
VA – HOUSE OF WORSHIP POLICY – MHW 010 01 09

YOUR POLICY INCLUDES:

- The Declarations Page, describing
 - *You* and *Your* Organization
 - 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 House of Worship Form – MHW 010
- The policy may also include other endorsements.

THIS FORM INCLUDES:

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DEFINITIONS AND WORD MEANINGS

Words shown in *italics* are defined in the Glossary; Part I C; Part II B. 7, 9 and 10; Part II C.3.G and Common Exclusion 3.E. Other words with special meanings are:

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 usual to *your* activities / operations 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.

- F. Building glass (including stained glass windows).

If MHW 508 is listed in the Declarations, coverage for building glass (including stained glass windows) is deleted.

If MHW 509 is listed in the Declarations, coverage for stained glass windows is deleted.

- G. Permanently installed equipment and furniture such as: altars; baptismal fonts / pools; bells; clocks; fire curtains; lecterns; organs and operating motors; pews; pulpits; railings; seats, desks and tables; sound and communication equipment.

* Such property is covered by this policy only if not covered by other insurance.

COVERAGE B • 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* activities / operations as described that is not included in Coverage A.
- B. Similar tangible personal property owned by others in *your* care, custody, or control for *your* use. 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.

COVERAGE C • LOSS OF INCOME RESULTING FROM DIRECT COVERED LOSS

This agreement covers *your* following loss of income and related expenses, subject to all applicable provisions in this policy.

A. Coverage

1. *Your* following loss of income (that otherwise would have been earned) and related incurred expenses are covered during a necessary interruption of activities or untenability of the premises at the described premises.
 - a. The continuing usual operating expenses (such as payroll, utilities, rents, and the like) to the extent such are necessary to restore *your* normal operations. This includes loss which results from the cancellation or suspension of any written agreement which was made prior to the loss, provided that *you* could 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. The reduction in rental income from tenant occupancies that *you* rent to others at the described premises, plus any continuing charges which are the usual obligations of tenants (under terms of the lease) that become *your* obligation because of the loss.
 - c. Reasonable extra expenses in excess of *your* usual operating expenses to the extent such are necessary to continue *your* normal operations.
 - d. Reasonable increases in living expenses that *you* incur to maintain *your* clergy's customary standard of living when that part of the described premises in which *your* clergy resides is made untenable.

Coverage is not provided for expenses incurred which need not continue during the period of interruption or untenability.

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 untenability.

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 untenability. 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 *our* 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 to with diligence and ongoing effort either:

1. Restore the described operations 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*.

Also, if *you* occupy a premises owned by others and do not have control of its repair or restoration then: *we* provide coverage (if required) beyond this period for the additional time required to effect such repair, replacement, or restoration or 90 days, whichever one is the shorter period.

This period is not limited by the expiration date of this policy, but, in no event is coverage provided beyond 12 months (365 days) from the first day of the *covered loss*.

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 of or to data processing equipment (including component parts), media or software used in *your* operations 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* operations.

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.
3. If marked as “Deleted”, “Nil”, “Not Applicable (N/A)”, “Not Covered” or some other similar reference in the Declarations, Coverage C does not apply.

COVERAGE D • MONEY AND SECURITIES

This agreement covers, up to the applicable limits shown in the Declarations, *your* following loss to money and securities used in *your* activities / operations, subject to all applicable provisions in this policy.

- A. **On Premises** • Meaning loss to such property while within the described premises (but not in alms boxes) or within a bank or similar place of safe deposit.
- B. **Off Premises** • Meaning loss to such property while being carried by *you*, or any authorized officer, employee or other custodian. 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. **Double Coverage Extension.** The otherwise applicable limit for loss to *money* is increased to double the amount shown in the Declarations for the Holidays of Palm Sunday, Easter Sunday, Thanksgiving, Christmas and one additional Holiday as shown on the Declarations Supplement. This increased coverage applies for the period of time starting 4 calendar days immediately preceding and ending 4 calendar days immediately following each such Holiday.
- D. A \$200 deductible per occurrence applies, unless another deductible amount is shown for this coverage in the Declarations or Declarations Supplement.

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 15. The limits shown for the following Supplemental Coverages are additional amounts of insurance unless otherwise indicated.

