



Acuity, A Mutual Insurance Company

September 7, 2022

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Policy Number: ZK9461

Dear Policyholder:

This renewal policy continues your business coverage under the Acuity Commercial Package Policy Program. By choosing Acuity, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We value our continuing association as a provider of vital insurance protection for your business operations.

### **Your Independent Agent**

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

### **Terrorism Information**

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

Your policy has been issued with coverage for losses resulting from terrorist acts as defined in the Act. Endorsements have been attached to your policy for the lines of business that qualify for coverage under the Act and a premium charge has been applied. Refer to your Declarations for the exact premium charge associated with each endorsement. You have the right to reject this coverage by signing the attached rejection form. If you do, a premium charge may apply. Coverage cannot be rejected under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2027. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

**For More Information**

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with Acuity.

Acuity

Represented by

INSURANCE INCORPORATED  
2551 GEORGETOWN RD NW  
CLEVELAND TN 37320  
423.472.5051

## **Policyholder Disclosure Notice of Terrorism Insurance Coverage**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS UNITED STATES GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

The attached policy includes coverage for terrorism as described in the Act. The premium charge for this coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.



**REJECTION OF COVERAGE FOR TERRORIST ACTS AS DEFINED IN THE  
TERRORISM RISK INSURANCE ACT**

You may reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act, where permitted. You may do this by signing this rejection form and submitting it using one of the following methods:

**Mail: Acuity  
PO Box 58  
Sheboygan, WI 53082-0058**

**Email: [clservice@acuity.com](mailto:clservice@acuity.com)**

**Fax: 920.458.1618**

If you choose to reject this coverage, you will not be able to add the coverage back to your policy until your next renewal.

I have read the Policyholder Disclosure Notice of Terrorism Insurance Coverage and the Terrorism Premium Information page(s) and hereby reject coverage for terrorist acts as defined in the Terrorism Risk Insurance Act. I understand that coverage for terrorist acts as defined in the Act will be excluded under my policy.

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First Named Insured's Signature

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Date

A rejection form received within 30 days of the date shown on the bottom right corner will be valid as of the Policy Effective Date shown above. A rejection form received after 30 days of the date shown will be valid on the date we receive the form. This rejection will apply until the expiration date of the policy term that begins on the Policy Effective Date shown above.



**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Coverage Other Than Workers' Compensation**  
**and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will change. An endorsement, Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act), has been attached to your policy. The provisions of this endorsement will become applicable to your policy if the Program terminates as scheduled. Under this endorsement coverage for injury or damage arising out of a terrorism incident is excluded if:

- The total of all insured damage to all types of property and business interruption losses from the incident, exceeds \$25 million.
- For certain coverage, fifty or more persons sustain death or serious physical injury.
- The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination.
- The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material.
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials.
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.

We will refund the premium charged for terrorism coverage if you have or will be accepting coverage for terrorism as defined in the Act and the Program is terminated. If your policy is effective prior to December 31, 2027, you will be refunded the premium charged from January 1, 2028, until the end of your policy term. If your policy is effective on or after January 1, 2028, you will be refunded the entire premium charged.

If the Program is extended without change, the coverage under your policy and any premium charge will not change.

**Potential Change in Terrorism Coverage During the Term of Your Policy**  
**(Applicable to Workers' Compensation and Employers' Liability Insurance)**

The Terrorism Risk Insurance Act established the Terrorism Risk Insurance Program. The Program is scheduled to terminate at the end of December 31, 2027, unless extended by the federal government. If the federal Program terminates before or during the term of your policy, the treatment of terrorism under your policy will not change. The premium charge for coverage your policy provides for terrorism or war losses may continue or change if the federal Program terminates.







## Terrorism Premium Information Tennessee

The premium for terrorism coverage, as defined in Section 102(1) of the Act, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act and the location of any property covered under the policy. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

<p>If your Acuity policy contains the following coverage part:</p> <ul style="list-style-type: none"> <li>• Bis-Pak - Property Portion of Your Premium</li> <li>• Bis-Pak - Liability Portion of Your Premium</li> <li>• Commercial Property and Commercial Inland Marine Coverage Parts</li> <li>• Commercial General Liability and Commercial Excess Liability Coverage Parts</li> <li>• Workers' Compensation *</li> </ul>	<p>The premium charge for terrorism insurance if you <b>accept</b> coverage under the Act is:</p> <ul style="list-style-type: none"> <li>• 4.5% of the property premium applying in Davidson and Shelby Counties</li> <li>• 3.75% of the property premium applying in a county with a Nuclear Power Plant</li> <li>• 3% of the property premium for all other locations</li> <li>• 1% of the liability premium applying to your policy</li> <li>• 4.5% of the premium applying in Davidson and Shelby Counties</li> <li>• 3.75% of the premium applying in a county with a Nuclear Power Plant</li> <li>• 3% of the premium for all other locations</li> <li>• 1% of the premium applying to each of the coverage parts</li> <li>• The premium charge is \$.01 for each \$100 of payroll for all classes.</li> </ul>
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\* Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.

**Counties with Nuclear Power Plants** are Rhea County and Hamilton County.





## CUSTOMER PRIVACY POLICY

At Acuity Insurance, we gather information about our policyholders only in the interest of providing them with quality services at fair prices. We are committed to the careful handling of personal nonpublic information. We collect and use information for business purposes with respect to our insurance products and related business activities involving our customers. These business activities include evaluating a request for our insurance products and related services such as claims processing or processing other transactions requested by you.

Federal law has established privacy standards and requires us to provide this summary of our privacy policy once a year. Further, state laws typically require us to provide you notice of our information practices. The following information will provide you with a better understanding of the type of information we collect, how we use it and to whom we may disclose it.

### HOW DO WE COLLECT INFORMATION

Your application is our major source of information. However, we may occasionally collect personal or privileged information about you and other persons proposed for coverage from third parties such as other insurance companies, physicians, hospitals and other medical personnel, insurance-support organizations or consumer reporting agencies. For example, we may collect information such as loss information reports, motor vehicle reports and credit reports. We may ask such an insurance support organization to view your property. They would report to us the value and condition of your property and send a photograph of it. Occasionally, we may order a consumer credit report showing your history of meeting financial obligations. Information from a report prepared by an insurance-support organization may be retained by them and disclosed to other persons to the extent permitted by law. We will not collect information about persons other than individuals proposed for coverage.

### DISCLOSURE OF INFORMATION

The privacy of the information that you provide us with or that we collect about you is important to us. **It is our policy not to disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.** For example, we may disclose information to others such as your name, address, social security number, email address, phone number, policy coverages or other identifying policy or claims information to:

- Third parties that perform marketing services on our behalf or with whom we have joint marketing agreements such as your independent insurance agent;
- Third parties who help us evaluate requests for insurance or benefits or to prevent fraud such as consumer reporting agencies;
- Third parties that require us to submit information to them, such as regulatory, law enforcement, or other government agencies.

We also reserve the right to make other necessary disclosures about current or former customers without prior authorization, so long as these disclosures are not typically conducted in our usual course of business, and only as permitted by law.

Now what does this really mean? It means our information about you is used only in connection with our business relationship with you. We will not, and never have, shared your nonpublic personal information with any third parties for the purpose of marketing their products or services. If this were to ever change, we would have to notify you first and give you the opportunity to prevent that type of disclosure. That is, we would have to provide you with the option to "opt-out" first.

When we use other parties to help us conduct our business of insurance, such as investigating and paying claims, obtaining motor vehicle reports, confirming values and condition of homes, etc., we expect and often contract with these organizations to maintain the confidentiality of the information provided to them and to abide by all applicable privacy laws that pertain to them. An "opt-out" option is not required in order for us to conduct these usual and necessary insurance business activities.

In addition, our employees are required to protect the confidentiality of your information and access information only when there is an appropriate need to do so. We also maintain the necessary electronic and procedural safeguards to protect your information. Personal information is secured by use of change control procedures, passwords, and physical access controls. We employ a variety of other mechanisms to ensure that your information is not lost, misused, or altered inappropriately. These controls include regular database backups.

## **ACCESS TO AND AMENDMENT OF RECORDED INFORMATION**

You have the right to access any personal information that we have recorded and is reasonably available for retrieval by us. You may submit a written request to us in order to do so. We reserve the right to charge a reasonable fee to cover the costs incurred in providing any summary of recorded personal information, when permitted to do so by law. We will prepare this information within thirty business days from the time your written request is received.

After review, you may ask us in writing to correct, amend, or delete any information about you in our files. Within thirty business days from the time your written request is received, we will either honor or deny your request. If we refuse to make any corrections, amendments, or deletions, you have the right to give us a concise statement of what you believe is the correct information, including the reason why you disagree with the disputed information. We will put your statement in our file so that anyone reviewing your file will see it and furnish it to the appropriate parties as required by law.

## **OUR PROMISE TO YOU**

Your confidence in our company and the manner in which we conduct our business is greatly appreciated. Our promise to you is that we will treat your personal information with utmost confidentiality, use it only to help serve you better and in a manner prescribed by law. If you have questions at any time regarding our privacy policy, you may contact us at the following address:

Acuity, A Mutual Insurance Company  
2800 South Taylor Drive  
P.O. Box 58  
Sheboygan, WI 53082-0058



**SPECIALIZING IN  
INSURANCE FOR  
CONDOMINIUMS**

**COMMON POLICY  
DECLARATIONS**

Acuity, A Mutual Insurance Company

First Named Insured and Address:

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Agency Name and Number:

6782-CE (423)472-5051  
INSURANCE INCORPORATED  
2551 GEORGETOWN RD NW  
PO BOX 2670  
CLEVELAND TN 37320

Policy Number: ZK9461

Policy Period: Effective Date: 09-25-22  
Expiration Date: 09-25-23  
12:01 A.M. standard time at  
your mailing address shown  
in the declarations

**This is not a bill. If premium is due, a billing notice will be sent separately.**

**COVERAGE**

Your coverage consists of the following lines of insurance for which a premium is indicated.  
This premium may be subject to adjustment.

<b>Property</b> .....	57,115.00
<b>General Liability</b> .....	3,354.00
<b>Crime</b> .....	346.00
<b>Excess Liability</b> .....	2,309.00
<b>Directors' and Officers' Liability</b> .....	350.00
<b>Total Advance Premium</b> .....	<b>\$ 63,474.00</b>

Secretary

President

## MUTUAL POLICY CONDITIONS

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law.

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

### Corporate Headquarters Address

**Acuity  
2800 South Taylor Drive  
PO Box 58  
Sheboygan, Wisconsin 53082-0058  
800.242.7666**

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Acuity, A Mutual Insurance Company

**COMMERCIAL PROPERTY  
COVERAGE PART**

**Renewal Declarations**

First Named Insured and Address:

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Agency Name and Number:

INSURANCE INCORPORATED  
6782-CE

Policy Number: ZK9461

Policy Period: Effective Date: 09-25-22

Expiration Date: 09-25-23

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

**COVERAGES PROVIDED AND COVERAGE PREMIUMS**

Coverage is provided where a Limit of Insurance is shown.

Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building	001	001	\$ 167,400	Special	80%	\$ 460.00
Building	002	001	163,198	Special	80%	449.00
Building	003	001	167,400	Special	80%	460.00
Building	004	001	167,400	Special	80%	460.00
Building	005	001	167,400	Special	80%	460.00
Building	006	001	167,400	Special	80%	460.00
Building	007	001	167,400	Special	80%	460.00
Building	008	001	167,400	Special	80%	460.00
Building	009	001	167,400	Special	80%	460.00
Building	010	001	167,400	Special	80%	460.00
Building	011	001	167,400	Special	80%	460.00
Building	012	001	163,198	Special	80%	449.00
Building	013	001	167,400	Special	80%	460.00
Building	014	001	402,408	Special	80%	1,047.00
Building	015	001	163,198	Special	80%	449.00
Building	016	001	167,400	Special	80%	460.00
Building	017	001	502,200	Special	80%	1,409.00
Building	018	001	163,198	Special	80%	449.00
Building	019	001	135,000	Special	80%	388.00
Building	020	001	163,198	Special	80%	449.00
Building	021	001	163,198	Special	80%	449.00
Building	022	001	163,198	Special	80%	449.00
Building	023	001	167,400	Special	80%	460.00

Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building	024	001	163,198	Special	80%	449.00
Building	025	001	163,080	Special	80%	449.00
Building	026	001	167,400	Special	80%	460.00
Building	027	001	167,400	Special	80%	460.00
Building	028	001	167,400	Special	80%	460.00
Building	029	001	163,198	Special	80%	449.00
Building	030	001	163,198	Special	80%	449.00
Building	031	001	167,400	Special	80%	460.00
Building	032	001	167,400	Special	80%	460.00
Building	033	001	167,400	Special	80%	460.00
Building	034	001	402,408	Special	80%	1,047.00
Building	035	001	461,234	Special	80%	1,166.00
Building	036	001	402,408	Special	80%	1,042.00
Building	037	001	402,408	Special	80%	1,042.00
Building	038	001	402,408	Special	80%	1,042.00
Building	039	001	169,905	Special	80%	465.00
Building	040	001	402,408	Special	80%	1,042.00
Building	041	001	163,198	Special	80%	449.00
Building	042	001	176,165	Special	80%	479.00
Building	043	001	167,400	Special	80%	460.00
Building	044	001	167,400	Special	80%	460.00
Building	045	001	149,040	Special	80%	419.00
Building	046	001	167,400	Special	80%	460.00
Building	047	001	167,400	Special	80%	460.00
Building	048	001	167,400	Special	80%	460.00
Building	049	001	167,400	Special	80%	460.00
Building	050	001	167,400	Special	80%	460.00
Building	051	001	167,400	Special	80%	460.00
Building	052	001	167,400	Special	80%	460.00
Building	053	001	406,080	Special	80%	1,056.00
Building	054	001	401,760	Special	80%	1,046.00
Building	055	001	402,408	Special	80%	1,047.00
Building	056	001	402,408	Special	80%	1,047.00
Building	057	001	322,500	Special	80%	876.00
Building	058	001	402,408	Special	80%	1,047.00
Building	059	001	322,500	Special	80%	876.00
Building	060	001	167,400	Special	80%	460.00
Building	061	001	149,040	Special	80%	419.00



Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building	062	001	149,040	Special	80%	419.00
Building	063	001	163,198	Special	80%	449.00
Building	064	001	163,198	Special	80%	449.00
Building	065	001	163,080	Special	80%	449.00
Building	066	001	167,400	Special	80%	460.00
Building	067	001	167,400	Special	80%	460.00
Building	068	001	167,400	Special	80%	460.00
Building	069	001	163,198	Special	80%	449.00
Building	070	001	167,400	Special	80%	460.00
Building	071	001	156,600	Special	80%	436.00
Building	072	001	163,198	Special	80%	449.00
Building	073	001	167,400	Special	80%	460.00
Building	074	001	167,400	Special	80%	460.00
Building	075	001	201,204	Special	80%	529.00
Building	076	001	167,400	Special	80%	460.00
Building	077	001	163,198	Special	80%	449.00
Building	078	001	163,080	Special	80%	449.00
Building	079	001	163,198	Special	80%	449.00
Building	080	001	156,600	Special	80%	435.00
Building	081	001	167,400	Special	80%	460.00
Building	082	001	167,400	Special	80%	460.00
Building	083	001	167,400	Special	80%	460.00
Building	084	001	167,400	Special	80%	460.00
Building	085	001	167,400	Special	80%	460.00
Building	086	001	167,400	Special	80%	460.00
Building	087	001	167,400	Special	80%	463.00
Building	088	001	167,400	Special	80%	463.00
Building	089	001	156,600	Special	80%	435.00
Building	090	001	201,204	Special	80%	529.00
Building	091	001	201,204	Special	80%	529.00
Building	092	001	167,400	Special	80%	460.00
Building	093	001	167,400	Special	80%	460.00
Building	094	001	149,040	Special	80%	421.00
Building	095	001	167,400	Special	80%	463.00
Building	096	001	163,198	Special	80%	449.00
Building	097	001	167,400	Special	80%	460.00
Building	098	001	156,600	Special	80%	435.00
Building	099	001	163,080	Special	80%	449.00

Policy Number: ZK9461  
 Effective Date: 09-25-22

Coverage Item	Premises Number	Building Number	Limit of Insurance	Covered Causes of Loss	Coinsurance Percentage	Premium
Building	100	001	167,400	Special	80%	460.00
Building	101	001	167,400	Special	80%	463.00
<b>Total Property Coverage Premium</b>						<b>\$ 55,060.00</b>

