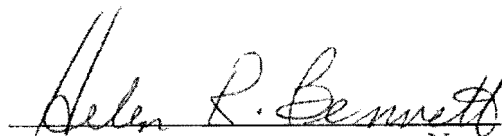


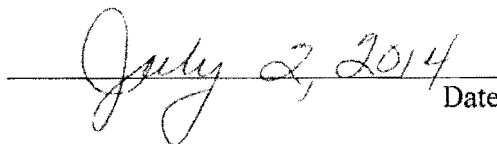


Verification of Policy Records

The attached record constitutes the true and complete contents of policy PPS 05344009, effective 09/08/2013 to 07/02/2014 as assembled by the Records Management department based on data maintained by the issuing company. Formatting or cosmetic changes not affecting the contents of the insuring agreement may have occurred since the original policy was issued to the insured.

  
Name

**Helen Bennett**  
Records Management

  
Date

Zurich NA

**RICOH**

Records Management  
600 Red Brook Blvd, Suite 600  
Owings Mills, Maryland 21117  
USA  
Phone 410-559-8394  
Fax 410-559-8908

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE				RENEWAL EFF 09/08/2013



**ASSURANCE COMPANY OF AMERICA  
COMMON POLICY DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

This policy consists of the declarations as well as the coverage forms and endorsements listed on the Forms and Endorsements Applicable List.

<b>NAMED INSURED AND MAILING ADDRESS</b> CHUBBY CHEEKS, LLC 820 REALTOR AVE TEXARKANA AR 71854	<b>AGENCY NAME AND SERVICING ADDRESS</b> TEXARKANA INSURANCE AGENCY PO BOX 1289 TEXARKANA TX 75504-1289 (870) 774-3491						
<b>BRANCH NAME AND SERVICING ADDRESS</b> LOUISIANA OFFICE PO Box 2248 Grand Rapids, MI 49501-2248 (800) 800-3907	<b>POLICY PERIOD</b> <table> <tr> <td><b>FROM</b></td> <td><b>TO</b></td> </tr> <tr> <td>09/08/2013</td> <td>09/08/2014</td> </tr> <tr> <td><b>12:01 A.M.</b></td> <td><b>12:01 A.M.</b></td> </tr> </table> Standard Time At Your Mailing Address Shown Above	<b>FROM</b>	<b>TO</b>	09/08/2013	09/08/2014	<b>12:01 A.M.</b>	<b>12:01 A.M.</b>
<b>FROM</b>	<b>TO</b>						
09/08/2013	09/08/2014						
<b>12:01 A.M.</b>	<b>12:01 A.M.</b>						
<b>BUSINESS ENTITY: LTD LIABILITY</b>							

**BUSINESS DESCRIPTION:** LIQUOR, WINE, PACKAGE STORES

**POLICY PREMIUMS**

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

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$ 9,661.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ 7,015.00
COMMERCIAL UMBRELLA COVERAGE PART	\$ 1,166.00
PREMIUM SIZE CREDIT	\$ 1,020.00-
TERRORISM PREMIUM	\$ 345.00
<b>TOTAL ANNUAL PREMIUM</b>	<b>\$ 17,167.00</b>