1. AUTOMATIC INCREASES IN POLICY LIMITS

The limits of liability for Coverages A and B are increased on an annual pro rata basis by the percentage shown in the Declarations.

2. BUILDING CODE / LAW COVERAGE

A. Coverage A is extended to cover, up to the applicable limit shown in the Declarations Supplement, 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. The losses or expenses covered are:

1. The loss caused by enforcement of any building, land use, or zoning code / law in force 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. Condition 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. Condition 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.

3. 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 Coverage B. Under this coverage, these causes of loss apply to both covered buildings and 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.

4. PROPERTY COVERAGES

A. Consequent Loss Coverages (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, loss to covered 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 of Clergy

Coverage B is extended to cover, up to the applicable limit shown in the Declarations Supplement, loss to personal effects owned by *your* clergy while at the

described premises. This Extension of Coverage does not apply: if there is other insurance available which covers the loss; or to personal effects while at the residence of *your* clergy.

D. Personal Effects of Others

Coverage B is extended to cover, up to the applicable limit shown in the Declarations Supplement, loss to personal effects owned by anyone, other than *your* clergy, while at the described premises. This Extension of Coverage does not apply if there is other insurance available which covers the loss.

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

5. 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 by 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 special 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 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.

6. 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 4.B) and Part I E do not apply.

7. FIRE EXPENSE COVERAGES

A. Fire Department Services 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.

8. 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* 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 operations. 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.

9. OUTDOOR (EXTERIOR) SIGNS 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 at the described premises.

We cover such signs for direct physical loss. Parts I D, E and F (other than 13. A) and the Part I deductible do not apply (but, a specific “signs” deductible may apply).

10. OUTDOOR STATUARY, CROSSES AND GRAVEMARKERS COVERAGE

Coverage A is extended to cover, up to the applicable limit shown in the Declarations Supplement, loss to the following property at the described premises: outdoor statuary, crosses, gravemarkers, tombstones and other similar property which is usual to a religious institution.

11. 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.

12. TREES, SHRUBS, AND PLANTS COVERAGE

Coverage A is extended to cover, up to the applicable limit 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.

13. 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, E and F (other than 7 and 13.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.

14. VEHICLE COVERAGE

A. 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 operations. For example, electric carts, fork lifts, lawn mowers, tractors and the like so used. If Coverage B is not provided in this policy, then Coverage A is extended to cover such vehicles used exclusively to service the premises.

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.

B. If MHW 501 is listed in the Declarations, Coverage B is extended to cover, up to the applicable limit shown in the Declarations, loss to motorized land vehicles, trailers and watercraft which are: donated to *you*; and held by *you*, at the described premises, pending sale.

Loss under this Extension is settled on the basis of the *actual cash value* of the property at the time of loss.

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

15. 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 – COVERAGES A, B, C

The various causes of loss cover fortuitous direct physical loss not otherwise excluded or limited. Loss – *covered loss* – means: **fortuitous direct physical damage to or destruction of covered property by a covered cause of loss, (including, if covered, the taking of the subject covered property by theft and damage arising in the course of such theft).** 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.

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 4.

1. BASIC PLUS COVERAGE

If the declarations show that “Basic Plus Coverage” applies, property covered by this policy is insured against fortuitous direct physical loss as follows:

Coverage A • Property included in Coverage A is insured against fortuitous direct physical loss, subject to all applicable provisions in this policy.

Coverage B • Property included in Coverage B is insured against fortuitous direct physical loss by the following, subject to all applicable provisions in this policy:

- **Fire** (hostile fire)
- **Aircraft***
- **Explosion**
- **Falling Objects***
- **Glass Breakage***
- **Lightning**
- **Riot or Civil Commotion***
- **Sinkhole Collapse***
- **Smoke***
- **Sprinkler Leakage***
- **Vandalism***
- **Vehicles***
- **Volcanic Eruption***
- **Weight of Ice, Sleet, or Snow**
- **Windstorm / Hail**

* See following cause of loss descriptions.

2. EXPANDED COVERAGE

If the Declarations show that “Expanded Coverage” applies, property covered by this policy is insured against fortuitous direct physical loss as follows:

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. If only Coverage B applies, this includes loss (other than by fire or explosion or to glass) to that part of a nonowned building occupied by *you* or containing *your* property directly resulting from an act of theft, provided *you* are responsible to others for such loss.

