply to loss of use of other property arising out of abrupt (sudden in time – not gradual or on-going) accidental physical damage to your products or your work after such is put to its intended use.

   C. We do not insure any costs, expenses, liability or loss, incurred by you or others, arising out of recall, by you or any other person or organization, of your products, your work, or impaired property when such must be taken from the market or from others because it is known to be, or is thought to be, dangerous, defective, deficient, or inadequate.

      Recall includes adjustment, disposal, inspection, loss of use, recall, removal, repair, replacement, or withdrawal of your products, your work, or impaired property.

   D. We do not insure property damage to any of the following:
      1. That part of real property on which work is being performed by either you, or any contractor or subcontractor working (directly or indirectly) on your behalf, if the property damage arises out of such work.
      2. That part of any property that must be repaired, replaced, or restored because your work was faulty or incorrectly performed on it: this does not apply to property damage included in the products / completed operations hazard.

      This Exclusion does not apply to liability assumed under a written sidetrack agreement.

   E. We do not insure bodily injury arising out of body massaging, chiropody, cosmetic, ear piercing, reducing, or slenderizing services or preparations or the use of sun or tanning lamps or other irradiating devices.

   F. We do not insure bodily injury arising out of the piercing of any skin or body part; skin dyeing or tattooing; or the application of, or injection into or under the skin, of any permanent cosmetic or make-up.

   G. We do not insure bodily injury or property damage arising out of horses or livestock on your premises or resulting from the escape of horses or livestock from your premises.

   H. Glossary
      Impaired property means tangible property (other than your products or your work) that cannot be used, or is less useful, because one or both of the following apply:
      1. It incorporates your products or your work that is known to be, or is thought to be, dangerous, defective, deficient, or inadequate – and it can be restored by adjustment, removal, repair, or replacement of your products or your work.
      2. You have failed to fulfill the terms of an agreement or contract and it can be restored by your fulfilling the terms of the agreement or contract.

4. CONTRACTUAL LIABILITY EXCLUSION
   We do not insure bodily injury or property damage for which the insured is liable to pay damages because of the assumption of liability for such in an implied, oral, or written agreement or contract. But see Supplemental Coverage 2.

   To the extent that Supplemental Coverage 2 otherwise applies, we do not insure under such coverage: any liability to indemnify another for fire or explosion damage to a premises loaned or rented to you; any bodily injury or property damage...
which first occurs prior to execution of the agreement or contract.

This Exclusion does not apply to liability for damages, otherwise insured in this policy, that the insured has in the absence of contract.

5. EMPLOYEE, EMPLOYMENT, AND RELATED INJURY EXCLUSIONS
   A. We do not insure any obligations of any insureds under a disability benefit, unemployment compensation, workers’ compensation, or similar law.
   
   B. We do not insure bodily injury to any of your employees arising out of and in the course of:
      1. Employment by you; or
      2. Performing duties related to the conduct of your business / operations.
   
   C. We do not insure bodily injury or personal injury arising out of the following:
      1. Coercion, defamation, demotion, discipline, discrimination, evaluation, harassment, humiliation, reassignment, or other employment-related acts, omissions, policies, or practices.
      2. Refusal to employ.
      3. Termination of employment.
   
   D. We do not insure bodily injury or personal injury:
      1. Sustained by the brother, child, parent, sister, or spouse of your employees arising out of any injury described in the preceding Paragraphs 5.B and C.
      2. With respect to any employee (including any executive officer) as an insured in this policy, in connection with bodily injury or personal injury to you, your members or partners (if you are a joint venture, limited liability company or partnership) or a fellow employee, caused by the employee while in the course of employment by you.
   
   E. We do not insure any obligation to share damages with, or repay, others who must pay damages because of any bodily injury described in the preceding Paragraphs 5.B, C and D.

Exclusions 5.B through E apply whether the claim or suit is brought by your employees or by any others or whether you are liable as an employer or in any other capacity. However, Exclusion B does not apply to liability assumed under a contract covered under Supplemental Coverage 2.

6. ENDANGERMENT OR HARM EXCLUSION
   We do not insure bodily injury or property damage, whether or not expected or intended by any insured, which is a consequence of an insured’s willfully harmful act or knowing endangerment.

7. FUNGI / MOLD EXCLUSION
   A. We do not insure bodily injury, property damage, advertising injury, or personal injury resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of any fungi.
   
   B. We do not insure any cost, expense, liability or loss arising out of any of the following:
      1. Any demand, directive, order, or request that any insured or others clean up, contain, detoxify, monitor, neutralize, remove, test for, or treat, or in any way assess the effects of or respond to fungi.
      2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to fungi.

However, these exclusions do not apply to bodily injury resulting from the ingestion of foods, goods or products intended for human consumption.