**COVERAGE FORMS AND ENDORSEMENT PREMIUMS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CP-0090F (07-88)	Commercial Property Conditions	\$
IL-0017F (11-98)	Common Policy Conditions	
CP-0017R (10-12)	Condominium Association Coverage Form	
CP-1075F (12-20)	Cyber Incident Exclusion	
CP-1030F (09-20)	Causes of Loss - Special Form	
IL-0250F (03-14)	Tennessee Changes - Cancellation and Nonrenewal	
CP-7094 (09-20)	ACUITY Advantages	
IL-0935F (07-02)	Exclusion of Certain Computer-Related Losses	
CP-0140F (07-06)	Exclusion of Loss Due to Virus or Bacteria	
IL-0995R (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
IL-7080 (01-15)	Cap on Losses from Certified Acts of Terrorism	2,055.00
IL-7082 (12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
CP-7134 (09-17)	Windstorm or Hail - Fixed Dollar Deductible	
CP-1034F (10-12)	Exclusion of Loss Due to By-Products of Prod. or Proc. Ops (rental prop)	
<b>Total Endorsement Premium</b>		<b>\$ 2,055.00</b>

**PREMIUM SUMMARY**

Total Property Coverage Premium	\$ 55,060.00
Total Endorsement Premium	2,055.00
<b>Total Advance Premium</b>	<b>\$ 57,115.00</b>

**DESCRIPTION OF PREMISES**

Premises Number	Building Number	Construction, Occupancy and Location
001	001	FRAME CONDO 113 CALLAWAY CT CHATTANOOGA TN

Policy Number:

ZK9461

Effective Date:

09-25-22

<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
002	001	FRAME CONDO 125 CALLAWAY CT CHATTANOOGA TN
003	001	FRAME CONDO 137 CALLAWAY CT CHATTANOOGA TN
004	001	FRAME CONDO 149 CALLAWAY CT CHATTANOOGA TN
005	001	FRAME CONDO 161 CALLAWAY CT CHATTANOOGA TN
006	001	FRAME CONDO 173 CALLAWAY CT CHATTANOOGA TN
007	001	FRAME CONDO 179 CALLAWAY CT CHATTANOOGA TN
008	001	FRAME CONDO 208 CALLAWAY CT CHATTANOOGA TN
009	001	FRAME CONDO 224 CALLAWAY CT CHATTANOOGA TN
010	001	FRAME CONDO 236 CALLAWAY CT CHATTANOOGA TN
011	001	FRAME CONDO 252 CALLAWAY CT CHATTANOOGA TN
012	001	FRAME CONDO 268 CALLAWAY CT CHATTANOOGA TN
013	001	FRAME CONDO 284 CALLAWAY CT CHATTANOOGA TN
014	001	FRAME CONDO - 3 UNITS 305/313/321 CALLAWAY CT CHATTANOOGA TN

<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
015	001	FRAME CONDO 307 CALLAWAY CT CHATTANOOGA TN
016	001	FRAME CONDO 319 CALLAWAY CT CHATTANOOGA TN
017	001	FRAME CONDO - 3 UNITS 329/337/343 CALLAWAY CT CHATTANOOGA TN
018	001	FRAME CONDO 331 CALLAWAY CT CHATTANOOGA TN
019	001	FRAME CONDO 353 CALLAWAY CT CHATTANOOGA TN
020	001	FRAME CONDO 355 CALLAWAY CT CHATTANOOGA TN
021	001	FRAME CONDO 367 CALLAWAY CT CHATTANOOGA TN
022	001	FRAME CONDO 408 CALLAWAY CT CHATTANOOGA TN
023	001	FRAME CONDO 412 CALLAWAY CT CHATTANOOGA TN
024	001	FRAME CONDO 414 CALLAWAY CT CHATTANOOGA TN
025	001	FRAME CONDO 416 CALLAWAY CT CHATTANOOGA TN
026	001	FRAME CONDO 426 CALLAWAY CT CHATTANOOGA TN
027	001	FRAME CONDO 428 CALLAWAY CT CHATTANOOGA TN

<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
028	001	FRAME CONDO 442 CALLAWAY CT CHATTANOOGA TN
029	001	FRAME CONDO 444 CALLAWAY CT CHATTANOOGA TN
030	001	FRAME CONDO 454 CALLAWAY CT CHATTANOOGA TN
031	001	FRAME CONDO 460 CALLAWAY CT CHATTANOOGA TN
032	001	FRAME CONDO 466 CALLAWAY CT CHATTANOOGA TN
033	001	FRAME CONDO 472 CALLAWAY CT CHATTANOOGA TN
034	001	FRAME CONDO - 3 UNITS 507/515/523 CALLAWAY CT CHATTANOOGA TN
035	001	FRAME CONDO - 3 UNITS 509/517/525 CALLAWAY CT CHATTANOOGA TN
036	001	FRAME CONDO - 3 UNITS 531/539/547 CALLAWAY CT CHATTANOOGA TN
037	001	FRAME CONDO - 3 UNITS 533/541/549 CALLAWAY CT CHATTANOOGA TN
038	001	FRAME CONDO - 3 UNITS 555/563/571 CALLAWAY CT CHATTANOOGA TN
039	001	FRAME CONDO 557 CALLAWAY CT CHATTANOOGA TN
040	001	FRAME CONDO - 3 UNITS 579/587/595 CALLAWAY CT CHATTANOOGA TN

<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
041	001	FRAME CONDO 608 CALLAWAY CT CHATTANOOGA TN
042	001	FRAME CONDO 610 CALLAWAY CT CHATTANOOGA TN
043	001	FRAME CONDO 622 CALLAWAY CT CHATTANOOGA TN
044	001	FRAME CONDO 624 CALLAWAY CT CHATTANOOGA TN
045	001	FRAME CONDO 636 CALLAWAY CT CHATTANOOGA TN
046	001	FRAME CONDO 638 CALLAWAY CT CHATTANOOGA TN
047	001	FRAME CONDO 648 CALLAWAY CT CHATTANOOGA TN
048	001	FRAME CONDO 652 CALLAWAY CT CHATTANOOGA TN
049	001	FRAME CONDO 664 CALLAWAY CT CHATTANOOGA TN
050	001	FRAME CONDO 668 CALLAWAY CT CHATTANOOGA TN
051	001	FRAME CONDO 678 CALLAWAY CT CHATTANOOGA TN
052	001	FRAME CONDO 682 CALLAWAY CT CHATTANOOGA TN
053	001	FRAME CONDO - 3 UNITS 709/715/723 CALLAWAY CT CHATTANOOGA TN

<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
054	001	FRAME CONDO - 3 UNITS 721/729/737 CALLAWAY CT CHATTANOOGA TN
055	001	FRAME CONDO - 3 UNITS 731/739/747 CALLAWAY CT CHATTANOOGA TN
056	001	FRAME CONDO - 3 UNITS 745/753/761 CALLAWAY CT CHATTANOOGA TN
057	001	FRAME CONDO - 2 UNITS 755 & 763 CALLAWAY CT CHATTANOOGA TN
058	001	FRAME CONDO - 3 UNITS 769/775/787 CALLAWAY CT CHATTANOOGA TN
059	001	FRAME CONDO - 2 UNITS 771 & 779 CALLAWAY CT CHATTANOOGA TN
060	001	FRAME CONDO 804 CALLAWAY CT CHATTANOOGA TN
061	001	FRAME CONDO 806 CALLAWAY CT CHATTANOOGA TN
062	001	FRAME CONDO 812 CALLAWAY CT CHATTANOOGA TN
063	001	FRAME CONDO 814 CALLAWAY CT CHATTANOOGA TN
064	001	FRAME CONDO 820 CALLAWAY CT CHATTANOOGA TN
065	001	FRAME CONDO 822 CALLAWAY CT CHATTANOOGA TN
066	001	FRAME CONDO 828 CALLAWAY CT CHATTANOOGA TN

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<b>Premises Number</b>	<b>Building Number</b>	<b>Construction, Occupancy and Location</b>
067	001	FRAME CONDO 830 CALLAWAY CT CHATTANOOGA TN
068	001	FRAME CONDO 836 CALLAWAY CT CHATTANOOGA TN
069	001	FRAME CONDO 838 CALLAWAY CT CHATTANOOGA TN
070	001	FRAME CONDO 844 CALLAWAY CT CHATTANOOGA TN
071	001	FRAME CONDO 846 CALLAWAY CT CHATTANOOGA TN
072	001	FRAME CONDO 852 CALLAWAY CT CHATTANOOGA TN
073	001	FRAME CONDO 854 CALLAWAY CT CHATTANOOGA TN
074	001	FRAME CONDO 860 CALLAWAY CT CHATTANOOGA TN
075	001	FRAME CONDO 868 CALLAWAY CT CHATTANOOGA TN
076	001	FRAME CONDO 907 CALLAWAY CT CHATTANOOGA TN
077	001	FRAME CONDO 909 CALLAWAY CT CHATTANOOGA TN
078	001	FRAME CONDO 915 CALLAWAY CT CHATTANOOGA TN
079	001	FRAME CONDO 917 CALLAWAY CT CHATTANOOGA TN



<u>Premises Number</u>	<u>Building Number</u>	<u>Construction, Occupancy and Location</u>
080	001	FRAME CONDO 923 CALLAWAY CT CHATTANOOGA TN
081	001	FRAME CONDO 925 CALLAWAY CT CHATTANOOGA TN
082	001	FRAME CONDO 931 CALLAWAY CT CHATTANOOGA TN
083	001	FRAME CONDO 933 CALLAWAY CT CHATTANOOGA TN
084	001	FRAME CONDO 939 CALLAWAY CT CHATTANOOGA TN
085	001	FRAME CONDO 941 CALLAWAY CT CHATTANOOGA TN
086	001	FRAME CONDO 947 CALLAWAY CT CHATTANOOGA TN
087	001	FRAME CONDO 949 CALLAWAY CT CHATTANOOGA TN
088	001	FRAME CONDO 1006 CALLAWAY CT CHATTANOOGA TN
089	001	FRAME CONDO 1008 CALLAWAY CT CHATTANOOGA TN
090	001	FRAME CONDO 1014 CALLAWAY CT CHATTANOOGA TN
091	001	FRAME CONDO 1016 CALLAWAY CT CHATTANOOGA TN
092	001	FRAME CONDO 1022 CALLAWAY CT CHATTANOOGA TN

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<u>Premises Number</u>	<u>Building Number</u>	<u>Construction, Occupancy and Location</u>
093	001	FRAME CONDO 1024 CALLAWAY CT CHATTANOOGA TN
094	001	FRAME CONDO 1030 CALLAWAY CT CHATTANOOGA TN
095	001	FRAME CONDO 1032 CALLAWAY CT CHATTANOOGA TN
096	001	FRAME CONDO 1038 CALLAWAY CT CHATTANOOGA TN
097	001	FRAME CONDO 1040 CALLAWAY CT CHATTANOOGA TN
098	001	FRAME CONDO 1046 CALLAWAY CT CHATTANOOGA TN
099	001	FRAME CONDO 1048 CALLAWAY CT CHATTANOOGA TN
100	001	FRAME CONDO 1054 CALLAWAY CT CHATTANOOGA TN
101	001	FRAME CONDO 1056 CALLAWAY CT CHATTANOOGA TN

**MORTGAGE HOLDER NAME AND ADDRESS**

NONE

**OPTIONAL COVERAGES INCLUDED**

Applicable only when entries are made in the Schedule below:

<u>Coverage Item</u>	<u>Premises Number</u>	<u>Building Number</u>	<u>Deductible</u> <sup>8</sup>	<u>Agreed Value</u>		<u>Inflation Guard Percentage</u>
				<u>Expiration Date</u>	<u>Amount</u>	
Building	001	001	\$ 10,000/\$25,000 <sup>13</sup>			8%

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Coverage Item	Premises Number	Building Number	Deductible <sup>8</sup>	Agreed Value		Inflation Guard Percentage
				Expiration Date	Amount	
Building	002	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	003	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	004	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	005	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	006	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	007	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	008	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	009	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	010	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	011	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	012	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	013	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	014	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	015	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	016	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	017	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	018	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	019	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	020	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	021	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	022	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	023	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	024	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	025	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	026	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	027	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	028	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	029	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	030	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	031	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	032	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	033	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	034	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	035	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	036	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	037	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	038	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	039	001	\$ 10,000/\$25,000 <sup>13</sup>			8%

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Coverage Item	Premises Number	Building Number	Deductible <sup>8</sup>	Agreed Value		Inflation Guard Percentage
				Expiration Date	Amount	
Building	040	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	041	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	042	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	043	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	044	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	045	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	046	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	047	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	048	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	049	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	050	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	051	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	052	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	053	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	054	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	055	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	056	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	057	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	058	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	059	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	060	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	061	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	062	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	063	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	064	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	065	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	066	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	067	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	068	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	069	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	070	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	071	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	072	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	073	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	074	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	075	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	076	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	077	001	\$ 10,000/\$25,000 <sup>13</sup>			8%

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Coverage Item	Premises Number	Building Number	Deductible <sup>8</sup>	Agreed Value		Inflation Guard Percentage
				Expiration Date	Amount	
Building	078	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	079	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	080	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	081	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	082	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	083	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	084	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	085	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	086	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	087	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	088	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	089	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	090	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	091	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	092	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	093	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	094	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	095	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	096	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	097	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	098	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	099	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	100	001	\$ 10,000/\$25,000 <sup>13</sup>			8%
Building	101	001	\$ 10,000/\$25,000 <sup>13</sup>			8%

<sup>8</sup> See CP-7134 for wind or hail fixed dollar deductible.

<sup>13</sup> The Deductible for Basic, Broad and Special Causes of Loss prints first, followed by the Wind/Hail deductible for the specific Coverage Item.

Premises Number	Building Number	Replacement Cost			Business Income Indemnity			Business Income		
		Building	Personal Property	Including Stock	Monthly Limit	Maximum Period	Extended Period	Including Rent	Excluding Rent	Rental Value
001	001	X								
002	001	X								
003	001	X								
004	001	X								
005	001	X								
006	001	X								
007	001	X								
008	001	X								

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Premises Number	Building Number	Replacement Cost			Business Income Indemnity			Business Income		
		Building	Personal Property	Including Stock	Monthly Limit	Maximum Period	Extended Period	Including Rent	Excluding Rent	Rental Value
009	001	X								
010	001	X								
011	001	X								
012	001	X								
013	001	X								
014	001	X								
015	001	X								
016	001	X								
017	001	X								
018	001	X								
019	001	X								
020	001	X								
021	001	X								
022	001	X								
023	001	X								
024	001	X								
025	001	X								
026	001	X								
027	001	X								
028	001	X								
029	001	X								
030	001	X								
031	001	X								
032	001	X								
033	001	X								
034	001	X								
035	001	X								
036	001	X								
037	001	X								
038	001	X								
039	001	X								
040	001	X								
041	001	X								
042	001	X								
043	001	X								
044	001	X								
045	001	X								
046	001	X								

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Premises Number	Building Number	Replacement Cost			Business Income Indemnity			Business Income		
		Building	Personal Property	Including Stock	Monthly Limit	Maximum Period	Extended Period	Including Rent	Excluding Rent	Rental Value
047	001	X								
048	001	X								
049	001	X								
050	001	X								
051	001	X								
052	001	X								
053	001	X								
054	001	X								
055	001	X								
056	001	X								
057	001	X								
058	001	X								
059	001	X								
060	001	X								
061	001	X								
062	001	X								
063	001	X								
064	001	X								
065	001	X								
066	001	X								
067	001	X								
068	001	X								
069	001	X								
070	001	X								
071	001	X								
072	001	X								
073	001	X								
074	001	X								
075	001	X								
076	001	X								
077	001	X								
078	001	X								
079	001	X								
080	001	X								
081	001	X								
082	001	X								
083	001	X								
084	001	X								

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Premises Number	Building Number	Replacement Cost			Business Income Indemnity			Business Income		Rental Value
		Building	Personal Property	Including Stock	Monthly Limit	Maximum Period	Extended Period	Including Rent	Excluding Rent	
085	001	X								
086	001	X								
087	001	X								
088	001	X								
089	001	X								
090	001	X								
091	001	X								
092	001	X								
093	001	X								
094	001	X								
095	001	X								
096	001	X								
097	001	X								
098	001	X								
099	001	X								
100	001	X								
101	001	X								

#### ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE



**CONDOMINIUM ASSOCIATION COVERAGE FORM**

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## CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

Other words and phrases that appear in italics have special meaning. Refer to Section H - Definitions.