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

3. 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. Vehicles: 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; and
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 Part I Common Exclusion 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.

* Applicable to Coverage A and Expanded Coverage for Coverage B.

4. 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.

5. 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: 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;
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

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*. But see Supplemental Coverage 13.
- B.** Outdoor (exterior) signs. But see Supplemental Coverage 9.
- 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.** Property not described in this policy.
- F.** Property otherwise insured under Coverage B that is more specifically described and insured by this policy or under any other insurance contract.
- G.** Trees, shrubs, plants, lawns, and growing crops. But see Supplemental Coverage 12.
- H.** 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 14.

PART I E • PROPERTY LIMITATIONS

PROPERTY LIMITATIONS • COVERAGE B

The following restrictions apply to loss to covered property.

- A. Breakage •** Glass and other similar fragile glass type items are not covered for breakage.
- B. Furs •** Furs and fur trimmed garments are covered, in aggregate, up to the applicable limit shown in the Declarations Supplement.

C. Jewelry • Jewelry; jewels; pearls; precious and semiprecious stones; watches and watch movements; and gold, silver, and other precious metals in bullion or other form are covered, in aggregate, up to the applicable limit shown in the Declarations Supplement.

If loss is caused by a *specified cause of loss* these restrictions do not apply.

PART I F • 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 2.

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, trustees or volunteer workers or other *insureds*, or by anyone given possession of property, other than a bailee for hire.

4. ELECTRICAL INJURY EXCLUSION

Electrical injury caused by artificially generated electrical currents. 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 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 *you* (and others *you* designate to care for the premises) exercise necessary and ongoing care 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 4. A.

11. WATER DAMAGE EXCLUSIONS

A. Underground, surface or subsurface water which exerts pressure on or flows, seeps or leaks through basements, driveways, floors, foundations, paved surfaces, sidewalks, swimming pools, walls, windows, doors, or other openings.

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 MHW 502 is listed in the Declarations, then Exclusion 11.B is deleted.

If MHW 503 is listed in the Declarations, then Exclusion 11.B is amended in that *we* do cover damages 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 11 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 nature 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 cleanup, 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; mudslide; rockslides or rockfalls.

See also Part I 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.

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 hail, ice, rain, sleet, or snow to personal property within a building or structure unless:
 - a. Insured for Expanded Coverage; or
 - b. The exterior roof or walls first sustain loss by any covered cause of loss which then allows these elements to enter the building or structure.
- 3. Loss by freezing, hail, rain, ice, sleet or snow: but these apply only to personal property while outdoors at the time of loss.

B. All Property

- 1. Drought.
- 2. Any other weather conditions: but this only applies if weather conditions contribute with a cause, condition, or event, otherwise excluded in this policy, to produce the loss.

If loss otherwise covered by this policy ensues, *we* insure such resulting loss.

AND WE DO NOT COVER LOSS TO THE FOLLOWING PROPERTY

14. HOT WATER / STEAM EQUIPMENT EXCLUSION

- A. **Hot Water Boilers** – To 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** – To 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.

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 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 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 this policy applicable to the loss.
3. *Your* insurable interest or that of any “mortgagee” named in this policy.

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

a. Loss settlement under Coverages A and B is on a replacement basis (unless otherwise provided by this policy), except that the following property is covered on an *actual cash value* basis:

1. Manuscripts, paintings, statuary and tapestries.
2. Works of art, antiques, or rare articles, including – but not limited to – books, bronzes, bric-a-brac, etchings, marble, pictures, porcelains.

b. Replacement coverage 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 2), or for other reasons acceptable to *us*.

c. *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.

d. *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:

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

- e. If MHW 504 is listed in the Declarations, loss settlement is on an *actual cash value* basis.

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:

- a. The *actual cash value* of the property at the time of loss.
- b. 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. **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.

E. **Abandonment of Property**

There can be no abandonment to *us* of any property.

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

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.

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*.

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 operations, 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* operations and *your premises* designated in this policy apply to additions, changes, and new entities, unless otherwise modified.

We have no obligation to provide any insurance or service, or pay any expense or any sum, 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 operations 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* expressed 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, providing 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 aircraft or watercraft.
- C. This Supplemental Coverage applies only to contracts made in connection with *your* operations 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. 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.

