

SPECIAL PERILS PART

ADDITIONAL DEFINITIONS

1. "Sinkhole collapse" -- This means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
2. "Specified perils" -- This means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to personal property in the open or to the interior of buildings or structures or personal property inside buildings, structures, or portable storage units unless the exterior of the roof or walls are first damaged by a falling object.

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

3. "Volcanic action" -- This means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property. All volcanic eruptions that occur within a 168 hour period will be considered a single occurrence.

PERILS COVERED

When "Special Perils" is shown on the "declarations", "we" cover direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

- a. **Ordinance or Law** -- Except as provided under the Supplemental Coverage for Increased Costs - Ordinance or Law, "we" do not cover loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

- b. **Earth Movement** --

- 1) "We" do not pay for loss or damage caused by earth movement whether the earth movement results from a natural cause, a manmade cause, or a combination thereof.

Manmade causes include but are not limited to:

- a) construction or excavation activities;
- b) blasting;
- c) extracting gas, heat, minerals, oil, steam, water, or any other natural resource, substance, or material from below the earth's surface by any process, including but not limited to:

- (1) hydraulic fracturing;
- (2) mining;
- (3) drilling; or
- (4) geothermal energy extraction;

- d) injecting any natural resource, substance, or material, including but not limited to water and wastewater, below the earth's surface for any purpose;
- e) storing any natural resource, substance, or material, including but not limited to carbon dioxide, below the earth's surface; or
- f) any combination of a) through e) above.

- 2) In this exclusion, earth movement means any movement of earth, including but not limited to:

- a) earthquake, earth tremor, or earth temblor, including any aftershocks, whether manifested in shaking, ground displacement, or otherwise;
- b) soil liquefaction, whether or not caused by:

- (1) earthquake;
- (2) earth tremor; or
- (3) earth temblor;

- c) land shock waves or tremors before, during, or after the eruption, explosion, or effusion of a volcano;
- d) landslide, mudflow, or mudslide, including the movement of matter present in or carried or otherwise moved by landslide, mudflow, or mudslide;
- e) subsidence; or
- f) any other earth movement, including but not limited to:

- (1) earth sinking, rising, or shifting;
- (2) movement caused by the:
 - (a) expansion;
 - (b) contraction;
 - (c) compaction, whether improper or otherwise;
 - (d) freezing;
 - (e) thawing; or
 - (f) shrinking;of earth; or
- (3) movement caused by:
 - (a) erosion; or
 - (b) water below the earth's surface.

However, this does not include "sinkhole collapse".

Earth includes but is not limited to ground, soil, sediments, substrates, and strata.

- 3) With respect to earth movement that results from a manmade cause or a combination of natural and manmade causes, this exclusion applies:
 - a) whether or not the earth movement results from an error or omission of any person, group, organization, or governmental body or authority;
 - b) whether or not the cause of the earth movement originates on or under covered property; and
 - c) whether or not the earth movement results from activities being performed at the request of an insured or for an insured's benefit.

- 4) This exclusion does not apply to:
 - a) direct loss or damage to covered property caused by fire or explosion resulting from earth movement;
 - b) loss or damage caused by "sinkhole collapse" or "volcanic action"; or
 - c) loss or damage caused by theft that is otherwise covered under this perils part.

- c. **Civil Authority** -- "We" do not cover loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this policy.

- d. **Nuclear Hazard** -- "We" do not cover loss caused by a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by, contributed to or aggravated by a covered peril; and whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct physical loss by fire resulting from the nuclear hazard is covered.

- e. **Utility Failure** -- "We" do not cover loss caused by interruption of power or other utility services resulting from any cause if the interruption takes place away from the described premises. Interruption includes reduced or increased voltage, low or high pressure, or other interruptions of normal services.

"We" cover the direct physical loss by a covered peril which occurs on the described premises as a result of any power interruption.

- f. **War And Military Action** -- "We" do not cover loss or damage caused directly or indirectly by the following:

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

With respect to any action that comes within the "terms" of this exclusion and involves nuclear reaction or radiation or radioactive contamination, this War And Military Action exclusion supersedes the Nuclear Hazard exclusion.

g. **Water --**

1) "We" do not cover loss caused by:

- a) flood; surface water; waves, including but not limited to tidal wave and tsunami; tidal water; tides; overflow of any body of water; or spray from any of these; all whether or not driven by wind. This includes, but is not limited to storm surge, storm tide, and tidal surge;
- b) water that backs up through, overflows from, or is otherwise discharged from:
 - (1) a sewer or drain;
 - (2) a sump, sump pump, or related equipment; or
 - (3) any other type of system designed to remove subsurface water which is drained from the foundation area;
- c) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into:
 - (1) basements, whether paved or not;
 - (2) doors, windows, or other openings;
 - (3) foundations, floors, walls, or paved surfaces; or
 - (4) swimming pools, septic tanks, or other structures; or
- d) material present in or carried or otherwise moved by water described in items a) through c) above.