Countersigned by \_\_\_\_\_

Authorized Representative

Date

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08/04/2013

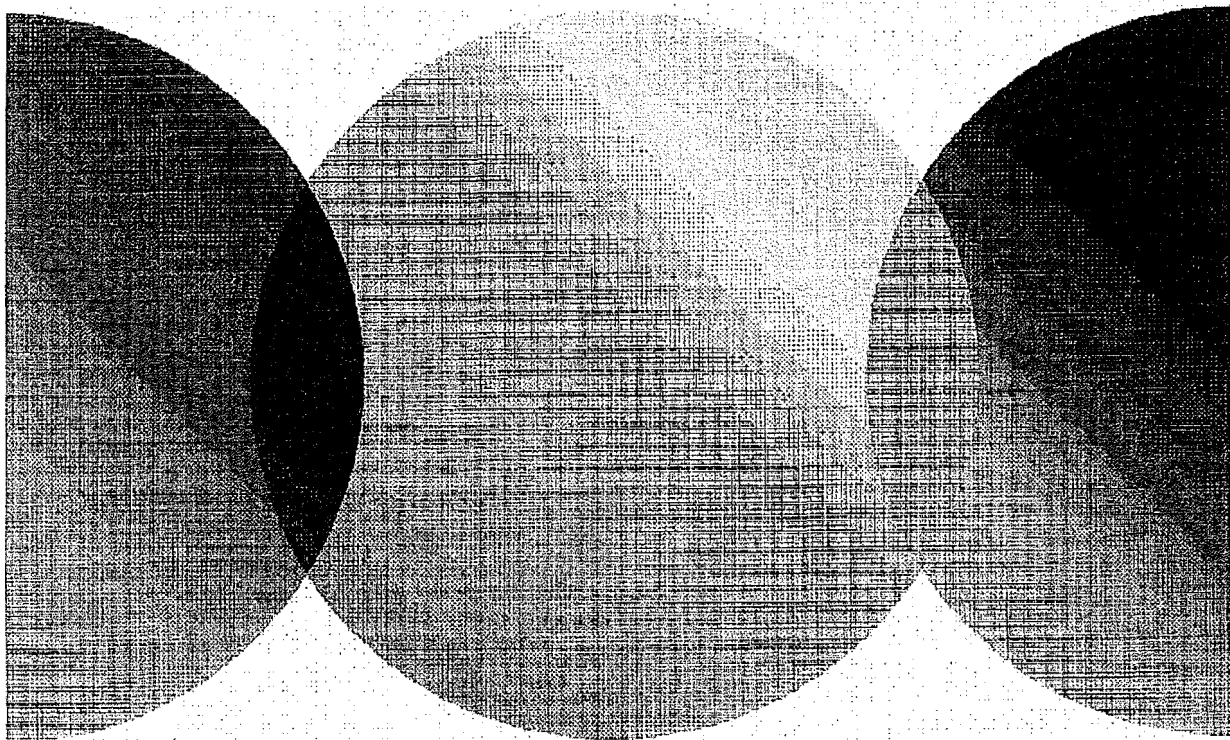
COMMON

INSURED'S COPY

U-CL-D-100-A CW (06-04)



## Small business policy



## **Advisory notice to policyholders regarding the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") regulations**

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided.

This notice provides information concerning possible impact on your insurance coverage due to directives issued by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

**Please read this Notice carefully.**

OFAC administers and enforces sanctions policy based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons." This list can be located on the United States Treasury's website – <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC restrictions. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on premiums and payments also apply.

Includes copyrighted material of Insurance Services Office, Inc., with its permission.



THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.  
**DISCLOSURE OF IMPORTANT INFORMATION  
RELATING TO TERRORISM RISK INSURANCE ACT**

**SCHEDULE\***

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

**345.00**

\* Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

**B. Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government may pay a share of insured losses resulting from an act of terrorism. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the insurer retention. The insurer retention equals 20% of the insurer's prior calendar year direct earned premium associated with lines of insurance subject to TRIA. TRIA is scheduled to expire on December 31, 2014.

**C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations**

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

**D. Availability**

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

**E. Definition of Act of Terrorism under TRIA**

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

Insureds Name CHUBBY CHEEKS, LLC	Policy Number PPS 05344009	Effective Date 09/08/2013	Endorsement Number
-------------------------------------	-------------------------------	------------------------------	-----------------------

**THIS ENDORSEMENT CHANGES YOUR POLICY.PLEASE READ IT CAREFULLY.**

This endorsement modifies your insurance:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

### A. Cap on Losses From Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act ("TRIA"). The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. to be an act of terrorism;
2. to be a violent actor an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income taxes paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission;and
4. 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a Program Year (January 1 through December 31) 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 prorata allocation in accordance with procedures established by the Secretary of Treasury.