4. 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 MHW 505 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* operations (and such do not pertain to the distribution, manufacture, or sale of alcoholic beverages).

5. 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.

If MHW 501 is listed in the Declarations, this extension also applies to the *loading or unloading*, maintenance, ownership or use of *automobiles* at *your premises* which are: donated to *you*; and held by *you* pending sale. This extension does not apply when primary automobile liability insurance is provided in another policy by *you*.

6. INCIDENTAL FIRE AND EXPLOSION LEGAL LIABILITY COVERAGE

Coverage E is extended to include, up to the applicable limit of liability (See Part II D) shown in the Declarations or Declarations Supplement for Fire and Explosion Legal Liability Coverage, *property damage*, as follows:

- A. Arising out of fire or explosion at a nonowned premises rented to, or occupied by *you*.
- B. If MHW 506 is listed in the Declarations, then this extension also applies to *property damage* arising out of any other fortuitous direct physical loss at a nonowned premises rented to, or occupied by *you*.

7. INCIDENTAL 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* operations, 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* officers, or members of *your* officers' households.
2. Use on an occasional infrequent basis, by *your employees* or volunteer workers, 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* officer for an *automobile* owned by such officer or any member of his or her 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 MHW 507 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*, volunteer workers, officers, or members of their household.

8. 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.

9. 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. Concrete mixers (other than mix-in-transit type).*
 2. Diggers, drills, loaders, power cranes, or shovels.
 3. 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. 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 5 for coverage of the operation of the described devices.

2. However, *mobile equipment* does not include any 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. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered *automobiles*.

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

10. 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. Direct act does not include or mean supervision of others or entrustment to others of watercraft.
- C. Watercraft not owned by *you*, if less than 26 feet in length and not used to carry persons or property for a charge.

11. PERSONAL INJURY / ADVERTISING INJURY COVERAGES

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* operations covered by this policy.
2. *Personal injury* arising out of an offense committed in the conduct of *your* operations 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*.
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.

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

Accordingly, Part II C – other than Exclusions 5, 7, 9, and 12 – does not apply: however, Personal Injury / Advertising 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 4.

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 semi-trailers attached to any *automobile*, aircraft, or watercraft. But see Supplemental Coverages 2.B, 5, 7 and 10.

3. **BUSINESS ACTIVITIES / BUSINESS RISK EXCLUSIONS**

A. We do not insure any *property damage* to *your product* 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 ongoing) 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. **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* 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 officer) as an *insured* in this policy, in connection with *bodily injury* or *personal injury* to you 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. 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 9; 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 9.

9. 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 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. Waste includes materials to be reclaimed, reconditioned or recycled.

- 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 *pollutants*.

10. PREMISES / OTHER PROPERTY ADDITIONAL EXCLUSIONS

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

- A.** Personal property in the care, control, or custody of any

insured or any property borrowed by *you*: this does not apply to liability assumed under a written sidetrack agreement.

- B. 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. Property occupied or owned by, or rented to, *you*: but see Supplemental Coverage 6.
- 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*.

11. PROFESSIONAL ACTIVITIES EXCLUSION

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

But see Supplemental Coverage 8 for certain coverage.

12. 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, or 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.

13. 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, or 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

14. PRODUCTS / COMPLETED OPERATIONS HAZARD EXCLUSION

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

15. SPECIFIED PERSONS EXCLUSIONS

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

- A. Any *insured*, other than a volunteer worker.
- 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.

16. SPORTS ACTIVITIES EXCLUSION

We do not insure medical expenses in connection with *bodily injury* to any person taking part in athletic activities.

17. 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 3) 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.

18. DAY CARE / NURSERY SCHOOL EXCLUSION

We do not insure medical expenses in connection with *bodily injury* to any person enrolled in a day care center or nursery school.

PART II D • SPECIAL LIABILITY CONDITIONS

1. DUTIES OF *INSUREDS* – 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* may reasonably require: provide written proof of claim (under oath, if required); submit, at *our* expense, to physical examinations by physicians of *our* choice; and 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 claims made or suits brought by one or more persons or organizations. *Our* obligation to make payments ceases when the applicable limit is used up in payment of judgment or settlements.