8. INJURY TO INSURED EXCLUSION
   We do not insure bodily injury to any insured.

9. MOBILE EQUIPMENT EXCLUSION
   We do not insure bodily injury or property damage arising out of any of the following:
   
   A. Mobile equipment not specifically covered under Supplemental Coverage 10; transportation of mobile equipment by an automobile borrowed, operated, owned by, or rented to, any insured – even if such mobile equipment is otherwise covered by this policy.
   
   B. Mobile equipment while being used in a prearranged demolition, racing, or speed contest or stunting activity, including preparation or practice for such – even if such mobile equipment is otherwise covered by this policy.

Mobile equipment means those vehicles described as such in Supplemental Coverage 10.

10. POLLUTION / ENVIRONMENTAL DAMAGE EXCLUSION
    A. We do not insure bodily injury, property damage, advertising injury or personal injury arising out of the actual, alleged, or threatened discharge, dispersal, emission, escape, flowing, leakage, migration, release, or seepage of pollutants or other similar forms of environmental damage, regardless of where or how such may take place.

Paragraph A of this Exclusion does not apply to bodily injury, property damage, advertising injury or personal injury caused by:

The fumes, heat, smoke, or soot that are products of combustion arising out of a fire at your premises, other than such that are the products of burning pollutants.

However, if the fire is a controlled act, the following additional conditions apply:
    1. All materials burned (and the burning process) must give rise solely to ordinary combustion particulate and products, such as those usual to a building (materials) fire;
    2. The fire must not involve any business, industrial,
manufacturing, or processing activities; and

3. The premises, site or location is not or was not at any time used by or for any insured or others for the disposal, handling, processing, storage, or treatment of waste.

B. We do not insure under this policy any cost, expense, liability, or loss arising out of any of the following:

1. Any demand, directive, order, or request that any insured or others clean up, contain, detoxify, monitor, neutralize, remove, test for, treat, or in any way assess the effects of or respond to pollutants; or

2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to silica in any form, including silica particles or dust, or any products or substances containing silica.

11. PREMISES / OTHER PROPERTY ADDITIONAL EXCLUSIONS

We do not insure property damage to any of the following premises or property:

A. To personal property in the care, control, or custody of any insured or any property borrowed by you; but see Supplemental Coverage 5.

B. To premises you have abandoned, sold, or transferred to others, if the damage arises out of any part of such premises.

This does not apply to premises that are your work and have been neither occupied by you nor rented or held for rental by you to others.

C. To property occupied or owned by, or rented to, you; but see Supplemental Coverage 8.

D. With respect to an employee, to property borrowed, occupied, owned, or rented by: such employee, any of your other employees, or any of your members or partners (if you are a joint venture, limited liability company or partnership).

12. PROFESSIONAL ACTIVITIES EXCLUSION

We do not insure bodily injury or property damage arising out of the rendering or failure to render any sort of professional advice, product, or service whether such are those of any insured or insured’s indemnitee or any employees of an insured or employees of an insured’s indemnitee.

But see Supplemental Coverage 9 for certain coverage.

13. SILICA EXCLUSION

A. We do not insure bodily injury, property damage, advertising injury, or personal injury, resulting from or caused by the actual, alleged, or threatened absorption of, contact with, existence of, exposure to, inhalation of, ingestion of, or presence of silica in any form, including silica particles or dust, or any products or substances containing silica.

B. We do not insure any cost, expense, liability or loss arising out of any of the following:

1. Any demand, directive, order, or request that any insured or others clean up, contain, detoxify, monitor, neutralize, remove, test for, treat, or in any way assess the effects of or respond to silica in any form, including silica particles or dust, or any products or substances containing silica.

2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to silica in any form, including silica particles or dust, or any products or substances containing silica.

14. VIRUS CONTAMINATION EXCLUSION

A. We do not cover bodily injury, property damage, or medical payments resulting from or caused by the actual, alleged, or threatened exposure to contamination at your premises by any virus or other pathological agent that causes disease or illness in humans, animals, birds or other creatures.

B. We do not insure any cost, expense, liability or loss arising out of any of the following:

1. Any demand, directive, order, or request that any insured or others clean up, contain, detoxify, monitor, neutralize, remove, test for, treat, or in any way assess the effects of or respond to any virus or other pathological agents.

2. Any claim or suit by, or on behalf of, any governmental authority for damages or reimbursement because of cleaning up, containing, detoxifying, monitoring, neutralizing, removing, testing for, treating, or in any way assessing the effects of or responding to any virus or other pathological agents.

However, these exclusions do not apply to bodily injury resulting from the ingestion of foods, goods or products intended for human consumption.