However, if fire, explosion, or sprinkler leakage results, "we" do cover the resulting loss.

2) This exclusion:

- a) applies regardless of the cause of the water or the material carried or moved

- by water described under items 1)a) through 1)d) above, whether or not such cause is an act of nature; and
- b) applies but is not limited to water and material present in or carried or moved by water, whether or not driven by wind, that:

- (1) overtops;
- (2) escapes from;
- (3) is released from; or
- (4) is otherwise discharged from;

a dam, levee, dike, floodgate, seawall, or other device or feature designed or used to retain, contain, or control water.

- h. **Fungus Or Related Perils --** Except as provided under the Limited Fungus and Related Perils Coverage, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus or related perils".

However, "we" do pay for loss or damage that is caused by a "specified peril" that results from "fungus or related perils".

This exclusion does not apply to:

- 1) loss or damage that results from fire or lightning; or
- 2) collapse caused by hidden decay, to the extent that such loss is covered under the Additional Coverage provided for Collapse.

- i. **Virus Or Bacteria --** "We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to any loss, cost, or expense as a result of:

- 1) any contamination by any virus, bacterium, or other microorganism; or
- 2) any denial of access to property because of any virus, bacterium, or other microorganism.

This exclusion does not apply to loss that results from fire or lightning.

2. "We" do not pay for loss if one or more of the following exclusions apply to the loss:

- a. **Animals** -- "We" do not cover loss caused by animals, including birds, insects, or vermin. "We" cover any resulting loss caused by a "specified peril" or breakage of building glass.
- b. **Collapse** -- Except as provided under the Additional Coverage for Collapse, "we" do not pay for loss or damage involving collapse, caving in, or impairment of structural integrity, including but not limited to sagging, bowing, bending, leaning, separation of parts of the property, or inadequacy of load bearing capacity.

However, if collapse as described above results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to direct physical loss that results from collapse of a covered building or structure or any part of a covered building or structure caused only by one or more of the following:

- 1) "specified perils" or breakage of building glass;
- 2) weight of people or personal property; or
- 3) weight of rain that collects on a roof.

- c. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration, including corrosion, rust, or any quality, fault, or weakness in property that causes it to damage or destroy itself.

However, "we" do pay for resulting breakage of building glass or direct physical loss caused by a "specified peril".

- d. **Criminal, Fraudulent, or Dishonest Acts** -- "We" do not cover loss caused by criminal, fraudulent, dishonest, or illegal acts, alone or in collusion with another, by:

- 1) you;
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

e. **Defects, Errors, and Omissions** -- "We" do not cover loss which results from one or more of the following:

- 1) an act, error, or omission (negligent or not) relating to:
 - a) land use;
 - b) the design, specification, construction, workmanship, installation, or maintenance of property;
 - c) planning, zoning, development, siting, surveying, grading, or compaction; or
 - d) maintenance of property (including land, structures, or improvements);

whether on or off the described premises;

- 2) a defect, a weakness, the inadequacy, a fault, or unsoundness in materials used in construction or repair, whether on or off the described premises;
- 3) the cost to make good an error in design; or
- 4) a data processing error or omission in programming or giving improper instructions.

In addition, "we" do not cover loss to Business Personal Property caused by deficiency or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

"We" cover any resulting loss caused by a covered peril unless the resulting loss itself is excluded.

- f. **Electrical Currents** -- "We" do not cover loss caused by arcing or by electrical currents other than lightning. If a fire results, "we" cover only the loss caused by fire.
- g. **Explosion** -- "We" do not cover loss caused by explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease or that are operated under "your" control. If a fire or combustion explosion results, "we" cover the resulting loss. "We" also cover loss caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.
- h. **Freezing** -- "We" do not cover loss caused by water, other liquids, powder, or molten material that leaks or flows from plumbing, heating, air-conditioning systems or appliances (other than fire protective systems) as a result of freezing.

This does not apply if "you" use reasonable care to maintain heat in the building or structure; or "you" drain the equipment and turn off the supply if the heat is not maintained.

- i. **Increased Hazard** -- "We" do not cover loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.
- j. **Loss of Use** -- "We" do not cover loss caused by loss of use, business interruption, delay, or loss of market.
- k. **Mechanical Breakdown** -- "We" do not cover loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force. "We" cover any resulting loss caused by a "specified peril", breakage of building glass, or elevator collision.
- l. **Neglect** -- "We" do not cover loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss.

"We" do not cover loss caused by "your" neglect to use all reasonable means to save and preserve covered property when endangered by a covered peril.