### A. COVERAGE

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

#### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, A1, and limited in A2, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units.
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure; and
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or

structure.

- (6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
  - (a) Fixtures, improvements and alterations that are a part of the building or structure; and
  - (b) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

But Building does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in paragraph A1a (6) above.

b. **Your Business Personal Property** located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others; and
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

But Your Business Personal Property does not include personal property owned only by a unit-owner.

c. **Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

#### 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps

or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities.

- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverages, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph n, does not apply to

electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;

- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;-
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers;
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are *stock* or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### **3. Covered Causes Of Loss**

See applicable Causes Of Loss Form as shown in the Declarations.

### **4. Additional Coverages**

#### **a. Debris Removal**

(1) Subject to paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

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

- (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
- (b) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
- (c) Remove property of others of a type that would not be Covered Property under this Coverage Form;
- (d) Remove deposits of mud or earth from the grounds of the described premises;
- (e) Extract *pollutants* from land or water; or
- (f) Remove, restore or replace polluted land or water.

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

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

However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of

debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

**EXAMPLE #1**

Limit of Insurance: \$ 90,000  
Amount of Deductible: \$ 500  
Amount of Loss: \$ 50,000  
Amount of Loss Payable: \$49,500  
(\$50,000 - \$500)

Debris Removal Expense: \$ 10,000  
Debris Removal Expense Payable: \$ 10,000  
(\$10,000 is 20% of \$50,000)

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

with the terms of paragraph (3).

**EXAMPLE #2**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 40,000
Debris Removal Expense Payable	
Basic Amount	\$10,500
Additional Amount	\$25,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under paragraph (4). Thus the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

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

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

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

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

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of *pollutants*. But we will pay for testing which is performed in the course of extracting the *pollutants* from the land or water.

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

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage

applies.

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e(3) through e(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*, *fungus*, wet or dry rot or bacteria; or
  - (b) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungus*, wet or dry rot, or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building,

whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of:

\$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (a) Until the property is actually repaired or replaced, at the same or another premises; and
    - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e(6) of this Additional Coverage, is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e(6) of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:
- (a) If the Causes of Loss - Special Form applies, coverage under this Additional Coverage, Electronic Data is limited to the *specified causes of loss* as defined in that Form, and Collapse as set forth in that Form.
- (b) If the Causes of Loss - Broad Form applies, coverage under this Additional Coverage, Electronic Data includes Collapse as set forth in that Form.
- (c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage

provided under this Additional Coverage, Electronic Data.

- (d) If the Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**5. Coverage Extensions**

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

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part by the Extensions listed below.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to the

Extensions listed below.

**a. Newly Acquired Or Constructed Property**

(1) Buildings

You may extend the insurance that applies to Building to apply to:

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

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

(2) Your Business Personal Property

- (a) If this policy covers your Business Personal Property, you may extend that insurance to apply to:

- i. Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- ii. Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

- (b) This Extension does not apply to:

- i. Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- ii. Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

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

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

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the *specified causes of loss* as defined in that



Form, and Collapse as set forth in that Form.

- (3) If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that Form.
- (4) Under this Extension, the most we will pay to replace or restore the loss information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are *stock*

or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can

collect on it or not) from any other insurance covering such property.

**g. Business Personal Property  
Temporarily In Portable Storage  
Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit;
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limited is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

**B. EXCLUSIONS AND LIMITATIONS**

See applicable Causes Of Loss Form as shown

in the Declarations.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. DEDUCTIBLE**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$250
Limit of Insurance - Building 1:	\$60,000
Limit of Insurance - Building 2:	\$80,000
Loss to Building 1:	\$60,100
Loss to Building 2:	\$90,000

The amount of loss to Building 1 (\$60,000) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for

Building 1:

\$60,100

- 250

\$59,850 Loss Payable - Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

### EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1: \$70,000  
(Exceeds Limit of Insurance plus Deductible)

Loss to Building #2: \$90,000  
(Exceeds Limit of Insurance plus Deductible)

Loss Payable - Building #1: \$60,000  
(Limit of Insurance)

Loss Payable - Building #2: \$80,000  
(Limit of Insurance)

Total amount of loss payable: \$140,000

## E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Abandonment

There can be no abandonment of any property to us.

### 2. Appraisal

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

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

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

### 3. Duties In The Event Of Loss Or Damage

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

Covered Property:

- (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property subject to b below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
  - c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
  - d. We will not pay you more than your financial interest in the Covered Property.
  - e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
  - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.
- If you name an insurance trustee, we will adjust losses with you, but we will

pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer of Rights of Recovery Against Others To Us Condition in this policy.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Unit-owner's Insurance

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

#### 7. Vacancy

##### a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not

contain enough business personal property to conduct customary operations.

- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

- (b) Used by the building owner to conduct customary operations.

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

**b. Vacancy Provisions**

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

- (1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

- (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.

- (2) With respect to Covered Causes of Loss, other than those listed in b(1)(a) through b(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**8. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b and c below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of

building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. Glass at the cost of replacement with safety-glazing material if required by law.

**9. Waiver Of Rights Of Recovery**

- a. We waive our rights to recover payment from any unit-owner of the condominium that is shown in the Declarations.

**F. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other

insurance or absorb the loss yourself.

### EXAMPLE #1 (UNDERINSURANCE)

When:

The value of the property is \$250,000  
The Coinsurance percentage for it is 80%  
The Limit of Insurance for it is \$100,000  
The Deductible is \$250  
The amount of loss is \$40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### EXAMPLE #2 (ADEQUATE INSURANCE)

When:

The value of the property is \$250,000  
The Coinsurance percentage for it is 80%  
The Limit of Insurance for it is \$200,000  
The Deductible is \$250  
The amount of loss is \$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### EXAMPLE #3

When:

The value of the property is:  
Building at Location Number 1 \$ 75,000  
Building at Location Number 2 \$100,000  
Personal Property at Location Number 2 \$ 75,000  
\$250,000

The Coinsurance percentage for it is 90%  
The Limit of Insurance for Buildings and Personal Property at Location Numbers 1 and 2 is \$180,000  
The Deductible is \$1,000  
The amount of loss is:

Building at Location Number 2 \$30,000  
Personal Property at Location Number 2 \$20,000  
\$50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$  (the minimum amount insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to building or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) Ten days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) Thirty days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the

Declarations.

- b. The amount of increase will be:

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

### EXAMPLE:

If:

The applicable Limit of Insurance is \$100,000  
 The annual percentage increase is 8%  
 The number of days since the beginning of policy year (or last policy change) is 146  
 The amount of increase is  $\$100,000 \times .08 \times (146 \div 365) = \$3,200$

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence; or
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under paragraph A1a(6) of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional

Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f below.
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

#### 4. Extension Of Replacement Cost To

#### Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then paragraph 3b(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:
- c. If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### H. DEFINITIONS

- 1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- 2. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "*Stock*" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

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

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

### C. INSURANCE UNDER TWO OR MORE COVERAGES

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

### D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within two years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

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

### G. OTHER INSURANCE

1. You may have other insurance subject to the

same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1 above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

### I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

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## CAUSES OF LOSS - SPECIAL FORM

Words and phrases that appear in italics have special meaning. Refer to Section G, Definitions.

### A. COVERED CAUSES OF LOSS

Covered Special is shown in the Declarations, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is excluded or limited in this policy.

### B. EXCLUSIONS

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

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

This exclusion, Ordinance or Law, applies whether the loss results from:

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

#### b. Earth Movement

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

ground surface.

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

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

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

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

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

#### d. Nuclear Hazard

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

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

#### e. Utility Services

The failure of power, communication,

water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

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

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping

through:

- (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. *Fungus, Wet Rot, Dry Rot And Bacteria*

Presence, growth, proliferation, spread or any activity of *fungus*, wet or dry rot or bacteria.

But if *fungus*, wet or dry rot or bacteria results in a Covered Cause Of Loss, we will pay for the loss or damage caused by that Covered Cause Of Loss.

This exclusion does not apply:

- (1) When *fungus*, wet or dry rot or bacteria results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For *Fungus, Wet Rot, Dry Rot And Bacteria* with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B1a through B1h apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes

with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.
  - (1) Wear and tear;
  - (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
  - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
  - (7) The following causes of loss to personal property:
    - (a) Dampness or dryness of atmosphere;
    - (b) Changes in or extremes of temperature; or
    - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2d (1) through (7) results in a *specified cause of loss* or building glass breakage, we will pay for the loss or

damage caused by that *specified cause of loss* or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- f. Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture or vapor that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by employees (including temporary employees and leased workers) or authorized representatives is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
  - (1) An abrupt falling down or caving in;
  - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k, does not apply:

- (a) To the extent that coverage is provided under the additional Coverage - Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The *specified causes of loss*;
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of *pollutants* unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the *specified causes of loss*. But if the discharge, dispersal, seepage, migration, release or escape of *pollutants* results in a *specified cause of loss*, we will pay for the loss or damage caused by that *specified cause of loss*.  
This exclusion, l, does not apply to damage to glass caused by chemicals applied to the glass.
- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3a through 3c. But if an excluded cause of loss that is listed in 3a through 3c results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
    - a. Weather Conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1 above to produce the loss or damage.
    - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
    - c. Faulty, inadequate or defective:
      - (1) Planning, zoning, development, surveying, siting;
      - (2) Design, specifications, workmanship, repair, construction, renovations, remodeling, grading, compaction;
      - (3) Materials used in repair, construction, renovation or remodeling; or
      - (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. Business Income And Extra Expense Coverage Form, Business Income Without Extra Expense Coverage Form Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of *finished stock*; or
  - (b) The time required to reproduce *finished stock*.

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming *operations*, to interference at the location of the rebuilding, repair or replacement

- by strikers or other persons; or
- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the *suspension of operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the *period of restoration*.
- (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form
  - (1) Paragraph B1a, Ordinance Or Law, does not apply to insurance under this Coverage Form.
  - (2) We will not pay for any loss caused by:
    - (a) Your canceling the lease;
    - (b) The suspension, lapse or cancellation of any license; or
    - (c) Any other consequential loss.
- c. Legal Liability Coverage Form
  - (1) The following Exclusions do not apply to insurance under this Coverage Form:
    - (a) Paragraph B1a, Ordinance or Law;
    - (b) Paragraph B1c, Governmental Action;
    - (c) Paragraph B1d, Nuclear Hazard;
    - (d) Paragraph B1e, Utility Services;
    - (e) Paragraph B1f, War and Military Action.
  - (2) The following additional exclusions apply to insurance under this Coverage Form:
    - (a) Contractual Liability
 

We will not defend any claim or *suit*, or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion

does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
  - (ii) The building is Covered Property under this Coverage Form.
- (b) Nuclear Hazard

We will not defend any claim or *suit*, or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

#### 5. Additional Exclusion

The following provisions apply only to the specified property.

##### Loss or Damage to Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

#### C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of

- combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.
 

However, this limitation does not apply to:

    - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
    - (2) Business Income Coverage or Extra Expense Coverage.
  - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
    - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
    - (2) Changes in or extremes of temperature;
    - (3) Disease;
    - (4) Frost or hail; or
    - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the *specified causes of loss* or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders' Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.
3. The special limit shown for each category, a through e, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
  - e. \$10,000 for building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.
 

However, this limitation does not apply to building materials and supplies held for sale by you, unless they are insured under the Builders' Risk Coverage Form.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C3, does not apply to Business Income Coverage or to Extra Expense Coverage.



4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### D. ADDITIONAL COVERAGE COLLAPSE

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in D1 through D7.

1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in 2a or 2b;
    - (2) One or more of the *specified causes of loss*;
    - (3) Breakage of building glass;
    - (4) Weight of people or personal

property; or

(5) Weight of rain that collects on a roof.

3. This Additional Coverage - Collapse does not apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in 2a through 2d, we will pay for loss or damage to that property only if:

  - (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
  - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
  - a. The collapse of personal property was caused by a cause of loss listed in 2a through 2d above;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 4, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this paragraph 5

does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage - Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D1 through D7.

E. ADDITIONAL COVERAGE - LIMITED COVERAGE FOR *FUNGUS*, WET ROT, DRY ROT AND BACTERIA

1. The coverage described in E2 and E6 only applies when the *fungus*, wet or dry rot or bacteria are the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A Covered Cause Of Loss other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

2. We will pay for loss or damage by *fungus*, wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by *fungus*, wet or dry rot or bacteria, including the cost of removal of the *fungus*, wet or dry rot or bacteria.
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungus*, wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that *fungus*, wet or dry rot or bacteria are present.
3. The coverage described under E2 of this Limited Coverage is limited to \$15,000.

Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes Of Loss (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in *fungus*, wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the *fungus*, wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by *fungus*, wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property. If there is covered loss or damage to Covered Property, not caused by *fungus*, wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that *fungus*, wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph F2 (Water Damage, Other Liquids, Powder or Molten Material Damage) of this Causes of Loss Form or under the Additional Coverage - Collapse.
6. The following 6a or 6b, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the *suspension of operations* satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
  - a. If the loss which resulted in *fungus*, wet or dry rot or bacteria does not in itself necessitate a *suspension of operations*, but such *suspension* is necessary due to loss or damage to property caused by *fungus*, wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered *suspension of operations* was caused by loss or damage other

than *fungus*, wet or dry rot or bacteria but remediation of *fungus*, wet or dry rot or bacteria prolongs the *period of restoration*, we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the *period of restoration*), but such coverage is limited to 30 days. The days need not be consecutive.

#### F. ADDITIONAL COVERAGE EXTENSIONS

##### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

##### 2. Water Or Other Liquid, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

##### 3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F3, does not increase the Limit of Insurance.

#### G. DEFINITIONS

1. "*Fungus*" means any type or form of *fungus*, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

2. "*Specified causes of loss*" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; or water damage.

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

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

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

(1) Personal property in the open; or

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

c. Water damage means:

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or

cracking of a water or sewer pipe caused by wear and tear when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to

weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c(1) or c(2) of this definition of *specified causes of loss*, such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

1. The exclusion set forth in paragraph 2 applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
2. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from *fungus*, wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Cov-

erage Part or Policy.

3. With respect to any loss or damage subject to the exclusion in paragraph 2, such exclusion supersedes any exclusion relating to *pollutants*.
4. The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - a. Exclusion of *Fungus*, Wet Rot, Dry Rot And Bacteria; and
  - b. Additional Coverage - Limited Coverage for *Fungus*, Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
5. The terms of the exclusion in paragraph 2, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

**EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)**

CP-1034F(10-12)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

EXTRA EXPENSE COVERAGE FORM

- A.** The terms of this endorsement apply to any rental unit(s), and to the building(s) in which such unit(s) is located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at any rental unit(s). This exclusion applies regardless of whether such operations are:
  - 1. Legally permitted or prohibited;
  - 2. Permitted or prohibited under the terms of the

lease; or

- 3. Usual to the intended occupancy of the premises.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

- C.** If the loss or damage described in paragraph B results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the business income and/or extra expense forms listed in this endorsement, or under any other business interruption insurance if provided under this policy.
- D.** The conduct of any tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
  - 1. Legally permitted or prohibited;
  - 2. Permitted or prohibited under the terms of the lease; or
  - 3. Usual to the intended occupancy of the premises.

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

- A.** The following exclusion is added to Paragraph B Exclusions:

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

**Cyber Incident**

- 1.** Unauthorized access to or use of any computer system (including electronic data).
- 2.** Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
- 3.** Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

**B. Exceptions And Limitations****1. Fire Or Explosion**

If a cyber incident as described in Paragraphs A1 through A3 of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**2. Additional Coverage**

The exclusion in Paragraph A does not apply to the extent that coverage is provided in the:

- a.** Additional Coverage - Electronic Data; or
- b.** Additional Coverage - Interruption Of Computer Operations.

**3. Electronic Commerce Endorsement**

The exclusion in Paragraph A does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

**C. Vandalism**

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss - Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph A.

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

- A. The Fire Department Service Charge Additional Coverage is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

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

Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

No deductible applies to this Additional Coverages

- B. The following are added to Additional Coverages under Section A, Coverage:

1. Extra Expense

- a. We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (1) The portion of the building which you rent, lease or occupy;
- (2) The area with 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (3) Any area within the building or at the described premises, if that area services, or is used to gain access to the portion of the building which you rent, lease or occupy.