### B. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

**IMPORTANT POLICYHOLDER INFORMATION  
(Arkansas)**

Inquiries concerning your policy should be directed to your insurance agent or to our "policyholder/customer service" unit. The name, address and telephone number of your agent, if one is involved, and the address of our "policyholder/customer service" unit are shown on the policy and/or in the material accompanying the policy. The telephone number for our "policyholder/customer service" unit is:

(855) 325-4765

If you require additional information you may contact the Arkansas Insurance Department at either the following address or phone number:

Arkansas Insurance Department  
1200 West Third Street  
Little Rock, Arkansas 72201-1904  
Telephone: 1-800-852-5494

**NOTICE TO POLICYHOLDER**

**FUNGI OR BACTERIA EXCLUSION ENDORSEMENT  
FUNGI EXCLUSION ENDORSEMENT (Alaska only)**

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY (INCLUDING ITS ENDORSEMENTS). YOU SHOULD READ YOUR POLICY (INCLUDING THE ENDORSEMENTS ATTACHED TO YOUR POLICY) AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGE YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY (INCLUDING ITS ENDORSEMENTS) AND THIS NOTICE, THE PROVISIONS OF THE POLICY (INCLUDING ITS ENDORSEMENTS) SHALL PREVAIL.

THIS NOTICE HAS BEEN PREPARED IN CONJUNCTION WITH THE IMPLEMENTATION OF CHANGES TO YOUR POLICY.

THIS NOTICE PROVIDES INFORMATION CONCERNING THE FUNGI OR BACTERIA EXCLUSION ENDORSEMENT AND FUNGI EXCLUSION ENDORSEMENT (ALASKA ONLY).

PLEASE READ THIS NOTICE CAREFULLY.

Your policy will include a change on the Policy Effective Date as follows:

**Fungi Or Bacteria Exclusion Endorsement – 983109**

This endorsement, as summarized below, adds a Fungi or Bacteria exclusion to the Commercial Umbrella Liability Coverage Form.

- Your Commercial Umbrella coverage does not apply to bodily injury, property damage or personal and advertising injury caused directly or indirectly by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any:
  - Fungi or bacteria; or
  - Substance, vapor or gas produced by or arising out of any fungi or bacteria.
- Your Commercial Umbrella coverage does not apply to loss, costs 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.

- Definitions are added for the terms "fungi", "spores" and "bacteria" for the purposes of the exclusion.
- The fungi or bacteria exclusion does not apply to any fungi or bacteria that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.

As a result, there is a **reduction in coverage**.

#### **Fungi Exclusion Endorsement (Alaska only) – 983151**

This endorsement, as summarized below, adds a Fungi exclusion to the Commercial Umbrella Liability Coverage Form.

- Your Commercial Umbrella coverage does not apply to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungi.
- Your Commercial Umbrella coverage does not apply to loss, costs or expenses arising out 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 by any insured or by any other person or entity.
- Definitions are added for the terms "fungi" and "spores" for the purposes of the exclusion.
- The fungi exclusion does not apply to any fungi that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption or if the occurrence is caused by a peril that is not otherwise excluded.

As a result, there is a **reduction in coverage**.





**Assurance Company of America**

**ADMINISTRATIVE OFFICES  
1400 American Lane  
Schaumburg, IL 60196-7348**

**PRECISION PORTFOLIO POLICY**

**For**

**CHUBBY CHEEKS, LLC  
820 REALTOR AVE  
TEXARKANA AR 71854**

**By**

**TEXARKANA INSURANCE AGENCY  
PO BOX 1289  
TEXARKANA TX 75504-1289**

In witness whereof, the Company has executed this policy and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative.

A handwritten signature in cursive script that reads 'Nancy D. Mueller'.

President

A handwritten signature in cursive script that reads 'Dan F. Koenig'.

Secretary



## **PRECISION PORTFOLIO POLICY INDEX**

---

**YOUR POLICY CONSISTS OF THE FOLLOWING SECTIONS AND COVERAGE PARTS:**

### **Common Policy Materials**

- Common Declarations
- Supplemental Declarations, if necessary
- Common Policy Conditions
- Common Policy Forms and Endorsements, if necessary

### **Commercial Property Coverage Part**

- Property Declarations
- Building and Personal Property Schedule
- Special Schedules of Property, if necessary
- Supplemental Declarations, if necessary
- Building and Personal Property Coverage Form
- Commercial Crime Coverage Form
- Commercial Property Endorsements, if necessary

### **Commercial General Liability Coverage Part**

- Commercial General Liability Declarations
- General Liability Schedule
- Supplemental Declarations, if necessary
- Commercial General Liability Coverage Form
- Commercial General Liability Endorsements, if necessary

### **Commercial Umbrella Coverage Part**

- Commercial Umbrella Declarations
- Supplemental Declarations, if necessary
- Business Umbrella Policy Form
- Commercial Umbrella Endorsements, if necessary

### **Forms and Endorsements Applicable (list)**

## **Disclosure Statement**

It is our pleasure to present the enclosed policy to you  
for presentation to your customer.