THE FOLLOWING ADDITIONAL EXCLUSIONS APPLY ONLY TO COVERAGE F

15. PRODUCTS / COMPLETED OPERATIONS HAZARD EXCLUSION

We do not insure medical expenses in connection with bodily injury included in the products / completed operations hazard.

16. SPECIFIED PERSONS EXCLUSIONS

We do not insure medical expenses in connection with bodily injury to any of the following persons:

A. Any insured.

B. Any person to whom benefits are payable, or must be provided, under a disability benefit, workers’ compensation, or similar law, for injury sustained by such person.

C. Any person hired to do work for, or on behalf of, any insured or a tenant of any insured.
D. Tenants or other persons on your premises if the injury occurs on that part of your premises such person normally occupies. This exclusion does not apply to guests of your bed and breakfast.

17. SPORTS ACTIVITIES EXCLUSION
We do not insure medical expenses in connection with bodily injury to any person taking part in athletic activities, other than guests of your bed and breakfast.

PART II D – SPECIAL LIABILITY CONDITIONS

1. DUTIES OF INSURED – WHAT TO DO IN CASE OF CLAIM, INJURY, OCCURRENCE, OR SUIT
You, other insureds, and other coverage beneficiaries must do all of the following things:
A. Immediately notify us of all relevant circumstances relating to a claim or any incident which may result in a claim, with all necessary information. For example: who you are; the time, place, and circumstances of the injury or occurrence; the names and addresses of injured persons and witnesses.
B. Immediately send us all bills, documents, notices, papers, or summonses related to any claim or suit brought against any insured or to any medical expense claims.
C. Cooperate with us in matters relevant to the claim or suit. Assist us in: conducting suits, including attending hearings and trials and giving evidence; enforcing the insured’s rights of contribution or indemnity against others; investigating occurrences; making settlements; obtaining records / information or the attendance of witnesses.
D. Submit to examination and provide statements under oath and sign and swear to such. If more than one person is examined, we reserve the right to examine and receive statements from each person separately and out of the presence of the others. We also reserve the right to video record any examination.
E. Refrain from voluntarily making payments, assuming obligations, or incurring defense, investigative, or any other expenses – unless with our specific written authorization to do so (otherwise such undertakings will be at the insured’s own expense and we will not pay for them). This does not apply to first aid expense coverage.
F. With regard to Coverage F, coverage beneficiaries must, as we reasonably require: provide written proof of claim (under oath, if required); submit, at our expense, to physical examinations by physicians of our choice; authorize us to obtain medical records.

Failure to comply with these (or other conditions) can alter or void our obligations under this policy.

2. LIMITS OF LIABILITY
Our maximum total liability payable for the sum of all damages, injury, liability and loss covered by this policy is limited as follows – regardless of the number of insureds, or

18. YOUR MEDICAL SERVICES / GENERAL MEDICAL EXCLUSIONS
A. We do not insure medical expenses in connection with medical services that are provided by you, your employees, or others under contract to you to provide medical services, including first aid (Supplemental Coverage 4) to others at the time of an accident.
B. We do not insure any medical expenses in connection with any bodily injury otherwise excluded under this policy.
payable under Coverage E for all damages included in the products / completed operations hazard is the occurrence limit shown in the Declarations.

C. Application of Limits
1. The limits described in the preceding paragraphs apply separately to each consecutive 12 month period, beginning with the policy term shown in the Declarations.

2. If the policy is originally issued for more than 12 consecutive months with a terminal period less than 12 months, the limits apply separately to: each consecutive 12 month period; the terminal period. For example; if 27 months: 12 months, 12 months; 3 months. However, if extended after issuance, the terminal period is included in the last 12 month period. For example, 12 months and 15 months.

3. OTHER CONDITIONS
A. Except for the limits of liability and any duties / rights assigned to the first named insured, this insurance applies separately: to each insured against whom claim is made or suit is brought; to each named insured as if the only named insured.

B. Bankruptcy or insolvency of the insured or the insured’s estate does not relieve us of our obligations under this policy.

C. Two or More Policies Issued by Us
If this policy and any other policy or coverage form issued to you by us, or by any company affiliated with us, apply to the same occurrence, accident or injury, our maximum limit of liability under all of the policies and coverage forms shall not exceed the highest applicable limit of liability provided under any one policy or coverage form. In no event will any limit of liability of this policy be excess over or added to the limit of any other such policy or coverage form.

This Condition does not apply to any policy or coverage form issued by us, or by any company affiliated with us, as an umbrella / excess liability policy and which specifically applies as excess insurance over this policy.

COMMON EXCLUSIONS – PARTS I AND II
The following includes similar type Exclusions applicable to Parts I and II. These Common Exclusions apply in addition to those shown under the separate Coverage Parts. We provide no insurance for any damages, expenses, liability, or loss directly or indirectly, wholly or partially, aggravated by, consisting of, or resulting from the following – even if loss or an occurrence otherwise covered contributes to such concurrently or in any sequence.