- b. Extra Expense means necessary expenses you incur during the *period of*

*restoration* to avoid or minimize the *suspension* of business and to continue *operations* as much as possible at the described premises, or at replacement premises or temporary locations. Extra Expense is the total of all expenses that exceed the normal operating expenses that would have been incurred during the *period of restoration* if no direct physical loss or damage had occurred, and all necessary expenses that reduce the Extra Expense otherwise incurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the *period of restoration* once *operations* are resumed.

- c. "*Operations*" mean your business activities occurring at the described premises.

- d. "*Period of restoration*" means the period of time that:

- (1) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
- (2) Ends on the earlier of:
  - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (b) The date when business is resumed at a new permanent location.

*Period of restoration* does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*, fungus, wet or dry rot or bacteria; or
- (3) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of



*fungus, wet or dry rot or bacteria.*

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

- e. "*Suspension*" means the slowdown or cessation of your business activities.
- f. We will pay for the expenses incurred to repair or replace any property, or to research, replace or restore the lost information on damaged valuable papers and records, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage. We will not pay for loss of business income or any other consequential loss.
- g. The most we will pay for loss in any one occurrence under this Additional Coverage is \$1,000. This limit is additional insurance.

## 2. Arson Reward

We will pay up to \$5,000 to any individual or organization for information leading to an arson conviction in connection with loss or damage to covered property. This amount is the most we will pay, regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

## 3. Additional Reward

We will pay up to \$5,000 to any individual or organization for information leading to a crime conviction, other than arson, in connection with loss or damage to covered property caused by or resulting from a Covered Cause of Loss. This amount is the most we will pay, regardless of the number of persons or organizations involved in providing information.

No deductible applies to this Additional Coverage.

## 4. Fire Extinguisher Systems Recharge Expense

a. We will pay:

- (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

b. No coverage will apply if the fire

extinguishing system is discharged during installation or testing.

- c. (1) We will pay the actual cost of recharging or replacing your fire extinguishers.
- (2) The most we will pay under this Additional Coverage to recharge or replace your fire extinguishing systems and for the loss of damage to Covered Property is \$10,000 in any one occurrence.
- d. No deductible applies to this Additional Coverage.

## 5. Lock Replacement

We will cover your costs to repair or replace door locks or tumblers of your described premises because of theft or loss of your door keys. The most we will pay under this Additional Coverage is \$500 in any one occurrence.

No deductible applies to this Additional Coverage.

## 6. Forgery and Alteration

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

## 7. Outdoor Signs

- a. We will pay for direct physical loss of or damage to outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. The Covered Causes of Loss and Exclusions Sections in the applicable Causes of Loss Form do not apply to this coverage, except for the following Exclusions:
  - (1) Paragraph 1c, Governmental Action;
  - (2) Paragraph 1d, Nuclear Hazard; and
  - (3) Paragraph 1f, War and Military

Action.

- c. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Rust;
  - (4) Corrosion; or
  - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is \$5,000.
- e. The second paragraph under Limits of Insurance is deleted.

8. Personal Computers, Electronic Data Processing Equipment

- a. We will pay for loss or damage caused by or resulting from a covered cause of loss to the following types of equipment:
  - (1) Your personal computers, telephones, electronic data processing and word processing equipment including their component parts owned by you; and
  - (2) Similar property of others that is in your control.

We will not cover property rented or leased to others.

We will not pay for loss or damage caused by or resulting from processing or work upon the property covered, error in machine programming or instructions to the machine. But, if loss or damage by fire or explosion results, we will pay for the resulting loss or damage.

Covered equipment is valued at:

- (1) Replacement Cost if the Replacement Cost Optional Coverage applies to Your Business Personal Property; or
- (2) The least of the following amounts if the Replacement Cost Optional Coverage does not apply to Your Business Personal Property:
  - (a) The actual cash value of the equipment after deduction for depreciation;
  - (b) The cost of reasonably restoring the equipment to its condition immediately before the loss or damage; or
  - (c) The cost of replacing the equipment with substantially identical equipment.

b. Breakdown Coverage

We will pay for direct physical loss to covered equipment caused by or

resulting from:

- (1) Mechanical breakdown of the covered equipment;
- (2) Error or omission in design or faulty construction in development, manufacture or installation of the covered equipment;
- (3) Short-circuit, blow-out or other electrical damage to electrical equipment, apparatus or devices including wiring caused by or resulting from power failure originating on your premises or within 500 feet of the building containing the covered property; or
- (4) Processing operations on the covered equipment or while the covered equipment is being worked on or serviced.

The deductible amount applying to Breakdown Coverage is \$250.

- c. The most we will pay under this coverage is \$1,000 at each described premises.
- d. Business Income does not apply to this Coverage Extension.

9. Ordinance or Law Coverage

a. Application of Coverage

The coverage provided applies only if both (1) and (2) are satisfied.

- (1) The ordinance or law:
  - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(b) Is in force at the time of loss

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

- (2) (a) The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety, you are required to comply with the ordinance or law.

- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained covered direct physical damage.
- b. We will not pay under Coverage A, Coverage B or Coverage C for:
  - (1) Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, or proliferation, spread of any activity of *fungus*, wet or dry rot or bacteria; or
  - (2) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of *pollutants*, *fungus*, wet or dry rot or bacteria.
- c. We will not pay for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.
- d. Coverage
  - (1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building
 

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.
  - (2) Coverage B - Demolition Cost Coverage
 

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

(3) Coverage C - Increased Cost of Construction Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (a) Repair or reconstruct damaged portions of that building; and/or
- (b) Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

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

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.
- (c) When a building is damaged or destroyed and Coverage C applies to that building in accordance with (3) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (3).
  - (i) The cost of excavations, grading, backfilling and filling;
  - (ii) Foundation of the building;
  - (iii) Pilings; and
  - (iv) Underground pipes, flues and drains.

The items listed in (c)(i) through (c)(iv) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, (c)(3).

e. Loss Payment

The most we will pay, for the total of all covered loss for Coverage A, Coverage B and Coverage C combined is \$10,000. Subject to the \$10,000 Blanket Limit of Insurance, the following loss payment provisions apply:

- (1) When there is a loss in value of an undamaged portion of a building to

which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- (a) If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore such building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
  - (b) If the Replacement Cost Coverage Option applies and such building is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the actual cash value of the building at the time of loss.
- (2) Under Coverage B, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (3) With respect to Coverage C:
- (a) We will not pay under Coverage C:
    - (i) Until such building is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If such building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for under Coverage C is the increased cost of construction at the new premises.

f. The Coinsurance Additional Condition

does not apply to this coverage.

g. This coverage is excess over any coverage available to you under the Ordinance or Law Coverage endorsement, if applicable.

h. The following definition is added to Property Definitions:

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

C. The Coverage Extensions under Section A, Coverage, are replaced by the following:

Coverage Extensions

Except as otherwise provided, the following extensions apply to property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

If a coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Form by the extensions listed below.

Each of these extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to the extensions listed below:

1. Newly Acquired or Constructed Property

a. Buildings

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

- (1) Your new buildings or new additions, while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for similar use as the building described in the Declarations or use as a warehouse.

The most we will pay for loss or damage under this extension is \$500,000 at each building.

b. Your Business Personal Property

(1) If this policy covers your Business Personal Property, you may extend that insurance to apply to:

- (a) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (b) Business personal property,

including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

- (c) Business personal property that you newly acquire, located at the described premises.

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

(2) This extension does not apply to:

- (a) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (b) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

c. Period of Coverage

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

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

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

2. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- a. Your personal effects, meaning personal property owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- b. Personal property in your care, custody or control belonging to other than you, your officers, your partners or your employees.

The most we will pay for loss or damage under this extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

3. Valuable Papers and Records (Other Than Electronic Data)

- a. You may extend the insurance that applies to your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.
- b. If the Causes of Loss - Special Form applies, coverage under this Extension is limited to the *specified causes of loss* as defined in that form, and Collapse as set forth in that form.
- c. If the Causes of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- d. Under this Extension, the most we will pay to replace or restore the lost information is \$10,000 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

4. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to pay for loss or damage to your records of accounts receivable caused by any Covered Cause of Loss. Accounts receivable are amounts owed to you by those with whom you deal in operating your business. We will pay:

- a. The accounts receivable that you are unable to collect because of loss or damage caused by a Covered Cause of Loss;
- b. Interest charges on any loan used to offset the amounts you are unable to collect pending our payment of these amounts;
- c. Collection costs that result from a loss in excess of your normal collection costs; and
- d. The reasonable cost to reconstruct your accounts receivable records.

We will not pay for contraband, or property in the course of illegal transportation or trade.

The most we will pay under this extension is \$25,000 at each described premises.

#### 5. Property Off-Premises

a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property, while it is away from the described premises, if it is:

- (1) Temporarily at a location you do not own, lease or operate;
- (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
- (3) At any fair, trade show or exhibition.

b. This extension does not apply to property in or on a vehicle.

c. The most we will pay for loss or damage under this extension is \$10,000.

#### 6. Outdoor Property

You may extend the insurance provided by this Coverage Form to pay for loss or damage to your outdoor fences, outdoor radio and television antennas (including satellite dishes), including their lead-in wiring, masts or towers; trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Riot or Civil Commotion; or
- e. Aircraft.

The most we will pay for loss or damage under this extension is \$5,000, but not more than \$500 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

#### 7. Non-Owned Detached Trailers

a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided

that:

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

b. We will not pay for any loss or damage that occurs:

- (1) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

c. The most we will pay for loss or damage under this extension is \$5,000, unless a higher limit is shown in the Declarations.

d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

#### 8. Power Failure and Changes in Temperature or Humidity

You may extend the insurance that applies to Your Business Personal Property to pay for loss or damage to that property that results from an interruption of power or a change in temperature or humidity caused by physical damage to equipment used for refrigerating, air conditioning, cooling, dehumidifying, heating, generating or converting power (including connections, supply or transmission lines and pipes), at the described premises. This extension applies only if loss or damage is caused by a Covered Cause of Loss.

The most we will pay for loss or damage under this extension is \$5,000.

#### 9. Property in Transit

You may extend the insurance that applies to Your Business Personal Property to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

Loss or damage must be caused by or result from one of the following causes of loss:

- a. Fire, lightning, explosion, windstorm or

- hail, riot or civil commotion, or vandalism;
- b. Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed; or
  - c. Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for loss or damage under this extension is \$10,000.

This Coverage Extension replaces Additional Coverage Extension F1 Property in Transit in the Causes Of Loss - Special Form.

- D. Paragraph E5 of the Building and Personal Property Coverage Form and the Condominium Association Coverage Form and paragraph E6 of the Condominium Commercial Unit-Owners Coverage Form are replaced by the following:

#### Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property. However, the most we will pay is the actual cash value as of the time of loss or damage, subject to the Limit of Insurance.

WINDSTORM OR HAIL - FIXED DOLLAR DEDUCTIBLE

CP-7134(9-17)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUILDERS' RISK COVERAGE FORM

CONDOMINIUM ASSOCIATION COVERAGE FORM

CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM

The last paragraph in the Deductible Section is replaced by the following:

1. The Windstorm or Hail Deductible, as shown in the Declarations, applies to covered loss or

damage caused directly or indirectly by Windstorm or Hail.

2. In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable Windstorm or Hail Deductible shown in the Declarations will apply.
3. If loss or damage to Covered Property in any one occurrence is caused by more than one Covered Cause of Loss, the largest applicable deductible shown in the Declarations will apply.



All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

#### B. CHANGES

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

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

#### D. INSPECTIONS AND SURVEYS

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

#### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
2. Your conviction of a crime increasing any hazards insured against;
3. Discovery of fraud or material misrepresentation on the part of either of the following:

- a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
4. Failure to comply with written loss control recommendations;
  5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
  6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
  7. Your violation or breach of any policy terms or conditions; or
  8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the Premiums Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

1. We will not pay for *loss* or damage caused directly or indirectly by the following. Such *loss* or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the *loss* or damage.
  - a. The failure, malfunction or inadequacy of:
    - (1) Any of the following, whether belonging to any insured or to others:
      - (a) Computer hardware, including micro-processors;
      - (b) Computer application software;
      - (c) Computer operating systems and related software;
      - (d) Computer networks;
      - (e) Microprocessors (computer chips) not part of any computer system; or
      - (f) Any other computerized or electronic equipment or components; or
    - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph 1a(1) of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one

or more dates or times. An example is the inability of computer software to recognize the year 2000.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in paragraph 1a of this endorsement.
2. If an excluded Cause of Loss as described in Paragraph 1 of this endorsement results:
    - a. In a Covered Cause of Loss under the Commercial Crime Coverage Part or the Standard Property Policy; or
    - b. Under the Commercial Property Coverage Part:
      - (1) In a *specified cause of loss* or in elevator collision resulting from mechanical breakdown under the Causes of Loss - Special Form; or
      - (2) In a Covered Cause of Loss under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form;

we will pay only for the *loss* or damage caused by such *specified cause of loss*, elevator collision or Covered Cause of Loss.
  3. We will not pay for repair, replacement or modification of any items in 1a(1) or 1a(2) of this endorsement to correct any deficiencies or change any features.

**CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

IL-0995R(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL OUTPUT PROGRAM - PROPERTY COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - EQUIPMENT BREAKDOWN COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - INCOME COVERAGE FORM  
COMMERCIAL OUTPUT PROGRAM - EXTRA EXPENSE COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART

**A. Application Of The Provisions Of This Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part; or
  - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this

policy.

2. If the provisions of this endorsement become applicable, such provisions:
    - a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and
    - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
  3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B.** The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.
- "Terrorism"* means activities against persons, organizations or property of any nature:
1. That involve the following or preparation for the following:
    - a. Use or threat of force or violence; or
    - b. Commission or threat of a dangerous act; or
    - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  2. When one or both of the following applies:
    - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- C.** The following exclusion is added:
- EXCLUSION OF TERRORISM**
- We will not pay for loss or damage caused directly or indirectly by *terrorism*, including

action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or

common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded. With respect to this item C5, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part.

**D. Exception Covering Certain Fire Losses**

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

**E. Application Of Other Exclusions**

1. When the Exclusion Of Terrorism applies in accordance with the terms of C1 or C2, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.
2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**SCHEDULE**

**The Exception Covering Certain Fire Losses (Paragraph D) applies to property located in the following states, if covered under the indicated Coverage Part or Coverage Form:**

State	Coverage Part or Coverage
Georgia	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Illinois	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Iowa	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form

<b>State</b>	<b>Coverage Part or Coverage</b>
Maine	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL OUTPUT PROGRAM - PROPERTY  
 COVERAGE FORM  
 COMMERCIAL OUTPUT PROGRAM - EQUIPMENT  
 BREAKDOWN COVERAGE FORM  
 COMMERCIAL OUTPUT PROGRAM - INCOME  
 COVERAGE FORM  
 COMMERCIAL OUTPUT PROGRAM - EXTRA EXPENSE  
 COVERAGE FORM  
 COMMERCIAL PROPERTY COVERAGE PART  
 STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or

infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States

2. or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.





**COMMERCIAL GENERAL LIABILITY  
COVERAGE PART**

Acuity, A Mutual Insurance Company

**Renewal Declarations**

First Named Insured and Address:

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Agency Name and Number:

INSURANCE INCORPORATED  
6782-CE

Policy Number: ZK9461

Policy Period: Effective Date: 09-25-22

Expiration Date: 09-25-23

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

**COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CG-0001R (12-11)	Commercial General Liability Coverage Form . . . . .	\$
CG-2147F (12-07)	Employment - Related Practices Exclusion . . . . .	
IL-0017F (11-98)	Common Policy Conditions . . . . .	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form . . . . .	
CG-2167F (12-04)	Fungi or Bacteria Exclusion . . . . .	
CG-2292F (12-07)	Snow Plow Operations Coverage . . . . .	
IL-0250F (03-14)	Tennessee Changes - Cancellation and Nonrenewal . . . . .	
CG-7300 (04-08)	Acuity Advantages - General Liability . . . . .	
CG-2187R (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CG-7321 (01-15)	Cap on Losses from Certified Acts of Terrorism . . . . .	15.00
CG-7323 (01-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism . . . . .	
IL-7082 (12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act . . . . .	
CG-0068F (05-09)	Recording and Distribution of Material or Info in Violation of Law Exclusion . . . . .	
CG-2109F (06-15)	Exclusion - Unmanned Aircraft . . . . .	
CG-2004F (11-85)	Additional Insured - Condominium Unit Owners . . . . .	
CG-2106F (05-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI . . . . .	
IL-7012 (01-18)	Asbestos Exclusion . . . . .	
CG-2144F (07-98)	Limitation of Coverage to Designated Premises or Project . . . . .	
<b>Advance Endorsement Premium . . . . .</b>		<b>\$ 15.00</b>

**PREMIUM SUMMARY**

Advance Schedule Premium . . . . .	\$ 3,339.00
Advance Endorsement Premium . . . . .	15.00
<b>Total Advance Premium . . . . .</b>	<b>\$ 3,354.00</b>

Policy Number: ZK9461  
 Effective Date: 09-25-22

The Total Advance Premium shown above is based on the exposures you told us you would have when this coverage part began. We will audit this coverage part in accordance with Section IV - Conditions, item 5 Premium Audit at the close of the audit period.