- m. **Pollutants** -- "We" do not cover loss caused by the release, discharge, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril". "We" cover any resulting loss caused by a "specified peril" and damage to glass caused by chemicals that are applied to the glass.
- n. **Seepage** -- "We" do not cover loss caused by continuous or repeated seepage or leakage of water or steam that occurs over a period of 14 days or more.
- o. **Settling, Cracking, Shrinking, Bulging, or Expanding** -- "We" do not cover loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs. "We" cover any resulting loss caused by a "specified peril" or breakage of building glass.
- p. **Smog, Smoke, Vapor, or Gas** -- "We" do not cover loss caused by smog, smoke, vapor, or gas from agricultural smudging or industrial operations.

- q. **Temperature/Humidity** -- "We" do not cover loss to personal property caused by dampness, dryness, or changes in or extremes of temperature. "We" cover any resulting loss caused by "specified perils" or breakage of building glass.
- r. **Voluntary Parting** -- "We" do not cover loss caused by voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- s. **Wear and Tear** -- "We" do not cover loss caused by wear and tear, marring, or scratching. "We" cover any resulting loss caused by a "specified peril" or breakage of building glass.
- t. **Weather** -- "We" do not pay for loss caused by weather conditions if the weather conditions contribute in any way with a cause or event excluded in paragraph 1. above.

"We" cover any resulting loss caused by a covered peril unless the resulting loss itself is excluded.

ADDITIONAL PROPERTY EXCLUDED AND LIMITATIONS

- 1. **Boilers** -- "We" do not cover loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment. "We" do cover loss to such equipment caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.
"We" do not cover loss to hot water boilers or heaters caused by any condition or occurrence within such equipment other than explosion. This exclusion includes bursting, cracking, exploding, or rupturing.
- 2. **Building Materials** -- "We" do not cover loss to building materials and supplies that are not attached to buildings or structures, unless held for sale by **you**, caused by theft.

"We" cover loss caused by looting and pillaging at the time and place of a riot or civil commotion.
- 3. **Furs** -- "We" do not cover furs or fur garments for loss by theft for more than \$2,500 total in any one occurrence.

4. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware, statuary, porcelains, and bric-a-brac, except as a result of "specified perils" or breakage of building glass. This does not apply to glass that is a part of a building or structure; bottles or other containers held for sale; or lenses of photographic and scientific instruments.
5. **Gutters and Downspouts** -- "We" do not cover loss to gutters and downspouts caused by the weight of ice, sleet, or snow.
6. **Interior of Buildings** -- "We" do not cover loss to the interior of buildings or structures, or to personal property inside a buildings, structures, or portable storage unit, caused by rain, snow, sleet, ice, sand, or dust, unless:
 - a. entering through openings made by a "specified peril"; or
 - b. the loss is caused by the thawing of snow, sleet, or ice on the building, structure, or portable storage unit.
7. **Jewelry, Watches, Jewels, Pearls, Precious Stones, and Metals** -- "We" do not cover more than \$2,500 total in any one occurrence for loss by theft of jewelry; watches; watch movements; jewels; pearls; precious or semi-precious stones; gold, silver, or other precious metals; or items consisting primarily of precious metals. This limitation does not apply to items of jewelry or watches worth \$100 or less.
8. **Machinery, Tools, and Equipment** -- "We" do not cover builders' machinery, tools, and equipment owned by "you" or in "your" care, while away from the described premises except as a result of "specified perils" or breakage of building glass.
9. **Missing Property** -- "We" do not cover missing property where the only proof of loss is unexplained or mysterious disappearance, or shortage discovered on taking inventory, or other instance where there is no physical evidence to show what happened to the property.
10. **Patterns, Dies, Molds, Models, and Forms** -- "We" do not cover more than \$2,500 total in one occurrence for loss by theft to patterns, dies, molds, models, or forms.
11. **Personal Property in the Open** -- "We" do not do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.
12. **Stamps, Tickets, Letters of Credit** -- "We" do not cover more than \$250 total in any one occurrence for loss by theft to stamps, tickets (including lottery tickets held for sale), or letters of credit.
13. **Transferred Property** -- "We" do not cover loss to property that has been transferred to a person or to a place away from the described premises on the basis of unauthorized instructions.
14. **Trees, Plants, Shrubs, and Lawns** -- "We" do not cover loss to trees, plants, shrubs, or lawns that are installed in a vegetative roof covering caused by:
 - a. dampness, dryness, or changes in or extremes of temperature; or
 - b. rain, hail, snow, ice, frost, or sleet.
15. **Valuable Papers and Records** -- "We" do not cover loss to valuable papers or records except by "specified perils" or breakage of building glass. This applies to account books, bills, card index systems, deeds, drawings, evidences of debt, manuscripts, and other records.