PART I
The following apply to Part I
1. EARTH MOVEMENT / EARTHQUAKE / VOLCANIC ACTIVITY
Earthquake; volcanic activity (including volcanic effusion, eruption or explosion) other than that specifically described as included in volcanic eruption (under Part I C – Losses Insured, Item 3.J); or other catastrophic earth movement. But if loss resulting from fire or explosion, or theft (to the extent otherwise insured by this policy) ensues, we insure such resulting loss.

2. GOVERNMENTAL / LEGAL / WAR
A. Any act or condition of: war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected.

B. Knowing violation of penal law or ordinance committed by, or with the consent of, an insured. Statutory fines or liability. Exemplary or punitive damages.

C. Confiscation, loss, or seizure under customs, drug enforcement, or quarantine legislation or regulations. Loss to property that is contraband or in the course of illegal transportation or trade.

D. Damage or destruction of property ordered by civil authority, other than immediate acts of destruction ordered by authorized civil authorities for the purpose of preventing the spread of fire – provided the fire originates from a cause of loss covered in this policy.

3. NUCLEAR / RADIOACTIVE LOSS
A. Any nuclear event, occurrence, or operation, including nuclear explosion, nuclear reaction, nuclear radiation, or radioactive contamination.

These are not fire, explosion, smoke or any other covered cause of loss. However, if these result in fire we insure such resulting direct fire loss, but not any other direct physical loss which may ensue.

B. The explosive, radioactive, toxic, or other injurious properties of nuclear or radioactive materials – whether such materials are natural or manufactured.

PART II
The following apply to Part II
1. EARTHQUAKE
Earthquake.

2. GOVERNMENTAL / LEGAL / WAR
A. Any act or condition of war (declared or not), civil war, invasion, insurrection, rebellion, revolution, or seizure of power, including acts done to defend against any such act or condition, whether actual or expected.

B. Knowing violation of penal law or ordinance committed by, or with the consent of, any insured. Statutory fines or liability. Exemplary or punitive damages. Illegal trade.

C. Violation of any ordinance, regulation or statute that prohibits or limits the communicating, distributing, sending or transmitting of material or information such as the Telephone Consumer Protection Act (TCPA), the
3. NUCLEAR ENERGY

We do not insure bodily injury or property damage as follows:

A. With respect to which an insured is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendments; or

B. Resulting from the hazardous properties of nuclear material, if:
   1. Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amendments; or
   2. The insured is (or would be if this policy did not exist) entitled to indemnity from the United States of America or its agencies under any agreement entered into by the United States of America or its agencies.

C. Resulting from the hazardous properties of nuclear material, if:
   1. The nuclear material is at, or is discharged or dispersed from, any nuclear facility owned or operated by or on behalf of any insured; or
   2. The nuclear material is contained in spent fuel or waste at any time disposed of, handled, possessed, processed, stored, transported, or used by or on behalf of any insured.

D. The furnishing by any insured of equipment, materials, parts, or services in connection with the construction, maintenance, operation, planning, or use of any nuclear facility: but if such facility is located within the United States of America, its possessions or territories, or Canada, this applies only to property damage to such facility and property located at such facility.

E. Glossary

The following special definitions apply to this Exclusion:

1. Hazardous Properties include explosive, radioactive, or toxic properties.

2. Nuclear Facility means any of the following:
   a. Any nuclear reactor;
   b. Any equipment or device designed or used for: separating the isotopes of uranium or plutonium; processing or utilizing spent fuel; handling, processing or packaging waste;
   c. Any device or equipment used for alloying, fabricating, or processing 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 device or equipment is located consists of, or contains more than, 25 grams of plutonium or uranium-233, or any combination of such materials, or more than 250 grams of uranium-235;
   d. Any basin, excavation, place, premises, or structure prepared for, or used for, the storage or disposal of waste; or
   e. The site on which any of the foregoing property is located, all operations conducted on such site, and all premises used for such operations.

3. Nuclear Material means source, special nuclear, or by-product material.

4. Nuclear Reactor means any apparatus designed or used: to sustain nuclear fission in a self-supporting chain reaction; to contain a critical mass of fissionable material.

5. Property Damage also includes all forms of radioactive contamination of property.

6. Source Material, Special Nuclear Material, and Byproduct Material have the meanings given them in the Atomic Energy Act of 1954, or any amendments.

7. Spent Fuel means any fuel component or element, whether solid or liquid, which has been either used in, or exposed to radiation in, a nuclear reactor.