**LIMITS OF INSURANCE**

General Aggregate Limit (Other Than Products-Completed Operations) . . . . .	\$ 2,000,000
Products-Completed Operations Aggregate Limit . . . . .	1,000,000
Personal and Advertising Injury Limit (Any One Person or Organization) . . . . .	1,000,000
Each Occurrence Limit . . . . .	1,000,000
Damage to Premises Rented to You Limit (Any One Premises) . . . . .	300,000
Medical Expense Limit (Any One Person) . . . . .	5,000
Acuity Advantages - General Liability . . . . .	See CG-7300

**SCHEDULE OF LIABILITY CLASSIFICATIONS**

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
001	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	\$ 26.00
002	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
003	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
004	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
005	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
006	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
007	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
008	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
009	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
010	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
011	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
012	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
013	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
014	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
015	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
016	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
017	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
018	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
019	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
020	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
021	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
022	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
023	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
024	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
025	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
026	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
027	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
028	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
029	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
030	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
031	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
032	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
033	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
034	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
035	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
036	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
037	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
038	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
039	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
040	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
041	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
042	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
043	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
044	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
045	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
046	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
047	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
048	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
049	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
050	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
051	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
052	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
053	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
054	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
055	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
056	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
057	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	2 UN	25.734	Included	51.00
058	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	3 UN	25.734	Included	77.00
059	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	2 UN	25.734	Included	51.00
060	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
061	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
062	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
063	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
064	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
065	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
066	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00



Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
067	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
068	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
069	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
070	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
071	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
072	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
073	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
074	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
075	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
076	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
077	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
078	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
079	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
080	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
081	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
082	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
083	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
084	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
085	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
086	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
087	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
088	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
089	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
090	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
091	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
092	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
093	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
094	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
095	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
096	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00

Policy Number: ZK9461  
 Effective Date: 09-25-22

Unit No.	Classification Description	Class Code	Premium Basis <sup>1</sup>	Rates		Advance Premium
				Premises	Products	
097	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
098	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
099	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
100	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
101	Condominiums - Residential - Association Risk Only - Products - completed operations for this classification are subject to the General Aggregate Limit	62003	1 UN	25.734	Included	26.00
<b>Advance Schedule Premium</b> .....						<b>\$ 3,339.00</b>

<sup>1</sup> UN = Units - Rates Apply Per Unit

**AUDIT PERIOD**

Annual

**FIRST NAMED INSURED IS:**

ORGANIZATION OTHER THAN PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY

**ADDITIONAL NAMED INSUREDS**

WHO IS AN INSURED (Section II) includes the following Additional Named Insureds:

NONE

**LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:**

113 CALLAWAY CT  
CHATTANOOGA, TN 37421

125 CALLAWAY CT  
CHATTANOOGA, TN 37421

137 CALLAWAY CT  
CHATTANOOGA, TN 37421

149 CALLAWAY CT  
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Policy Number:

ZK9461

Effective Date:

09-25-22

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is an Insured.

Other words and phrases that appear in italics have special meaning. Refer to Section V - Definitions.

### SECTION I - COVERAGES

#### COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to *bodily injury* and *property damage* only if:

- (1) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*;
- (2) The *bodily injury* or *property damage* occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under paragraph 1 of Section II - Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *property damage* had occurred, in whole or in part. If such a listed insured or authorized em-

*ployee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known prior to the policy period.

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

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

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

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

##### 2. Exclusions

This insurance does not apply to:

- a. Expected or Intended Injury

*Bodily injury* or *property damage* expected or intended from the standpoint of the insured. This exclusion does not apply to

*bodily injury* resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an *insured contract*, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of *bodily injury* or *property damage* provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same *insured contract*; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

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

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

d. Workers' Compensation and Similar Laws

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

e. Employer's Liability

*Bodily Injury* to:

- (1) An *employee* of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that *employee* as a consequence of paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

- (1) *Bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants*:
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) *Bodily injury* or *property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) *Bodily injury* or *property damage* arising out of heat, smoke or fumes from a *hostile fire*;

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) *Bodily injury* or *property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the *bodily injury* or *property damage* arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) *Bodily injury* or *property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) *Bodily injury* or *property damage* arising out of heat, smoke or fumes from a *hostile fire*;
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*.
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.
- However, this paragraph does not apply to liability for damages because of *property damage* that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or *suit* by or on behalf of a governmental authority.
- g. Aircraft, Auto or Watercraft
- Bodily injury* or *property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and *loading or unloading*.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury* or *property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft, *auto* or watercraft that is owned or operated by or rented or loaned to any insured.
- This exclusion does not apply to:
- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury* or *property damage* arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify 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; or
  - (b) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

h. Mobile Equipment

*Bodily injury* or *property damage* arising out of:

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

i. War

*Bodily injury* or *property damage*, however caused, arising, directly or indirectly, out of:

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

j. Damage to Property

*Property damage* to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organiza-

tion or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to *property damage* (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

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

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

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

k. Damage to Your Product

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

l. Damage to Your Work

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

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

m. Damage to Impaired Property or Property Not Physically Injured

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

- (1) A defect, deficiency, inadequacy or

dangerous condition in *your product* or *your work*; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall of Products, Work or Impaired Property

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

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

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

o. Personal and Advertising Injury

*Bodily injury* arising out of *personal and advertising injury*.

p. Lead

*Bodily injury* or *property damage* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of lead in any form; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, disposing of or in any way responding to or assessing the effects of lead in any form.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

r. Distribution of Material in Violation of Statutes

*Bodily injury* or *property damage* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c through n and p do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits of Insurance.

## COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

### 1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums



or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation of Rights of Another

*Personal and advertising injury* caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict *personal and advertising injury*.

### b. Material Published with Knowledge of Falsity

*Personal and advertising injury* arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior to Policy Period

*Personal and advertising injury* arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

*Personal and advertising injury* arising out of a criminal act committed by or at the direction of any insured.

### e. Contractual Liability

*Personal and advertising injury* for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach of Contract

*Personal and advertising injury* arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*.

### g. Quality or Performance of Goods - Failure to Conform to Statements

*Personal and advertising injury* arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*.

### h. Wrong Description of Prices

*Personal and advertising injury* arising out of the wrong description of the price of goods, products or services stated in your *advertisement*.

### i. Infringement of Copyright, Patent, Trademark or Trade Secret

*Personal and advertising injury* arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

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

### j. Insureds in Media and Internet Type Business

*Personal and advertising injury* committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting.
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs 14a, b and c of *personal and advertising injury* under the Definitions Section; or

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

### k. Electronic Chatrooms or Bulletin Boards

*Personal and advertising injury* arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

### l. Unauthorized Use of Another's Name or Product

*Personal and advertising injury* arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### m. Pollution

*Personal and advertising injury* arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.

### n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up,

remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of *pollutants*; or

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of *pollutants*.

o. Lead

*Personal and advertising injury* arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of lead in any form; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, disposing of or in any way responding to or assessing the effects of lead in any form.

p. War

*Personal and advertising injury*, however caused, arising, directly or indirectly, out of:

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

q. Distribution of Material in Violation of Statutes

*Personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

## COVERAGE C - MEDICAL PAYMENTS

### 1. Insuring Agreement

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

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the *coverage territory* and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for *bodily injury*:

- a. Any insured.  
To any insured, except *volunteer workers*.
- b. Hired Person  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. Injury on Normally Occupied Premises  
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. Workers' Compensation and Similar Laws  
To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability

- benefits law or a similar law.
- e. Athletics Activities  
To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Products-Completed Operations Hazard  
Included within the *products-completed operations hazard*.
- g. Coverage A Exclusions  
Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

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

These payments will not reduce the Limits of Insurance.
2. If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:
  - a. The *suit* against the indemnitee seeks dam-

- ages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same *insured contract*;
- d. The allegations in the *suit* and the information we know about the *occurrence* are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such *suit* and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the *suit*;
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the *suit*; and
    - (b) Conduct and control the defense of the indemnitee in such *suit*.

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2b(2) of Section I - Coverage A - Bodily Injury and Property Damage Liability, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the ap-

plicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement

described in paragraph f above, are no longer met.

## SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your *executive officers* and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
  - a. Your *volunteer workers* only while performing duties related to the conduct of your business, or your *employees*, other than either your *executive officers* (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these *employees* or *volunteer workers* are insureds for:
    - (1) *Bodily injury* or *personal and advertising injury*:
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a *co-employee* in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business.
      - (b) To the spouse, child, parent, brother or sister of that *co-employee* or *volunteer worker* as a consequence of paragraph (a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) *Property damage* to property:
      - (a) Owned, occupied or used by;
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your *employees*, or *volunteer workers*, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
  - b. Any person (other than your *employee*) or *volunteer worker* or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage A does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to *personal and advertising injury* arising out of an offense

committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or *suits* brought; or
  - c. Persons or organizations making claims or bringing *suits*.
- 2. The General Aggregate Limit is the most we will pay for:
  - a. The sum of:
    - (1) Medical expenses under Coverage C; and
    - (2) Damages under Coverage A, except damages because of *bodily injury* or *property damage* included in the *products-completed operations hazard*.

With respect to the above items, the General Aggregate Limit applies separately to:

    - (1) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad, and
    - (2) Each of your projects away from a location owned by or rented to you; or
  - b. Damages under Coverage B.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of *bodily injury* and *property damage* included in the *products-completed operations hazard*.

- 4. Subject to paragraph 2 above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all *personal and advertising injury* sustained by any one person or organization.
- 5. Subject to paragraph 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C; because of all *bodily injury* and *property damage* arising out of any one *occurrence*.
- 6. Subject to paragraph 5 above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of *property damage* to any one premises, while rented to you for a period of 7 or fewer consecutive days or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
- 7. Subject to paragraph 5 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of *bodily injury* sustained by any one person.

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

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

- 1. Bankruptcy
 

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.
- 2. Duties in the Event of Occurrence, Offense, Claim or Suit
  - a. You must see to it that we are notified as soon as practicable of an *occurrence* or an offense which may result in a claim. To the extent possible, notice should include:
    - (1) How, when and where the *occurrence*

- or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.
- b. If a claim is made or *suit* is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or *suit* and the date received; and
  - (2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit*;
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the *suit*; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

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

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when paragraph b below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph c below.

#### b. Excess Insurance

- (1) This insurance is excess over:
  - (a) Any of the other insurance, whether

primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for *property damage* to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g of Section I - Coverage A - Bodily Injury and Property Damage Liability.

- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations for which you have been added as an additional insured by attachment of an endorsement.

- (2) When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all of the other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

- c. Method of Sharing  
If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the First Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the First Named Insured.
- c. The First Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Part to the First Named Insured, this insurance applies:

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

8. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring *suit* or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the First Named Insured shown in the Declarations, written notice of nonrenewal not less than 30 days before the expiration date.

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

## SECTION V - DEFINITIONS

1. "*Advertisement*" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "*Auto*" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

- b. 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.

However, *auto* does not include *mobile equipment*.

3. "*Bodily injury*" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "*Coverage territory*" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places not included in paragraph a above; or

- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in paragraph a above;
  - (2) The activities of a person whose home is in the territory described in paragraph a above, but is away for a short time on your business; or
  - (3) *Personal and advertising injury* offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a *suit* on the merits, in the territory described in paragraph a above or in a settlement we agree to.

- 5. "*Employee*" includes a *leased worker*. *Employee* does not include a *temporary worker*.
- 6. "*Executive officer*" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "*Hostile fire*" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "*Impaired property*" means tangible property, other than *your product* or *your work*, that cannot be used or is less useful because:
  - a. It incorporates *your product* or *your work* that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of *your product* or *your work* or your fulfilling the terms of the contract or agreement.

- 9. "*Insured contract*" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*;
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement; or
  - f. That part of any other contract or agreement pertaining to your business (including

an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

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

10. "*Leased worker*" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. *Leased worker* does not include a *temporary worker*.

- 11. "*Loading or unloading*" means the handling of property:
  - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or *auto*;
  - b. While it is in or on an aircraft, watercraft or *auto*; or
  - c. While it is being moved from an aircraft, watercraft or *auto* to the place where it is finally delivered;

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

12. "*Mobile equipment*" means any of the following



types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler-treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e. Vehicles not described in paragraph a, b, c or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers.
- f. Vehicles not described in paragraph a, b, c, or d above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning.
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, *mobile equipment* does not include any land vehicles that are 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 *autos*.

13. "*Occurrence*" means an accident, including

continuous or repeated exposure to substantially the same general harmful conditions.

14. "*Personal and advertising injury*" means injury, including consequential *bodily injury*, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your *advertisement*; or
  - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "*Pollutants*" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
16. "*Products-completed operations hazard*:"
  - a. Includes all *bodily injury* and *property damage* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
  - b. Does not include *bodily injury* or *property*

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

*damage* arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading or unloading* of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "*Property damage*" means:

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

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

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

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

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

19. "*Temporary worker*" means a person who is furnished to you to substitute for a permanent *employee* on leave or to meet seasonal or

short-term workload conditions.

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

21. "*Your product*:"

a. Means:

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

b. Includes:

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

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

22. "*Your work*:"

a. Means:

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

b. Includes:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion r of paragraph 2 Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

r. Recording And Distribution Of Material Or Information In Violation Of Law

*Bodily injury or property damage* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. Exclusion q of paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

q. Recording And Distribution Of Material Or Information In Violation Of Law

*Personal and advertising injury* arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

ADDITIONAL INSURED - CONDOMINIUM UNIT-OWNERS

CG-2004F(11-85)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Section II - Who Is an Insured is amended to include as an insured each individual unit-owner of the in-

sured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit-owner's exclusive use or occupancy.

EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR  
PERSONAL INFORMATION AND DATA-RELATED LIABILITY - WITH  
LIMITED BODILY INJURY EXCEPTION

CG-2106F(5-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2q of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

- q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in paragraph (1) or (2) above.

However, unless paragraph (1) above applies, this exclusion does not apply to

damages because of *bodily injury*.

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

- B. The following is added to paragraph 2 Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

*Personal and advertising injury* arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2g Aircraft, Auto Or Watercraft under Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

*Bodily injury or property damage* arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This paragraph g(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership, maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
  - (i) Less than 26 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

B. The following exclusion is added to paragraph 2 Exclusions of Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

*Personal and advertising injury* arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the *personal and advertising injury* involved the ownership, maintenance, use or entrust-

ment to others of any aircraft that is an *unmanned aircraft*.

This exclusion does not apply to:

- (1) The use of another's advertising idea in your *advertisement*; or
- (2) Infringing upon another's copyright, trade dress or slogan in your *advertisement*.