A. **General Coverage Limits** – The following limits apply for all damages or medical expenses in any one *occurrence*, accident, or injury, as indicated:

1. *Occurrence* Limits – Coverages E and F

Our maximum limit of liability payable under Coverages E and F in any one *occurrence* is the

occurrence limit shown in the Declarations (but see the sublimit applicable to Supplemental Coverage 6).

2. **Accident Limit / Per Person Limit – Coverage F**
Our maximum limit of liability payable under Coverage F for any one person in any one accident is the “per person” limit shown in the Declarations.

3. *Personal Injury / Advertising Injury* Limit

Our maximum limit of liability payable under *Personal Injury / Advertising Injury* Coverage for all such injuries sustained by any one person or organization is the limit shown in the Declarations or Declarations Supplement.

B. **Aggregate / Total Limits** – The following limits apply for all damages or medical expenses for all *occurrences*, accidents, or injuries, that may occur in the period(s) described in the following Paragraph C.

1. Aggregate / Total Limits – General Coverages

Our maximum limit of liability payable for:

a. Coverage E;

b. Coverage F; and

c. *Personal Injury / Advertising Injury*;

Is the general aggregate / total limit shown in the Declarations.

This general aggregate / total limit does not apply to the *products / completed operations hazard*, which is subject to a separate specific aggregate / total limit.

If a specific aggregate / total limit is not shown in the Declarations, then a general aggregate / total limit does not apply to the subject coverages.

2. Aggregate / Total Limit – *Products / Completed Operations Hazard*

Our aggregate / total maximum limit of liability 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 in Part I C, Losses Insured; 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) or the CAN-SPAM Act of 2003, including any amendments or additions to such laws.
- D.** Confiscation, loss, or seizure under customs, drug enforcement or quarantine legislation or regulations.

3. NUCLEAR ENERGY

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

- A.** With respect to which an *insured* in this policy is also an insured under any nuclear energy liability policy (or would have been an insured under such but for its termination upon exhaustion of its limits).
- B.** Resulting from the *hazardous properties* of *nuclear material*, with respect to which:
 - 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.

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 below.

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, alkalis, 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 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, 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.

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.

Insured

Insured means the person or entity designated as *insured* in the Declarations or otherwise named as an *insured* in this policy.

Money / Securities

Money means – bank notes, bearer bonds, bullion, coins, currency, lottery tickets, money orders, prepaid phone cards, registered checks, stored valued 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.

Valuable Papers and Records

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

PART II

The following apply to Part II

Automobile

Automobile means:

1. Any land motor vehicle or trailer (including semi-trailers) 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.

Insured

Insured means the following, as designated in the Declarations, to the extent set forth below:

1. The organization named in this policy (*you*) and any executive officers or directors while acting within the scope of their duties as such.
2. *Your employees* (other than executive officers) while acting within the scope of their duties as such.

3. Any of *your* members, but only with respect to their liability for *your* activities or activities they perform as such on *your* behalf.
4. Any trustee, official, member of the board of governors or clergyman, but only with respect to their duties as such for *you*.
5. Any other person who is a volunteer worker for *you*, but only while acting at *your* direction and within the scope of their duties for *you* as such. However, no volunteer is an *insured* for:
 - A. *Bodily injury* to a co-volunteer or *your employee* arising out of and in the course of their duties for *you* as such;
 - B. *Property damage* to property owned, occupied or used by, rented, in the care, custody, or control of, or over which physical control is being exercised for any purpose by: *you*; any co-volunteer; *your employee*.
6. Persons (other than *your employees*) or organizations acting as real estate manager for *you*.
7. An organization (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* business / operations. *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.
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.

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 under 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 in 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.

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 operations or premises to others, coverage under this policy terminates at the time title is transferred to others with respect to such operations 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). However, if *we* specifically choose not to declare this policy void, *we* do not provide insurance under this policy to, or for the benefit of, any such *insureds*.

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* operations 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 no greater proportion of the total amount of loss than *our* obligation on 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 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 business / operations 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. of this Condition (other than an umbrella / excess liability policy which applies in excess of the limits of this policy).

C. With regard to other insurance subject to the same provisions contained in this policy or where *we* 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.

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. An organization either controlled or owned by *you* or that controls or runs *your* organization.

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*.