8. Waste means any material, resulting from the operation of a nuclear facility as defined in the first two items of nuclear facility, containing by-product material other than the tailings or wastes produced by the extraction or concentration of thorium or uranium from any ore processed primarily for its source material content.

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**COMMON GLOSSARY – PARTS I AND II**

Certain words and phrases used in this policy are defined for the purposes of this insurance contract. These are described as follows.

**PARTS I and II**

The following apply to both Parts I and II

**Fungi**

Fungi means any type or form of fungus, mold, mildew spores, algae, smut, protists, rusts or rot and decay organisms, and any similar or related organisms and any mycotoxin, substance, compounds, chemicals, mist or vapor produced by any fungi in any form, or any by-products or waste produced by fungi, but does not include any fungi intended to be edible.

**Pollutants**

Pollutants are any gaseous, liquid, solid, or thermal contaminant or irritant, including acids, alcalis, chemicals, fumes, smoke, soot,
vapors, and waste (including materials to be reclaimed, reconditioned, or recycled).

**Rot and Decay Organisms**  
*Rot and decay organisms* means any living organism that causes decomposition of physical property.

**We / Us / Our**  
We, us, and our refer to the Insurance Company named in this policy.

**You / Your / Yourself**  
You, your and yourself refer to the named insureds who are the insureds named in the Declarations. First named insured is the insured named first in the Declarations. You also includes any business / organization that you newly acquire or form to the extent covered in this policy.

**PART I**  
The following apply to Part I

**Actual Cash Value**  
Consideration may be given by us in our determination of actual cash value to: age; condition; cost to repair, replace, or restore the property, subject to deduction for depreciation; deterioration; economic value; market value; obsolescence (both structural and functional); original cost; use; utility; or other circumstances that may reasonably affect value.

**Automatic Sprinkler System**  
Automatic sprinkler system means:

1. Any automatic fire protection or extinguishing system, including any of the following connected parts:
   a. Ducts, fittings, pipes, or valves.
   b. Pumps and private fire protection mains.
   c. Sprinklers and other discharge nozzles.
   d. Tanks, including their component parts and supports.

2. When supplied by an automatic fire protection or extinguishing system:
   a. Hydrants, outlets, or stand pipes.
   b. Non-automatic fire protection or extinguishing systems.

**Collapse**  
Collapse means an abrupt falling down or caving in of a building or structural parts of a building.

Collapse does not include a building or part of a building that is:

1. In danger of falling down or caving in;
2. Standing, even if it has separated from another part of the building.

Collapse does not include bulging, cracking, expanding, settling or shrinking.

**Computer Hacking**  
Computer hacking means unauthorized intrusion into a computer network, hardware, software or website including entry of a computer worm or Trojan Horse, spyware or adware that results in:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Copying, observation or scanning of data records, programs and applications and proprietary programs;
3. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
4. Deletion, destruction, generation or modification of software; or
5. Denial of access to or denial of service from your computer network, hardware or website.

**Communicable Disease**  
Communicable disease means a bacterial microorganism transmitted through human contact with food.

**Computer Virus**  
Computer virus means the introduction into hardware, software or a website of any malicious self-replicating electronic data processing code or other code that is intended to result in, but is not limited to:

1. Alteration, contamination, corruption, degradation, destruction or modification of the integrity, quality or performance of computer media, data, prepackaged programs, hardware or software;
2. Corruption, damage, degradation, destruction, inadequacy or malfunction of any hardware or media used with hardware;
3. Deletion, destruction, generation or modification of software; or
4. Denial of access to or denial of service from your computer network, hardware or website.

**Dependent Property**  
Dependent property means property owned and operated by others whom you depend on to do one or more of the following things:

1. Accept your products or services;
2. Attract customers to your business / operations;
3. Deliver materials or services to you or others for your account. However, this does not include any suppliers providing communications, power, water or other types of utility services to you; or
4. Manufacture products for delivery to your customers under contract of sale.

**Food Contamination**  
Food contamination means the actual or suspected food poisoning of one or more of your customers caused by your tainted food or by communicable disease transmitted by you or your employees.

**Insured**  
Insured means the person or entity designated as insured in the Declarations or otherwise named as an insured in this policy. If you are an individual and reside at the described premises, this includes:

1. The following, if residents of your household:
   a. Your spouse.
   b. Your or your spouse’s relatives.
   c. Anyone under the age of 21 in your care or the care of a resident relative.
2. A full time student, as defined by the school, who was a resident of your household before moving out to attend school, provided that such student is under the age of:
   a. 24 and is your or your spouse’s relative; or
   b. 21 and in your care or that of a resident relative.

Your legal representative (if you die) is insured with respect to property covered by this policy at the time of death and liability arising out of such property. An insured at the time of your death remains an insured while remaining a resident of the residence premises.