C. The following definition is added to the Definitions section:

*"Unmanned aircraft"* means an aircraft that is not:

- (1) Designed;
- (2) Manufactured; or
- (3) Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance applies only to *bodily injury, property damage, personal and advertising injury* and medical

expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

SCHEDULE

Designation of Premises or Project

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- 113 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 125 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 137 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 149 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 161 CALLAWAY CT  
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  - 173 CALLAWAY CT  
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  - 179 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 208 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 224 CALLAWAY CT  
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  - 236 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 252 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 268 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 284 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 305/313/321 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 307 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 319 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 329/337/343 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 331 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 353 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 355 CALLAWAY CT  
CHATTANOOGA TN 37421
  - 367 CALLAWAY CT  
CHATTANOOGA TN 37421



Designation of  
Premises or Project

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408 CALLAWAY CT  
CHATTANOOGA TN 37421

412 CALLAWAY CT  
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414 CALLAWAY CT  
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416 CALLAWAY CT  
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426 CALLAWAY CT  
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428 CALLAWAY CT  
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442 CALLAWAY CT  
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444 CALLAWAY CT  
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454 CALLAWAY CT  
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460 CALLAWAY CT  
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466 CALLAWAY CT  
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472 CALLAWAY CT  
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507/515/523 CALLAWAY CT  
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509/517/525 CALLAWAY CT  
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531/539/547 CALLAWAY CT  
CHATTANOOGA TN 37421

533/541/549 CALLAWAY CT  
CHATTANOOGA TN 37421

555/563/571 CALLAWAY CT  
CHATTANOOGA TN 37421

557 CALLAWAY CT  
CHATTANOOGA TN 37421

579/587/595 CALLAWAY CT  
CHATTANOOGA TN 37421

608 CALLAWAY CT  
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610 CALLAWAY CT  
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622 CALLAWAY CT  
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624 CALLAWAY CT  
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636 CALLAWAY CT  
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638 CALLAWAY CT  
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648 CALLAWAY CT  
CHATTANOOGA TN 37421

Designation of  
Premises or Project

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652 CALLAWAY CT  
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664 CALLAWAY CT  
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668 CALLAWAY CT  
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678 CALLAWAY CT  
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682 CALLAWAY CT  
CHATTANOOGA TN 37421

709/715/723 CALLAWAY CT  
CHATTANOOGA TN 37421

721/729/737 CALLAWAY CT  
CHATTANOOGA TN 37421

731/739/747 CALLAWAY CT  
CHATTANOOGA TN 37421

745/753/761 CALLAWAY CT  
CHATTANOOGA TN 37421

755 & 763 CALLAWAY CT  
CHATTANOOGA TN 37421

769/775/787 CALLAWAY CT  
CHATTANOOGA TN 37421

771 & 779 CALLAWAY CT  
CHATTANOOGA TN 37421

804 CALLAWAY CT  
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806 CALLAWAY CT  
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812 CALLAWAY CT  
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846 CALLAWAY CT  
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854 CALLAWAY CT  
CHATTANOOGA TN 37421

Designation of  
Premises or Project

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860 CALLAWAY CT  
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868 CALLAWAY CT  
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1006 CALLAWAY CT  
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1008 CALLAWAY CT  
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1014 CALLAWAY CT  
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1016 CALLAWAY CT  
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1038 CALLAWAY CT  
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1048 CALLAWAY CT  
CHATTANOOGA TN 37421

Designation of  
Premises or Project

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1054 CALLAWAY CT  
CHATTANOOGA TN 37421

1056 CALLAWAY CT  
CHATTANOOGA TN 37421

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following exclusion is added to paragraph 2 Exclusions, of Section I - Coverage A - Bodily Injury and Property Damage Liability:

This insurance does not apply to:

*Bodily injury* to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of *bodily injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in paragraphs (1), (2) or (3) above occurs before employment, during employment or after employment of that person.
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages

because of the injury.

2. The following exclusion is added to paragraph 2 Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:

This insurance does not apply to:

*Personal and advertising injury* to:

- a. A person arising out of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- b. The spouse, child, parent, brother or sister of that person as a consequence of *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in paragraphs (1), (2) or (3) above occurs before employment, during employment or after employment of that person.
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability:

Fungi or Bacteria

- a. *Bodily injury* or *property damage* which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

2. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:

Fungi or Bacteria

- a. *Personal and advertising injury* which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
  - b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.
3. The following definition is added to the Definitions Section:

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
  - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any terrorism endorse-

ment already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:
  - a. That involve the following or preparation for the following:
    - (1) Use or threat of force or violence; or
    - (2) Commission or threat of a dangerous act; or
    - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - b. When one or both of the following applies:
    - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, reli-

gious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determin-

ing whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part or Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.



SNOW PLOW OPERATIONS COVERAGE

CG-2292F(12-07)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Within the *products-completed operations hazard*,

Exclusion g under Section I - Coverage A - Bodily Injury And Property Damage Liability does not apply to any *auto* used for snow plow operations.

This endorsement modifies insurance provided under the following:

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. Extended Non-Owned Watercraft  
Exclusion g Exception (2)(a) of Coverage A - Bodily Injury and Property Damage Liability is replaced by the following:  
(a) Less than 51 feet long; and
2. Increased Bail Bond Amount  
The limit shown in paragraph 1b of Supplementary Payments - Coverages A and B is increased to \$750.
3. Increased Reasonable Expenses Incurred by the Insured  
The limit shown in paragraph 1d of Supplementary Payments - Coverages A and B is increased to \$300.

4. Newly Acquired Organizations  
Item 3a of Section II - Who Is An Insured is replaced by the following:
  - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
5. Knowledge of Claim or Suit  
The following is added to Paragraph 2, Duties in the Event of Occurrence, Offense, Claim or Suit of Section IV - Commercial General Liability Conditions:  
Knowledge of an *occurrence*, claim or *suit* by your agent, servant or *employee* shall not in itself constitute knowledge of the Named Insured unless an officer of the Named Insured has received such notice from the agent, servant or *employee*.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY  
COVERAGE FORM  
POLLUTION LIABILITY COVERAGE FORM  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COV-  
ERAGE FORM  
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in

accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

CG-7323(1-15)

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a *certified act of terrorism* that are awarded as punitive damages.

B. The following definition is added:

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of

terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

#### B. CHANGES

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

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

#### D. INSPECTIONS AND SURVEYS

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

#### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:
  - a. Under any Liability Coverage to *bodily injury* or *property damage*:
    - (1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
      - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
      - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
  - c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:
    - (1) The *nuclear material*:

- (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or
  - (b) Has been discharged or dispersed therefrom.
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
  - (3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
2. As used in this endorsement:
    - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
    - b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.
    - c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
    - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
    - e. "*Waste*" means any waste material:
      - (1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
      - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
    - f. "*Nuclear facility*" means:
      - (1) Any *nuclear reactor*;
      - (2) Any equipment or device designed or used for:
        - (a) Separating the isotopes of uranium or plutonium;
        - (b) Processing or utilizing *spent fuel*; or

- (c) Handling, processing or packaging *waste*.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, prem-

ises or place prepared or used for the storage or disposal of *waste*;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
2. Your conviction of a crime increasing any hazards insured against;
3. Discovery of fraud or material misrepresentation on the part of either of the following:

- a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
4. Failure to comply with written loss control recommendations;
  5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
  6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
  7. Your violation or breach of any policy terms or conditions; or
  8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the Premiums Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.



ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

- BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- GARAGE COVERAGE FORM
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART

- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



Policy Number: ZK9461  
 Effective Date: 09-25-22

**COVERAGES, LIMITS OF INSURANCE AND DEDUCTIBLE**

<u>Premises Number</u>	<u>Building Number</u>	<u>Coverage Description</u>	<u>Limit of Insurance</u>	<u>Deductible Amount</u>
001	001	Employee Dishonesty Coverage Form A - Blanket	\$ 100,000	\$ 1,000

**DESCRIPTION OF PREMISES**

<u>Premises Number</u>	<u>Building Number</u>	<u>Occupancy and Location</u>
001	001	CONDO 113 CALLAWAY CT CHATTANOOGA TN

## EMPLOYEE DISHONESTY COVERAGE FORM A - BLANKET

### A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

#### 1. Covered Property

*Money, securities and property other than money and securities.*

#### 2. Covered Cause of Loss

*Employee dishonesty.*

#### 3. Coverage Extension

Employees Temporarily Outside Coverage Territory

We will pay for loss caused by any *employee* while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

### B. LIMIT OF INSURANCE

The most we will pay for loss in any one *occurrence* is the applicable Limit of Insurance shown in the Declarations.

### C. DEDUCTIBLE

1. We will not pay for loss in any one *occurrence* unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

#### 2. You must:

a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.

b. Upon our request, give us a statement describing the loss.

### D. ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

#### 1. Additional Exclusions

We will not pay for loss as specified below:

##### a. Employee Cancelled Under Prior Insurance

Loss caused by any *employee* of yours, or pre-

decessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

##### b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

#### 2. Additional Condition

Cancellation as to Any Employee

This insurance is cancelled as to any *employee*:

##### a. Immediately upon discovery by:

(1) You; or

(2) Any of your partners, officers or directors not in collusion with the *employee*;

of any dishonest act committed by that *employee* whether before or after becoming employed by you.

b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last known address will be sufficient proof of notice. Delivery of notice is the same as mailing.

#### 3. Additional Definitions

a. "*Employee dishonesty*" in paragraph A2 means only dishonest acts committed by an *employee*, whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

(a) The *employee*; or

(b) Any person or organization intended by the *employee* to receive that benefit.

b. "*Occurrence*" means all loss caused by, or involving, one or more *employees*, whether the result of a single act or series of acts.

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## CRIME GENERAL PROVISIONS

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

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

Words and phrases in italics are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

### A. GENERAL EXCLUSIONS

We will not pay for loss as specified below:

#### 1. Acts Committed by You or Your Partners

Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.

#### 2. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

#### 3. Indirect Loss

Loss that is an indirect result of any act or *occurrence* covered by this insurance including, but not limited to, loss resulting from:

a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.

b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

#### 4. Legal Expenses

Expenses related to any legal action.

#### 5. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

#### 6. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

### B. GENERAL CONDITIONS

#### 1. Concealment, Misrepresentation or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal

or misrepresent a material fact concerning:

- a. This insurance;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this insurance.

#### 2. Consolidation - Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity:

- a. Any additional persons become *employees*; or
- b. You acquire the use and control of any additional *premises*;

any insurance afforded for *employees* or *premises* also applies to those additional *employees* and *premises* for a period of 60 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities.

You must give us written notice within this 60 day period and obtain our written consent to extend this insurance to such additional *employees* and *premises*. Upon obtaining our written consent, you must pay us an additional premium.

If you fail to notify us in writing within this 60 day period, then this insurance shall automatically terminate as to such additional *employees* or *premises*.

#### 3. Coverage Extensions

Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

#### 4. Duties in the Event of Loss

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property, you must:

- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

#### 5. Discovery Period for Loss Extended Period to Discover Loss

We will pay only for covered loss discovered no later than one year from the end of the policy period.

#### 6. Joint Insured

a. If more than one insured is named in the Declarations, the First Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the First Named Insured ceases to be covered, then the next named Insured will become the First Named Insured.

b. If any insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

c. An *employee* of any insured is considered to be an *employee* of every insured.

d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that insured is covered only if discovered no later than one year from the date of that cancellation or termination.

e. We will not pay more for loss sustained by more than one insured than the amount we would pay if all the loss had been sustained by one Insured.

#### 7. Legal Action Against Us

You may not bring any legal action against us involving loss:

a. Unless you have complied with all the terms of this insurance;

b. Until 90 days after you have filed proof of loss with us; and

c. Unless brought within two years from the date you discover the loss.

#### 8. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

#### 9. Loss Covered Under More Than One Coverage of This Insurance

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

a. The actual amount of loss; or

b. The sum of the limits of insurance applicable to those coverages.

#### 10. Loss Sustained During Prior Insurance

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

(1) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(1) This insurance as of its effective date; or

(2) The prior insurance had it remained in effect.

#### 11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate

If any loss is covered:

a. Partly by this insurance; and

b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

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

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

#### 12. Other Insurance

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

#### 13. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

a. That you own or hold; or

b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

#### 14. Policy Period

a. The Policy Period is shown in the Declarations.

b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

#### 15. Records

You must keep records of all Covered Property so we can verify the amount of any loss.

#### 16. Recoveries

a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

(1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

(2) Then to us, until we are reimbursed for the settlement made; and



(3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

b. Recoveries do not include any recovery:

(1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(2) Of original *securities* after duplicates of them have been issued.

#### 17. Territory

This insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone or Canada.

#### 18. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

#### 19. Valuation - Settlement

a. Subject to the applicable Limit of Insurance provision we will pay for:

(1) Loss of *money* but only up to and including its face value. We may, at our option, pay for loss of *money* issued by any country other than the United States of America:

(a) At face value in the *money* issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) Loss of *securities* but only up to and including their value at the close of business on the day the loss was discovered. We may at our option:

(a) Pay the value of such *securities* or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those *securities*.

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the *securities*. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

(i) Value of the *securities* at the close of business on the day the loss was discovered; or

(ii) Limit of Insurance.

(3) Loss of, or loss from damage to, *property other than money and securities* or loss from damage to the *premises* for not more than the:

(a) Actual cash value of the property on the day the loss was discovered;

(b) Cost of repairing the property or *premises*; or

(c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than *money*:

(1) In the *money* of the country in which the loss occurred; or

(2) In the United States of America dollar equivalent of the *money* of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

#### C. GENERAL DEFINITIONS

1. "*Employee*" means:

a. Any natural person:

(1) While in your service (and for 30 days after termination of service);

(2) Whom you compensate directly by salary, wages or commissions; and

(3) Whom you have the right to direct and control while performing services for you; or

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the *premises*.

But *employee* does not mean any:

(1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "*Money*" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

3. "*Property other than money and securities*" means any tangible property other than *money* and *securities* that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.

4. "*Securities*" means negotiable and non-negotiable instruments or contracts representing either *money* or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include *money*.

All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

#### B. CHANGES

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

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

#### D. INSPECTIONS AND SURVEYS

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

#### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

## EXCLUSION OF TERRORISM

IL-0030F(9-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

- A. The following definition is added and applies under this endorsement wherever the term *terrorism* is shown in italics.

"*Terrorism*" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- B. The following exclusion is added:

### EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item B5, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part.

### C. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

### D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of B1 or B2, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage

which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**SCHEDULE**

**The Exception Covering Certain Fire Losses (Paragraph D) applies to property located in the following states, if covered under the indicated Coverage Part:**

State	Coverage Part
Georgia	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Illinois	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Iowa	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Maine	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- 1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- 2. Your conviction of a crime increasing any hazards insured against;
- 3. Discovery of fraud or material misrepresentation on the part of either of the following:

- a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
- 4. Failure to comply with written loss control recommendations;
  - 5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
  - 6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
  - 7. Your violation or breach of any policy terms or conditions; or
  - 8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

- 1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the Premiums Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.

All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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#### B. CHANGES

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

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

#### D. INSPECTIONS AND SURVEYS

1. We have the right to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

#### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

## EXCLUSION OF TERRORISM

IL-0030F(9-14)

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

- A. The following definition is added and applies under this endorsement wherever the term *terrorism* is shown in italics.

"*Terrorism*" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- B. The following exclusion is added:

### EXCLUSION OF TERRORISM

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1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this item B5, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Part.

### C. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

### D. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of B1 or B2, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.



2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage

which would otherwise be excluded under this Coverage Part, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**SCHEDULE**

**The Exception Covering Certain Fire Losses (Paragraph D) applies to property located in the following states, if covered under the indicated Coverage Part:**

State	Coverage Part
Georgia	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Illinois	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
Iowa	Commercial Property Coverage Part Commercial Output Program - Property Coverage Form
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Missouri	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Oregon	Commercial Property Coverage Part Commercial Inland Marine Coverage Part
Wisconsin	Commercial Property Coverage Part Commercial Inland Marine Coverage Part

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- 1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- 2. Your conviction of a crime increasing any hazards insured against;
- 3. Discovery of fraud or material misrepresentation on the part of either of the following:

- a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
- 4. Failure to comply with written loss control recommendations;
  - 5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
  - 6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
  - 7. Your violation or breach of any policy terms or conditions; or
  - 8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

- 1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the Premiums Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.