ADDITIONAL COVERAGES

1. **Collapse** -- This Additional Coverage does not increase the "limit" for the covered property.
 - a. "We" pay for direct physical loss or damage to covered property caused by the sudden and abrupt collapse of a covered building or structure or a portion of a covered building or structure caused only by one or more of the following:
 - 1) hidden decay of a structural component of the building or structure, unless an insured knew of or could reasonably be expected to suspect the presence of such decay prior to the sudden and abrupt collapse;
 - 2) hidden insect or vermin damage to a structural component of the building or structure, unless an insured knew of or could reasonably be expected to suspect the presence of such damage prior to the sudden and abrupt collapse; or
 - 3) the use of defective materials or methods in construction, remodeling, or renovation if the sudden and abrupt collapse occurs during the course of the construction, remodeling, or renovation.

However, "we" will pay for direct physical loss or damage caused by the sudden and abrupt collapse of a building or structure or a portion of a building or structure that occurs after construction, remodeling, or renovation is complete if caused by one or more of the following even if the use of defective materials or methods in construction, remodeling, or renovation also contributes to the sudden and abrupt collapse:

- a) hidden decay of a structural component of the building or structure, unless an insured knew of or could reasonably be expected to suspect the presence of such decay prior to the sudden and abrupt collapse;
 - b) hidden insect or vermin damage to a structural component of the building or structure, unless an insured knew of or could reasonably be expected to suspect the presence of such damage prior to the sudden and abrupt collapse;
 - c) "specified perils" or breakage of building glass; all as covered under the Commercial Property Coverages;
 - d) weight of people or personal property; or
 - e) weight of rain that collects on a roof.
- b. **Collapse Restrictions** -- With respect to the causes listed in items 1.a.1), 1.a.2), and 1.a.3) above:
- 1) sudden and abrupt collapse of a building or structure or any portion of a building or structure means the sudden and abrupt caving in, falling in, falling down, or giving way of the building or structure or the portion thereof so that the building or structure or the portion thereof can not be occupied as intended; and
 - 2) the following are not considered to be in a state of sudden and abrupt collapse:
 - a) a building or structure that is standing or any portion of a building or structure that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - b) a building or structure or any portion of a building or structure in danger of caving in, falling in, falling down, or giving way; or

c) a portion of a building or structure that is standing even if it has separated from another portion of the building or structure.

- c. **Additional Property Restrictions** -- "We" pay for direct physical loss or damage to the following property, if otherwise covered by this policy, that is caused by the sudden and abrupt collapse of a covered building or structure that occurs as a result of one or more of the causes listed under items 1.a.1) through 1.a.3) above:
- 1) outdoor radio, television, satellite, dish-type, and other antennas including their masts, towers, and lead-in wiring;
 - 2) outdoor awnings and canopies and their supports;
 - 3) gutters and downspouts;
 - 4) fences;
 - 5) yard fixtures;
 - 6) outdoor swimming pools;
 - 7) bulkheads, piers, wharves, and docks;
 - 8) beach and diving platforms and related attachments;
 - 9) retaining walls that are not part of buildings or structures; and
 - 10) bridges, walkways, roadways, and other paved surfaces.
- d. **Collapse Of Covered Personal Property** -- "We" also pay for direct physical loss or damage caused by the sudden and abrupt collapse of covered personal property inside a building or structure when the loss or damage does not involve the sudden and abrupt collapse of a building or structure or any portion of a building or structure. The sudden and abrupt collapse must occur as a result of one or more of the causes listed under item 1.a. above.

With respect to the coverage provided under this item 1.d., sudden and abrupt collapse means the sudden and abrupt caving in, falling in, falling down, or giving way of the covered personal property.

However, sudden and abrupt collapse does not mean the bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage of personal property if such personal property has not suddenly or abruptly fallen down or caved in.

Restrictions -- This coverage does not apply to property that is listed under item 1.c. above; or damage due to marring and scratching, when that is the only damage caused by the sudden and abrupt collapse.

2. **Glass** -- This Additional Coverage does not increase the "limit" for the covered property.

In the event of loss or damage to building glass, "we" pay the following expenses:

- a. the cost of replacing or repairing the frames which hold the glass, if the frames have been damaged by the loss;
- b. the cost of boarding up openings or installing temporary glass if there is an unavoidable delay in replacement; and
- c. the cost of removing or replacing obstructions which prohibit replacement or repair.

Restriction -- This does not include removing or replacing window displays.

3. **Tearing Out and Replacing** -- When loss caused by:

- a. water;
- b. other liquids;
- c. powder; or
- d. molten material

is covered, "we" also pay the cost of tearing out and replacing any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" do not pay for damage to the system or appliance from which the water or other substance escapes. However, "we" pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.