Money / Securities
Money means – bank notes, bearer bonds, bullion, coins, currency, lottery tickets, money orders, prepaid phone cards, registered checks, stored value cards, and travelers checks held for sale to the public.

Securities means – negotiable and non-negotiable contracts or instruments that represent obligations to pay money or pay other property and that are collectible at the time of loss: examples of such include – but are not limited to – accounts, bills, deeds, evidence of debt, notes; revenue and other stamps, tickets (not money), or tokens now in use.

PART II
The following apply to Part II

Automobile
Automobile means:
1. Any land motor vehicle or trailer (including semitrailers) designed for travel on public roads, including any equipment or machinery attached to such vehicle or trailer.
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Automobile does not include vehicles covered under this policy as mobile equipment.

Bodily Injury
Bodily injury means bodily harm, sickness or disease sustained by any person including death at any time resulting from such, caused by a covered occurrence.

Employee
Employee means a person employed by you and includes a leased worker. Employee does not include a temporary worker or independent contractor.

Executive Officer
Executive officer means a person who holds any of the officer positions created by your bylaws, charter, constitution, or other similar governing document.

Insured
Insured means the following, as designated in the Declarations, to the extent set forth:
1. Individual
   If you are an individual: you and your spouse with respect to the conduct of the bed and breakfast business of which you are the sole proprietor. If you reside at the described premises, you and the following are insureds:
   A. The following, if residents of your household:

   1. Your spouse.
   2. Your or your spouse’s relatives.
   3. Anyone under the age of 21 in your care or the care of a resident relative.

B. A full time student, as defined by the school, who was a resident of your household before moving out to attend school, provided that such student is under the age of:
   1. 24 and is your or your spouse’s relative; or
   2. 21 and in your care or that of a resident relative.

2. Partnership, Joint Venture or Limited Liability Company
   If you are a partnership, joint venture or limited liability company: the partnership, joint venture or limited liability company and any partners or members, and their spouses, with respect to the conduct of such partnership, joint venture or limited liability company.

3. Other Organization
   If you are an organization other than a partnership, joint venture or limited liability company: the organization and executive officers or directors while acting within the scope of their duties as such; stockholders with respect to their liability as such.

4. Your employees (other than executive officers) while acting within the scope of their duties as such.

5. Persons (other than your employees) or organizations acting as real estate manager for you.

6. A business entity (not a partnership, joint venture or limited liability company) that you newly acquire or form, if owned with majority interest by you: but only up to 120 days after you first acquire or form such or the end of the policy term, whichever ends first. Such entity is not an insured under this policy if there is other similar insurance available to it or for any accidents, occurrences or offenses prior to the time of such acquisition or formation.

This insurance does not apply to any partnership, joint venture or limited liability company – of which the insured is a partner or member – if not named in this policy, including those responsible for such.

Leased Worker
Leased worker means a person who is leased to you by a labor leasing firm under an agreement between you and such firm to perform duties related to the conduct of your bed and breakfast business. Leased worker does not include a temporary worker.

Loading / Unloading
Loading or unloading means the handling or movement of property as follows:
1. Beginning while being moved from the place where it is accepted for movement into or onto an aircraft, automobile, or watercraft;
2. While in or on an aircraft, automobile or watercraft;
3. While being moved from an aircraft, automobile, or watercraft to the place where it is finally delivered.
Loading or unloading does not include movement of property by any mechanical device which is not attached to the aircraft, automobile, or watercraft other than a hand truck.

**Occurrence**

*Occurrence* means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**Products / Completed Operations Hazard**

*Products / completed operations hazard* includes all bodily injury and property damage arising out of your products or your work (occurring away from your premises), other than that arising out of any of the following:

1. Materials which are abandoned or unused, tools, or uninstalled equipment.

2. Products that are in your physical possession.

   If BU 50 06 is listed in the Declarations, then your products coverage under the *products / completed operations hazard* applies only to bodily injury and property damage occurring away from your premises.

3. Transporting property, unless the *occurrence* results from a condition in or on a vehicle created by *loading or unloading* of the vehicle.

4. Work that has not been completed or abandoned. *Your work* is deemed completed at the earliest one of the following times:

   A. When all the work called for in your contract is completed.

   B. When all the work called for in your contract at the job location is completed if your contract calls for work at more than one location.

   C. When that part of the work at a job location is put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

   Work that needs final correction, maintenance, repair, replacement, or service – but is otherwise complete – is deemed completed.

**Property Damage**

*Property damage* means the following, caused by a covered *occurrence*:

1. Direct physical injury to tangible property, including loss of use of such property (the loss of use is deemed to occur at the time of such direct physical injury).

2. Loss of use of tangible property that is not physically injured: all such loss of use is deemed to occur at the time of the *occurrence* causing the loss.