COMMERCIAL EXCESS LIABILITY  
COVERAGE PART

Renewal Declarations

First Named Insured and Address:

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Agency Name and Number:

INSURANCE INCORPORATED  
6782-CE

Policy Number: ZK9461

Policy Period: Effective Date: 09-25-22

Expiration Date: 09-25-23

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CU-7008(11-05)	Asbestos Exclusion	
CU-7010(3-03)	Nuclear Energy Liability Exclusion Endorsement	
CU-7037(5-05)	Commercial Excess Liability Coverage Form	
CU-7054(3-03)	Fungi or Bacteria Exclusion	
CU-7067(3-03)	War Liability Exclusion	
CU-7072(1-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Fed. Act)	
CU-7073(8-05)	Tennessee Changes - Cancellation and Nonrenewal	
CU-7085(1-15)	Cap on Losses from Certified Acts of Terrorism	\$9.00
CU-7087(1-15)	Exclusion of Punitive Damages Related to a Certified Act of Terrorism	
CU-7142(9-20)	Communicable Disease Exclusion	
IL-7082(12-20)	Disclosure Pursuant to Terrorism Risk Insurance Act	
	Advance Endorsement Premium	\$9.00

PREMIUM SUMMARY

Advance Premium	\$2,300.00
Advance Endorsement Premium	\$9.00
Total Advance	\$2,309.00

ADDITIONAL NAMED INSURED

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

## LIMITS OF INSURANCE

General Aggregate	\$10,000,000
Products-Completed Operations Aggregate	\$10,000,000
Each Occurrence	\$10,000,000

## PREMIUM COMPUTATION

Not Subject to Audit	
Estimated Advance Premium	\$2,300.00

## SCHEDULE OF UNDERLYING INSURANCE - GENERAL LIABILITY

Policy Number: CG-ZK9461

Name of Insurer: ACUITY, A Mutual Insurance Company

Policy Period: 09-25-22 To 09-25-23

Occurrence Coverage

## Limits or Amounts of Insurance

General Aggregate Limit (Other Than Products-Completed Operations)	\$2,000,000
Products-Completed Operations Aggregate Limit	\$1,000,000
Personal and Advertising Injury Limit (Any One Person or Organization)	\$1,000,000
Each Occurrence Limit	\$1,000,000

# COMMERCIAL EXCESS LIABILITY COVERAGE FORM

## Index of Policy Provisions

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Investigation or Settlement of Claims .....	3	Maintenance of Underlying Insurance.....	5
or Defense of Insured Against Suits		Other Insurance.....	5
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## COMMERCIAL EXCESS LIABILITY COVERAGE FORM

This policy contains both a Products-Completed Operations Aggregate Limit and a General Aggregate Limit of Insurance. These are described in Section II - Limit of Insurance.

Other provisions in this policy restrict coverage. Read the entire policy and any *underlying insurance* carefully to determine rights, duties and what is covered and not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a

Named Insured under any *underlying insurance*. The words "we," "us" and "our" refer to the Company providing this insurance.

The words "this insurance" mean the liability insurance provided under this policy.

The word "insured" means any person or organization qualifying as such under any *underlying insurance*.

Other words and phrases that appear in italics have special meaning. Refer to Section IV - Definitions of this policy.

### SECTION I - COVERAGES

#### 1. Insuring Agreement

- a. We will pay those sums, in excess of the amount payable under the terms of any *underlying insurance*, that the insured becomes legally obligated to pay as damages because of *injury* or damage to which this insurance applies, provided that the *underlying insurance* also applies, or would apply but for the exhaustion of its applicable Limits of Insurance.

We will also pay those sums that the insured becomes legally obligated to pay as damages because of *injury* or damage to which the insurance provided under the Coverage Extension applies as set forth in paragraph 4 below.

- b. We have the right to participate in the investigation or settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which this insurance may apply. We have a duty to investigate or settle such claims or to defend the insured against such suits when the applicable Limit of Insurance of the *underlying insurance* has been used up by payment of judgments, settlements and any cost or expense subject to such limit.

We will have the right and duty to participate in the investigation and settlement of claims or the defense of the insured against suits seeking damages because of *injury* or damage to which the insurance provided under the Coverage Extension may apply.

This right or duty to defend is limited as set forth in paragraph 3 below.

However, we will have no duty to defend the insured against any suit seeking damages for *injury* or damage to which this insurance does not apply.

- c. The amount we will pay for damages is limited as described in Section II - Limit of Insurance.
- d. This insurance is subject to the same terms,

conditions, agreements, exclusions and definitions as the *underlying insurance*, except:

- (1) We have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
- (2) With respect to any provisions to the contrary contained in this insurance.

#### 2. Exclusions

The exclusions that apply to the *underlying insurance* apply to this insurance. Also, this insurance does not apply to damages because of:

- a. *Injury* or damage to premises rented to you or temporarily occupied by you with permission of the owner.
- b. Any duty to pay expenses under any medical payments coverage.
- c. Any duty to reimburse an insurer as provided by the terms of the Endorsement For Motor Carrier Policies of Insurance For Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 or under the terms of any similar endorsement required by Federal or state statute.
- d. Any duty payable only because of the attachment of the Endorsement For Motor Carrier Policies of Insurance For Public Liability or any similar endorsement required by Federal or state statute.
- e. Any duty imposed by law under any automobile no-fault, uninsured motorist, underinsured motorist, workers' compensation, disability benefits or unemployment compensation law or any similar law.
- f. Any duty imposed by law under the following:
  - (1) Section 130, Civil Liability, of Title I (Truth in Lending Act) of the Consumer Credit Protection Act (Public Law

90-321; 82 Stat. 146 et. seq.);

- (2) Title IV (Odometer Requirements) of the Motor Vehicle Information and Cost Savings Act (Public Law 92-513; 86 Stat. 961); or
  - (3) Employee's Retirement Income Security Act (E.R.I.S.A.) of 1974 as now or hereafter amended.
- g. *Injury* or damage to personal property in the care, custody or control of the insured.
- This exclusion does not apply to liability assumed under a sidetrack agreement.
- h. *Injury* or damage sustained by an employee, former employee, prospective employee or their beneficiaries or legal representatives and caused by any negligent act, error or omission of the insured, or any other person for whose acts the insured is legally liable, in the administration of any employee benefit program. Administration includes giving counsel to employees, interpreting, handling of employee records, and effecting enrollment, termination or cancellation of employees.
- i. Any obligation to pay any claim or claims made against you or any of your officers, directors or trustees, individually or collectively, by reason of a wrongful act in their respective capacities as officers, directors or trustees.

As used in this exclusion, "wrongful act" means any actual or alleged error, misstatement or misleading statement, act or omission, or neglect or breach of duty made or committed by your directors, officers or trustees.

- j. Any obligation arising out of an act, error or omission of an insured:
- (1) While performing the duties of an insurance agent in your garage operations; or
  - (2) In your garage operations as a result of title paper preparation.

As used in this exclusion:

- (1) "Insurance agent" means a person or organization who is duly licensed as an insurance agent by the regulatory authority of the state in which the insured's principal place of business is located.
- (2) "Garage operations" means the ownership, maintenance or use of locations for garage business and that portion of the roads or other accesses that adjoin these locations. Garage operations includes the ownership, maintenance or use of the autos indicated in Section I of the Garage Coverage Form as covered autos.

Garage operations also includes all operations necessary or incidental to a garage business.

- (3) "Title paper preparation" means the preparation of official title papers for registering an auto sold by you. This includes the designation of a lienholder who holds a financial interest in the auto.
  - (4) "Auto" means a land motor vehicle, trailer or semitrailer.
- k. Any obligation imposed due to the application of any statute permitting a customer to return an auto sold by an insured, if the auto fails to perform satisfactorily.
- As used in this exclusion, "auto" means a land motor vehicle, trailer or semitrailer.
- l. *Injury* or damage your customer becomes legally obligated to pay which arise out of the use of your covered auto. This exclusion applies only if your business is shown in the Declarations of the *underlying insurance* as an auto dealership.
- However, if your customer becomes legally obligated to pay for *injury* or damage which arise out of their use of your covered auto and if there is:
- (1) No other valid and collectible insurance (whether primary, excess or contingent) available to your customer, we will pay up to the compulsory or financial responsibility law limits where the covered auto is principally garaged.
  - (2) Other valid and collectible insurance (whether primary, excess or contingent) available to the customer but it is less than the compulsory or financial responsibility law limits where the covered auto is principally garaged, we will pay only for the amount by which the compulsory or financial responsibility law limits exceed the limits of the other insurance.
3. Investigation or Settlement of Claims or Defense of Insured Against Suits

- a. When we have the duty to defend, we will pay for all *defense expense* once our duty to defend begins. We may investigate any claim or suit.

If we exercise our right to defend when there is no duty, we will pay only that *defense expense* we incur.

If we provide a defense, we may investigate any claim or suit at our discretion. We may settle such claim or suit within the Limit of Insurance available at the time of the settlement.

- b. Our right or duty to defend ends when we

- have used up the Limits of Insurance available in the payment of any judgments or settlements as provided under Section II - Limit of Insurance. This applies both to claims and suits pending at the time and those filed thereafter.
- c. When we control the investigation or settlement of a claim or the defense of the insured against a suit, we will pay for the *defense expense*. If by mutual agreement or court order the insured assumes control before the applicable Limit of Insurance available is used up, we will reimburse the insured for reasonable *defense expense*.
  - d. As soon as the Limit of Insurance available is used up, you will then arrange to assume control of the investigation or settlement of all such claims or the defense of you or any other insured against such suits when our right or duty to investigate, settle or defend them ends.
  - e. We will assist the insured in the transfer of control of the investigation or settlement of claims or the defense of the insured against suits under c or d above. Until such transfer is completed, we will take on behalf of any insured those steps that we think proper:
    - (1) To avoid a default in any claim or suit; or
    - (2) To the continued investigation or

settlement of a claim or defense of the insured against a suit.

You agree that if we take such steps:

- (1) We do not waive or give up any of our rights under this insurance; and
  - (2) You will reimburse us for any *defense expense* that arises out of such steps if the applicable Limit of Insurance available has been used up.
- f. Any payment for *defense expense* will not reduce the Limits of Insurance.
4. Coverage Extension
- a. The terms of this policy are extended as follows:
 

If *underlying insurance* provides coverage for the use of watercraft you do not own, in addition to watercraft ashore on premises you own or rent, the coverage provided by this policy is extended to cover any watercraft you do not own that is:

    - (1) Less than 75 feet long; and
    - (2) Not being used to carry persons or property for a charge;

even if these nonowned watercraft are not insured in the *underlying insurance*.
  - b. We will only pay for damages up to the limits of insurance.

## SECTION II - LIMIT OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below define the most we will pay under the terms of this insurance regardless of the number of:
  - a. Insureds;
  - b. Claims made or suits brought;
  - c. Persons or organizations making claims or bringing suits.
2. The General Aggregate Limit is the most we will pay for all damages under Section I - Coverages, other than damages arising out of:
  - a. The *products-completed operations hazard*; or
  - b. The ownership, operation, maintenance, use, loading or unloading, or entrustment to others, of an auto.

The General Aggregate Limit applies separately to:

- a. Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and

- b. Each of your projects away from a location owned by or rented to you.
 

Each payment we make for such damages reduces by the amount of the payment, the General Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 3. The Products-Completed Operations Aggregate Limit is the most we will pay under Section I - Coverages because of damages arising out of the *products-completed operations hazard*. Each payment we make for such damages reduces, by the amount of the payment, the Products-Completed Operations Aggregate Limit. This reduced limit will then be the Limit of Insurance available for further damages of these kinds.
- 4. Subject to 2 and 3 above, or with respect to *injury* or damage arising out of the ownership, operation, maintenance, use, loading or unloading, or entrustment to others of an auto, the Each Occurrence Limit is the most we will pay for the sum of damages under Section I - Coverages because of all *injury* and damage arising out of any one *occurrence*.
- 5. The limits of this policy apply separately to



each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an

additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

### SECTION III - CONDITIONS

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with the Conditions contained in this policy and those contained in any *underlying insurance*.

If any of the following conditions are contrary to Conditions contained in the *underlying insurance*, the provisions contained in this policy apply.

#### 1. Appeals

In the event the *underlying insurer* elects not to appeal a judgment in excess of the limits of the *underlying insurance*, we may elect to make such appeal. If we so elect, we shall be liable, in addition to the applicable Limit of Insurance for all *defense expenses* we incur.

#### 2. Bankruptcy of Underlying Insurer

In the event of bankruptcy or insolvency of any *underlying insurer*, this policy shall not replace such *underlying insurance*. This policy applies as if the *underlying insurance* was valid and collectible.

#### 3. Duties in the Event of Occurrence, Claim or Suit

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

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

b. If a claim or suit is received by any insured you must:

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a suit;
- (2) Authorize us to obtain records and other information;

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

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

(5) Notify us immediately of any judgment or settlement of any claim or suit brought against any insured.

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

#### 4. Maintenance of Underlying Insurance

a. You agree to maintain the *underlying insurance* in full force and effect during the term of this policy. You agree to inform us within 10 days of any replacement of that *underlying insurance* by the same or another company. If there is any change in the replacement *underlying policy* in hazard, policy limits or coverage, including any terms, conditions and endorsements, we will only be liable under this insurance to the same extent as if there had been no change in, or replacement of, *underlying insurance*.

b. In the event that any *underlying insurance* is cancelled or not renewed and not replaced, you must notify us within 10 days. We will not be liable under this insurance for more than we would have been liable if that *underlying insurance* had not terminated if you do not request cancellation of this policy effective the same date that the *underlying insurance* was cancelled.

c. Reduction or exhaustion of the *aggregate limit* of any *underlying insurance* by payments for judgments or settlements will not be a failure to maintain *underlying insurance* in full force and effect.

d. No statement contained in this Condition limits our right to cancel or not renew this policy.

#### 5. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except

other insurance written specifically to be excess over this insurance.

6. Policy Period

This insurance will respond to *injury* or damage

that occurs, or arises from an offense committed, during the policy period of this insurance shown in the Declarations.

SECTION IV - DEFINITIONS

1. "*Aggregate limit*" means the maximum amount stated in the policy for which the insurer will be liable, regardless of the number of covered claims.
2. "*Defense expense*" means payments allocated to the investigation or settlement of a specific claim or the defense of the insured against a specific suit, including:
  - a. Attorney fees and all other litigation expenses.
  - b. The cost of bonds to appeal a judgment or award in our defense of the insured against any suit.
  - c. Up to \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which bodily injury liability coverage provided by *underlying insurance* applies.
  - d. The cost of bonds to release attachments. This is only for bond amounts within the Limit of Insurance available.
  - e. Reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the defense of the insured against the suit. This includes actual loss of earnings up to \$100 a day because of time off from work.
  - f. Cost taxed against the insured in the suit.
  - g. Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of Section II - Limits of Insurance.

*Defense expense* does not include:

- a. Salaries and expenses of our employees or the insured's employees, other than:
    - (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific claim or suit; and
    - (2) The expenses described in e above.
  - b. Fees and expenses of independent adjusters we hire.
3. "*Injury*" means bodily injury, property damage, personal injury or advertising injury as defined in the *underlying insurance*.
  4. "*Occurrence*" means:
    - a. With respect to bodily injury to persons

other than your employees and property damage, an accident, including continuous or repeated exposure to substantially the same general harmful conditions;

- b. With respect to bodily injury to your employees arising out of and in the course of their employment by you, the accident or disease which causes the bodily injury; and
  - c. With respect to offenses committed by the insured resulting in personal injury or advertising injury, all such injury sustained by any one person or organization.
5. "*Occurrence limit*" means any specific limit, other than an *aggregate limit*, applicable to any *underlying insurance*, regardless of whether such limit is subject to an *aggregate limit* in the *underlying policy*.
  6. "*Products-completed operations hazard*":
    - a. Includes all *injury* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
      - (1) Personal injury or advertising injury as defined in the *underlying insurance*;
      - (2) Products that are still in your physical possession; or
      - (3) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
        - (a) When all of the work called for in your contract has been completed;
        - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
        - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- b. Does not include *injury* arising out of:
    - (1) The transportation of property, unless the *injury* or damage arises out of a condition in or on a vehicle not owned

or operated by you, and that condition was created by the loading or unloading of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment, or abandoned or unused materials; or
- (3) Products or operations for which the classification in the General Liability *underlying policy* or in our General Liability manual or rules includes products or completed operations.

7. "*Underlying insurance*" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance in the Declarations, for the limits and periods indicated. It includes any policies issued to replace those policies during the term of this insurance, provided that you have notified us within 10 days of the replacement, and the replacement policies provide:
  - a. At least the same policy limits;
  - b. The same hazards insured against, except as modified by general program revisions; and
  - c. The same coverage, including all terms, conditions and endorsements.
8. "*Underlying insurer*" means any insurer who issues a policy of *underlying insurance*.
9. "*Underlying policy*" means a policy providing *underlying insurance*.
10. "*Your product*" means:
  - a. Any goods or products other than real property, manufactured, sold, handled,

distributed or disposed of by:

- (1) You;
  - (2) Others trading under your name; or
  - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

*Your product* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your product*; and
- b. The providing of or failure to provide warnings or instructions.

*Your product* does not include vending machines or other property rented to or located for the use of others but not sold.

11. "*Your work*" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

*Your work* includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of *your work*; and
- b. The providing of or failure to provide warnings or instructions.