**Temporary Worker**

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

*Temporary worker* does not include a *leased worker*.

**Your Premises**

*Your premises* means premises occupied or owned by, or rented to, *you*; and – whether or not such premises are designated in the Declarations or elsewhere in this policy – premises *you* have abandoned, sold, or transferred to others.

**Your Products**

*Your products* means the following:

1. Goods or products disposed of, distributed, handled, sold, or manufactured by: *you*; others trading under your name; persons or organizations whose business or assets *you* have acquired.

2. Containers (other than vehicles), equipment, materials, or parts furnished in connection with such goods or products.

*Your products* also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your products*; providing or failing to provide instructions or warnings.

*Your products* does not include: real property; vending machines or other property either rented to others or placed for the use of others, but not sold.

**Your Work**

*Your work* means the following:

1. Operations or work performed by *you* or on *your* behalf.

2. Equipment, materials, or parts furnished in connection with such work or operations.

*Your work* also includes the following: warranties or representations made at any time with respect to the durability, fitness, performance, quality or use of any of *your work*; providing or failing to provide instructions or warnings.

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**COMMON CONDITIONS – PARTS I AND II**

The following are Conditions that apply to both Parts I and II. These Common Conditions apply in addition to those shown under the separate Coverage Parts.

1. **ACTION OR SUIT AGAINST US**

   **PART I**

   No action may be brought against *us* until all conditions in this policy are complied with, and unless brought within two years from the date of loss.

   No right exists under this policy for *you* or others to make *us* party to an action against any insured.

   **PART II**

   No action may be brought against *us* until all conditions in this policy are complied with, and until the amount of the insured’s obligation (payable under this policy) has been determined by judgment in trial or by agreement made with our written consent.

   No right exists under this policy for *you* or others to make *us* party to an action against any insured.
2. ASSIGNMENT OF YOUR INTEREST
No assignment of an interest in this policy is binding on us without our written consent. However, if you are an individual and die, this insurance applies to the following who become insureds under this policy in the described capacity:
A. Your legal representative, while acting within the scope of the representative’s duties.
B. Those with custody of your property prior to appointment of a legal representative.

3. CANCELLATION / TERMINATION
A. General
You may cancel this policy by: surrendering the policy to us or our agent or by mailing us or our agent notice stating a subsequent cancellation date for the policy. Such request made by the first named insured applies for all insureds / interests named under this policy.

All cancellations are pro rata, but a minimum earned premium may apply. Any return premium is payable to the first named insured within 30 days after the cancellation date.

If you secure insurance with another insurer to replace our policy and do not pay the premium, or installment payment, for this policy when due: this policy terminates at the time such other insurance becomes effective. If you sell the described business or premises to others, coverage under this policy terminates at the time title is transferred to others with respect to such business or premises – unless you retain an insurable interest.

B. Our Right to Cancel or Terminate
Our rights to cancel or terminate this insurance are described elsewhere in this policy in the state mandatory endorsement.

4. CONCEALMENT / MISREPRESENTATION / FRAUD
This policy is void if, either before or after a loss or occurrence or claim, any insured misrepresents or knowingly conceals any material fact or circumstance, commits fraud, or swears falsely relating to any aspect of this insurance (including the information we relied upon in issuing this contract) provided that knowledge by us of the facts concealed, misrepresented or falsely sworn to would have led to our refusal to issue such policy.

The application for this insurance will be attached to and become part of this policy.

5. CONFORMITY WITH STATUTE
It is agreed by us that the provisions in this policy are amended to conform to all applicable statutory requirements.

6. COVERAGE TERRITORY
PART I
We cover damage or loss only within the fifty states of the United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

PART II
Coverage under this policy applies only within the following territories:
A. The United States of America (including its possessions and territories), the District of Columbia, Puerto Rico and Canada.

B. International waters or air space, if the bodily injury or property damage occurs while in the course of transit to or from the territory described in the preceding Paragraph A.

C. Anywhere in the world with respect to damages because of bodily injury or property damage arising out of either:
1. Activities of a person whose home is in the territory described in the preceding Paragraph A, but is away for a brief time in the course of your bed and breakfast business covered by this policy; or
2. Goods or products made or sold by you in the territory described in the preceding Paragraph A.

However, all coverage under this policy applies only to suits which are brought or agreements made with our written consent within the territory described in the preceding Paragraph A.

7. EXAMINATION / CHANGES
We may, at our option, inspect your property, and operations at any time, make surveys, and make recommendations. However, our reports or recommendations or those of any inspection bureau or rating bureau do not constitute a determination or representation that your premises or operations are in compliance with any law or regulation, healthful, or safe.