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## ASBESTOS EXCLUSION

CU-7008(11-05)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

### Asbestos

1. This insurance does not apply to *injury*, including but not limited to, physical or mental injury, mental anguish or shock, sickness, disease, occupational disease, disability or death, or damage to property arising out of activities re-

lated to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

2. The following definition applies:

*"Injury"* means bodily injury or property damage as defined in the *underlying insurance*.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. This insurance does not apply to:
  - a. Any claim or accident:
    - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the *hazardous properties of nuclear material* and with respect to which:
      - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
      - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
  - b. Any claim or accident resulting from the *hazardous properties of nuclear material*, if:
    - (1) The *nuclear material*:
      - (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an insured; or
      - (b) Has been discharged or dispersed therefrom;
    - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
    - (3) The claim or accident arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.

2. As used in this endorsement:
  - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
  - b. "*Nuclear material*" means *source material*, *special nuclear material* or *by-product material*.
  - c. "*Source material*," "*special nuclear material*" and "*by-product material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
  - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
  - e. "*Waste*" means any waste material:
    - (1) Containing *by-products material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
    - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
  - f. "*Nuclear facility*" means:
    - (1) Any *nuclear reactor*;
    - (2) Any equipment or device designed or used for:
      - (a) Separating the isotopes of uranium or plutonium;
      - (b) Processing or utilizing *spent fuel*; or
      - (c) Handling, processing or packaging *waste*;
    - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
    - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;
 and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

h. "*Property damage*" includes all forms of radioactive contamination of property.

The endorsement modifies insurance provided under the following:

## COMMERCIAL EXCESS LIABILITY COVERAGE FORM

1. The following exclusion is added to Paragraph 2, Exclusions of Section I - Coverages:
  - a. *Injury* or damage which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
  - b. Any loss, cost or expenses arising out of the

abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for consumption.

2. The following definition is added to the Definitions Section:

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



WAR LIABILITY EXCLUSION

CU-7067(3-03)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following exclusion is added:

This insurance does not apply to:

*Injury* or damage, however caused, arising, directly or indirectly, out of:

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.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

a. Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date

when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are shown in italics:

1. "*Terrorism*" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "*Any injury or damage*" means any injury or damage covered under any Coverage Form or underlying insurance to which this en-

dorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury, injury or environmental damage* as may be defined in any applicable Coverage Form or underlying insurance.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

1. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
3. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons

and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C5 or C6 are exceeded.

With respect to this Exclusion, Paragraphs C5 and C6 describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following is added to Section III - Conditions:

**Cancellation**

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:
  - a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. Thirty days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the First Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the First Named Insured any premium refund due.  
The refund will be pro rata if:
  - a. We cancel; or
  - b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**Cancellation of Policies in Effect for 60 Days or More**

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its

- occupancy or use;
2. Your conviction of a crime increasing any hazards insured against;
3. Discovery of fraud or material misrepresentation on the part of either of the following:
  - a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
4. Failure to comply with written loss control recommendations;
5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
7. Your violation or breach of any policy terms or conditions; or
8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

**Nonrenewal**

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

**Premiums**

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act

for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF  
TERRORISM

CU-7087(1-15)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a *certified act of terrorism* that are awarded as punitive damages.

B. The following definition is added:

*"Certified act of terrorism"* means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

**A.** The following exclusion is added to paragraph 2, Exclusions of Section I - Coverages.

**2.** Exclusions

This insurance does not apply to damages because of:

Communicable Disease

*Injury* or damage arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege the negligence or other wrongdoing in the:

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the disease; or
- d. Failure to report the disease to authorities.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage of that

portion of the amount of such insured losses that exceeds the applicable insurer retention. The federal share percentage is 80%. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.





**DIRECTORS' AND OFFICERS' LIABILITY  
COVERAGE PART**

**Renewal Declarations**

Organization:

THE GARDENS AT HERITAGE GREEN  
800 CALLAWAY CT  
CHATTANOOGA TN 37421

Agency Name and Number:

INSURANCE INCORPORATED  
6782-CE

Policy Number: ZK9461

Policy Period: Effective Date: 09-25-22

Expiration Date: 09-25-23

In return for the payment of the premium and subject to all the terms of the policy, we agree to provide the insurance coverage as stated in the same.

12:01 A.M. standard time at your mailing address shown in the declarations

**LIMIT OF LIABILITY**

Each and every *loss* and in the aggregate each *policy period* .....\$ 1,000,000

**COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART**

Form Number	Form Title	Premium
CG-7154 (09-05)	Directors and Officers Liability Coverage Form - Condominium or Cooperative .....	\$
IL-0017F (11-98)	Common Policy Conditions .....	
IL-0021F (03-14)	Nuclear Energy Liability Exclusion - Broad Form .....	
IL-0250F (03-14)	Tennessee Changes - Cancellation and Nonrenewal .....	
IL-7012 (01-18)	Asbestos Exclusion .....	
<b>Advance Endorsement Premium</b> .....		<b>\$</b>

**PREMIUM SUMMARY**

Advance Premium .....	\$ 350.00
Advance Endorsement Premium .....	
<b>Total Advance Premium</b> .....	<b>\$ 350.00</b>

**ADDITIONAL NAMED INSUREDS**

*Named insured* includes the following Additional Named Insureds:

NONE



DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

Index of Policy Provisions

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## DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM - CONDOMINIUM OR COOPERATIVE

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

Throughout this policy the words "you" and "your" refer to the organization shown in the Declarations.

The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Definitions Section.

### COVERAGE

#### 1. Insuring Agreement

In consideration of the payment of the premium and subject to the terms, conditions and limitations of the policy, we will provide the insurance coverage stated herein. We agree to pay on behalf of the *named insured* or an *insured person* all *loss* which they, individually or collectively, shall become legally obligated to pay. This insurance applies to *loss* arising out of a *wrongful act* committed during the *policy period*.

#### 2. Exclusions

The *wrongful act* of any *insured person* shall not be imputed to the *named insured* or to any other *insured person* for the purpose of determining the applicability of the following exclusions.

This coverage shall not apply to any *loss*:

- a. Based on or attributable to bodily or personal injury, mental injury or anguish, counseling injury, sickness, disease or death of any person, or to damages or destruction of any tangible property including loss of use.
- b. Based on or attributable to any failure or omission on the part of the *named insured* or an *insured person* to effect, procure or maintain insurance, or failure or omission with respect to insurance amount, form, conditions or provisions.
- c. Arising out of the violation of any "civil rights" law. This means any federal, state or local ordinance, including (but not limited to) discrimination on account of race, religion, sex or age.
- d. Based on or attributable to an *insured person* gaining in fact any personal profit or advantage to which they were not legally entitled.
- e. For damages arising out of any dishonest, fraudulent, criminal or malicious act or willful violation of any statute. This includes fines or penalties resulting therefrom.
- f. Arising from or in connection with any claim for the return by an *insured person* of any remuneration paid in fact to them if such remuneration shall be held by the courts to

be in violation of the law.

- g. Based on the Employee Retirement Income Security Act of 1974, Public Law 93-406 and amendments thereto, or similar provisions of any federal, state or local statutory or common law. Public Law 93-406 is commonly referred to as the Pension Reform Act of 1974.
  - h. Based on or attributable to any statutory or common law relating to the purchase, sale or disposition of securities.
  - i. Based on or attributable to any salary, compensation or bonuses voted to any *insured person* by the Board of Directors of the *named insured*.
  - j. For other than money damages.
  - k. For the payment of punitive or exemplary damages.
  - l. Due to or arising out of nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.
  - m. Based on or attributable to the transmission of any communicable disease.
  - n. Based on or attributable to:
    - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants; or
    - (2) Any loss, cost or expense arising out of any governmental direction or request, including but not limited to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- o. Based on or attributable to any sexual act, including but not limited to molestation, incest or rape.

## LIMIT OF LIABILITY

1. The most we will pay for all *loss* caused by a *wrongful act* committed during the *policy period* is the Limit of Liability as shown in the Declarations.
2. Subject to the foregoing, our liability for each

and every *loss* shall be the Limit of Liability shown in the Declarations and shall be our maximum liability in each *policy period* (regardless of the time of payment by us).

## COSTS, CHARGES AND EXPENSES

1. No costs, charges or expenses shall be incurred or settlements made without our consent. We will not unreasonably withhold such consent. If such consent is given, we will pay such costs, settlements, charges or expenses. We may at any time take over the defense of any claim or suit covered by this Coverage Part, including the right to appeal a judgment at our own cost and expense.

2. We may, at our option and upon request, advance on behalf of the *insured persons* (jointly or severally) expenses which they have incurred in connection with claims made against them prior to disposition of such claims, provided that if it is established we have no liability hereunder, such *insured persons* agree to repay us upon demand all monies so advanced.

## GENERAL CONDITIONS

1. Notice of Claim
  - a. You and any other *insured person* must see to it that we are notified as soon as practicable when an *insured person* becomes aware of a *wrongful act* which may result in a claim. This notice shall be in writing and include how, when and where the *wrongful act* took place as well as any other reasonably obtainable information.
  - b. If a claim is made or suit is brought against you or an *insured person*, you must:
    - (1) Immediately record the specifics of the claim or suit and the date received; and
    - (2) Notify us in writing as soon as practicable.
  - c. You and any other involved *insured person* must:
    - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
    - (2) Authorize us to obtain records and other information;
    - (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
    - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of *loss* to which this insurance may also apply.

been full compliance with all of the terms of this Coverage Part, nor until the amount of the *named insured's* obligation to pay shall have been finally determined either by judgment against the *named insured* after actual trial or by written agreement of the *named insured*, the claimant and us.

Any person or organization or their legal representative who has secured such judgment or written agreement shall be entitled to recover under this Coverage Part to the extent of the insurance afforded by this Coverage Part. No person or organization shall have any right under this Coverage Part to join us as a party to any action against the *named insured* to determine the *named insured's* liability. We shall not be impleaded by the *named insured* or its legal representative. Bankruptcy or insolvency of the *named insured* shall not relieve us of any of our obligations.

3. Organization Authorization Clause

By acceptance of this Coverage Part, the organization shown in the Declarations agrees to act on behalf of all *insured persons* with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this Coverage Part, and the *insured persons* agree that the *named insured* shall act on their behalf.

4. Admission of Liability

The *insured persons* shall not make any admission of liability, nor shall they authorize any other officers, employees or other persons to make any admission of liability in connection with any claim without obtaining our written consent.

2. Action Against Company  
No action shall lie against us unless, as a condition precedent thereto, there shall have

5. Subrogation

In the event of any payment under this Coverage Part, we shall be subrogated to the extent of such payment to all rights of recovery therefore. The *named insured* or the *insured persons*, shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights including the execution of such documents necessary to enable us effectively to bring suit in the name of the *insured persons*.

6. Cooperation of the Directors, Officers or Trustees

The *insured persons* shall cooperate with us and assist us in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization. The *insured persons* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

7. Appeals

In the event an *insured person* elects not to appeal a judgment, we may elect to make such appeal at our own cost and expense and shall be liable for the taxable costs and disbursements and interests incidental thereto, but in no event shall our liability exceed the Limit of Liability as provided herein.

8. Other Insurance

When the *named insured* or an *insured person*

has other insurance against *loss* covered by this Coverage Part, we will not be liable under this Coverage Part for a greater proportion of such *loss* than the applicable limit under this Coverage Part bears to the total applicable Limit of Liability of all valid and collectible insurance against such *loss*.

9. Declarations

By acceptance of this Coverage Part, the *named insured* agrees that the statements in the Declarations are its agreements and representations. You also agree this Coverage Part is issued in reliance upon the truth of such representations and that this Coverage Part embodies all agreements existing between itself and us or any of our agents relating to this insurance.

10. Conformance to Statute

Terms of this Coverage Part which are in conflict with the statutes of states where coverages included in this Coverage Part are not permitted, are amended to cover only those provisions and coverages as apply and conform to such statutes.

11. First Named Insured

The first legal entity shown as an organization in the Declarations will be the First Named Insured for this policy.

## DEFINITIONS

1. "*Insured person*" means all directors, officers or trustees of the *named insured* including:

- a. The estates, heirs, legal representatives or assigns of the deceased persons who were *insured persons* at the time of the *wrongful act* upon which claims are based; and
- b. The legal representatives or assigns of said *insured persons* in the event of their incompetency, insolvency or bankruptcy.

2. "*Loss*" means any amount which an *insured person* is legally obligated to pay or which the *named insured* may be required or permitted by law to pay as indemnity to an *insured person* for *wrongful acts*. Any series of related *wrongful acts* committed during the *policy period* shall be considered a single *wrongful act*.

The amount payable includes but is not limited to damages, judgments and settlements.

*Loss* shall not include fines or penalties imposed by law or matters which may be deemed uninsurable.

3. "*Named insured*" means the organization shown in the Declarations.

4. "*Policy period*" means the period of one year following the effective date and hour of this policy or any anniversary thereof, or if the time between the effective date or any anniversary and termination of the policy is less than one year, such lesser period.

5. "*Wrongful act*" means any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty by an *insured person* in the discharge of their duties, individually or collectively. It also includes any matter claimed against them solely by reason of their being *insured persons*.

All Coverage Parts included in this policy are subject to the following conditions.

#### A. CANCELLATION

1. The First Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the First Named Insured written notice of cancellation at least:

- a. Ten days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. Thirty days before the effective date of cancellation if we cancel for any other reason.

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

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

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

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

#### B. CHANGES

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

#### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

#### D. INSPECTIONS AND SURVEYS

1. We have the right to:

- a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1 and 2 of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2 of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

#### E. PREMIUMS

The First Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

#### F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

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

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

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

1. The insurance does not apply:
  - a. Under any Liability Coverage to *bodily injury* or *property damage*:
    - (1) With respect to which an *insured* under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
      - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 or any law amendatory thereof; or
      - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - b. Under any Medical Payments coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
  - c. Under any Liability Coverage, to *bodily injury* or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:
    - (1) The *nuclear material*:

- (a) Is at any *nuclear facility* owned by, or operated by or on behalf of, an *insured*; or
  - (b) Has been discharged or dispersed therefrom.
- (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an *insured*; or
  - (3) The *bodily injury* or *property damage* arises out of the furnishing by an *insured* of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
2. As used in this endorsement:
    - a. "*Hazardous properties*" include radioactive, toxic or explosive properties.
    - b. "*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*.
    - c. "*Source material*," "*special nuclear material*" and "*byproduct material*" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
    - d. "*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*.
    - e. "*Waste*" means any waste material:
      - (1) Containing *byproducts material* other than the tailings or *wastes* produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
      - (2) Resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
    - f. "*Nuclear facility*" means:
      - (1) Any *nuclear reactor*;
      - (2) Any equipment or device designed or used for:
        - (a) Separating the isotopes of uranium or plutonium;
        - (b) Processing or utilizing *spent fuel*; or



- (c) Handling, processing or packaging *waste*.
- (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the *insured* at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
- (4) Any structure, basin, excavation, prem-

ises or place prepared or used for the storage or disposal of *waste*;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

- g. "*Nuclear reactor*" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "*Property damage*" includes all forms of radioactive contamination of property.

This endorsement modifies insurance provided under the following:

- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- LIQUOR LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART
- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

A. Paragraph 5 of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, we will send the First Named Insured any premium refund due.

The refund will be pro rata if:

- a. We cancel; or
- b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the First Named Insured cancels the policy. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
2. Your conviction of a crime increasing any hazards insured against;
3. Discovery of fraud or material misrepresentation on the part of either of the following:

- a. You or your representative in obtaining this insurance; or
  - b. You in pursuing a claim under this policy;
4. Failure to comply with written loss control recommendations;
  5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
  6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
  7. Your violation or breach of any policy terms or conditions; or
  8. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the First Named Insured and agent, at least 60 days before the expiration date unless:
  - a. We have offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the First Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. The following is added to the Premiums Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the First Named Insured.

ASBESTOS EXCLUSION

IL-7012(1-18)

This endorsement modifies insurance provided under the following:

- BIS-PAK® BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM
- COMMERCIAL AUTO COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- ERRORS AND OMISSIONS COVERAGE PART
- GARAGE COVERAGE FORM
- LIQUOR LIABILITY COVERAGE FORM
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
- POLLUTION LIABILITY COVERAGE FORM
- PRODUCT WITHDRAWAL COVERAGE PART

- PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
- RESIDENTIAL CARE FACILITY LIABILITY COVERAGE PART

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.