We may inspect and audit your books and records at any time (including up to 3 years after termination of this insurance contract) to the extent such pertain to the subject of this insurance or payment of premium. The first named insured is required to keep all records necessary for such and send complete accurate copies to us at our request.

We may make premium adjustments: because of inspection and audit; because of the use of premises not described in this policy or any other rateable additions or changes; because of newly acquired or formed business entities.

But, as to Part II, we are not obligated to continue insurance on additions or changes, new entities, or premises described in the preceding paragraphs. Nor, in any event, are such covered on renewal (of the expiring policy term) unless you report such to us and such are described in the renewal Declarations: this condition does not apply to additions or changes (other than new entities) effected within 60 days prior to the renewal date of the expiring policy term.

8. INSURANCE UNDER MORE THAN ONE COVERAGE
In the event that more than one coverage under this policy covers the same loss we are liable only for the amount of our obligation, up to our limit of liability, not exceeding the amount of loss.

9. LIBERALIZATION
This policy is automatically extended to include provisions approved during the policy period or within 45 days prior to its inception, which would broaden coverage under this policy, if such are not subject to additional premium or concurrent with coverage restrictions.
10. OTHER INSURANCE

PART I
A. This insurance is excess insurance over other insurance you may have applicable to the loss (whether you can collect on it or not) that is not subject to the same provisions contained in this policy.

B. When this insurance is excess over other insurance:

   We pay only our share of the remaining loss; that exceeds the sum of both:
   1. The total amount payable by all such insurance, as described, in the absence of this insurance; plus
   2. The total of any deductibles or self-insured amounts under all such insurance.

Furthermore, any remaining loss is then shared by us with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C.

C. With regard to other insurance subject to the same provisions contained in this policy or where we otherwise are a primary insurer (among others), we pay in one of the following ways:

   1. If all such other insurers provide for contributions by equal shares: we and all other insurers contribute equal amounts until the total amount of obligation is paid (or each insurer exhausts its applicable limit of liability).
   2. If any other insurer does not provide for equal shares: we pay no greater proportion of the total amount of the insured's obligation than the applicable limit of liability of this policy bears to the total amount of insurance of all insurers covering the loss.

PART II
A. This insurance is excess insurance over other insurance provided on any basis:

   1. That is not subject to the same provisions contained in this policy, other than an umbrella / excess liability policy which applies in excess of the limits of this policy.
   2. That is property insurance (including fire, allied lines, inland marine) for your work or a premises rented to, or occupied by, you.
   3. That is liability insurance (including an umbrella / excess liability policy) for aircraft, automobiles, watercraft, or pollution, to the extent covered in this policy.
   4. That is primary liability insurance available to you when you have been added or named as an additional insured on such other insurance for damages arising out of the bed and breakfast business or premises described in that other policy.

B. When this insurance is excess over other insurance:

   1. We have no obligation to defend or provide a defense – but, we may defend:
      a. If no other insurer defends: we are then entitled to the insured's rights against all other insurers; or
      b. If, at our option, we choose to join the defense provided by other insurers or provide a separate defense.
   2. We pay only our share of the remaining loss that exceeds the sum of both:

      a. The total amount payable by all such insurance, as described, in the absence of this insurance; plus
      b. The total of any deductibles or self-insured amounts under all such insurance.

Any remaining loss is then shared by us with any other insurance remaining on the loss in accordance with the provisions described in the following Paragraph C, (other than an umbrella / excess liability policy which applies in excess of the limits of this policy).

11. PREMIUMS

The first named insured is responsible for the payment of all premiums, and will be the sole payee of any premiums we return. Premium adjustments, including audit premium adjustments, are due and payable on our notice of such to the first named insured.

12. RECOVERY FROM OTHERS

If any insured (or others) to whom, or for whom, we make payment has any rights of recovery on the loss from another, those rights are transferred to us to the extent of our payment under this policy. Insureds (or such others) must do whatever we require to secure these rights. You may waive such rights in writing prior to a covered loss. You may also waive such rights after a loss, but only if the waiver is given to either:

   A. Another insured under this policy; or
   B. A business either controlled or owned by you or that controls or runs your business.

But we have no obligation to pay under this policy on the loss if these rights are otherwise waived.

13. TIME OF INCEPTION

PART I

The time of inception and expiration is 12:01 A.M. Standard Time at the described premises. Unless otherwise specifically provided for under this policy, this insurance applies only to covered loss that takes place during the policy term (but see Coverage C).

PART II

The time of inception and expiration is 12:01 A.M. Standard Time at the described premises.
14. WAIVER OR CHANGE OF PROVISIONS

Only the first named insured may request changes in this policy. The terms in this policy may not be waived or changed except in writing, signed by our agent and attached to this policy. The exercise of our rights under this policy is not an act of waiver. This policy contains all related agreements between you and us.