### **INSTRUCTION TO AGENT OR BROKER:**

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER  
WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

## Disclosure Statement

### NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichnaproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company  
and its underwriting subsidiaries.

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			RENEWAL EFF 09/08/2013	



**SUPPLEMENTAL DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER	FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
COMMON	COMMON POLICY DECLARATIONS
U-CL-D-100-A CW 0604	Retained Minimum Premium - \$100

INSURED'S COPY

08/04/2013  
U-CL-D-101-A CW (08/04)



BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	



**PRECISION PORTFOLIO POLICY  
POLICY CHANGES**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

POLICY EFFECTIVE		POLICY CHANGES EFFECTIVE	COMPANY
FROM	TO		
09/08/2013	09/08/2014	05/09/2014	ASSURANCE COMPANY OF AMERICA

NAMED INSURED	AUTHORIZED REPRESENTATIVE
ROGERS REAL ESTATE, LLP DBA, CHUBBY CHEEKS, LLC 820 REALTOR AVE TEXARKANA AR 71854	TEXARKANA INSURANCE AGENCY PO BOX 1289 TEXARKANA TX 75504-1289

**COVERAGE PARTS AFFECTED**

COMMON COVERAGE PART

**CHANGES**

CHANGED FIRST NAMED INSURED MAILING NAME TO ROGERS REAL ESTATE, LLP  
DBA, CHUBBY CHEEKS, LLC  
PREMIUM EFFECT OF THIS TRANSACTION: \$ .00

Countersigned by \_\_\_\_\_

Authorized Representative

Date

Copyright, Insurance Services Office, Inc., 1983.  
Copyright, ISO Commercial Risk Services, Inc., 1983.

IL 12 01 08 01

INSURED'S COPY

06/04/2014  
PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			ENDORSEMENT EFF 05/09/2014	



**LIST OF ADDITIONAL FORMS ENCLOSED - NON-POLICY FORMS  
ASSURANCE COMPANY OF AMERICA**

FORM NUMBER		FORM DESCRIPTION
9C0015	01-96	COMMISSION SCHEDULE
9S5040	06-11	ENDORSEMENT COVER PAGE TO AGENTS
760638	02-98	INSURED SEPARATOR PAGE

06/04/2014

INSURED'S COPY

U-CL-103-A CW (06/04)

PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			ENDORSEMENT EFF 05/09/2014	
<p><b>PRECISION PREMIER RETAIL PROGRAM</b></p> <p><b>COMMISSION SCHEDULE</b></p>				
<b>LINE OF BUSINESS</b>		<b>COMMISSION</b>		
Commercial Property Coverage Part		15.0		
Commercial General Liability Coverage Part		15.0		
Commercial Umbrella Coverage Part		15.0		
<p>9C0015 Ed. 1-96</p> <p style="text-align: center;">INSURED'S COPY</p> <p style="text-align: right;">06/04/2014</p>				

## COMMON POLICY CONDITIONS

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. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver 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.

**5. 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.



IL 01 99 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **ARKANSAS CHANGES - TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
FARM LIABILITY COVERAGE FORM  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

The following is added to the **Transfer Of Rights Of  
Recovery Against Others To Us** Condition:

We will be entitled to recovery only after the insured ("insured") has been fully compensated for the loss or damage sustained, including expenses incurred in obtaining full compensation for the loss or damage.

IL 02 31 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ARKANSAS CHANGES - CANCELLATION AND NON RENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

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

**5.a.** If this policy is cancelled, we will send the first Named Insured any premium refund due.

**b.** We will refund the pro rata unearned premium if the policy is:

- (1) Cancelled by us or at our request;
- (2) Cancelled but rewritten with us or in our company group;
- (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
- (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.

**c.** If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.

**d.** The cancellation will be effective even if we have not made or offered a refund.

**e.** If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:

- (1) We will retain no less than \$250 of the premium for the Equipment Breakdown Coverage Part.
- (2) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.
- (3) If the Commercial Auto Coverage Part covers only snowmobiles or golfmobiles, we will retain \$100 or the premium shown in the Declarations, whichever is greater.
- (4) If the Commercial Auto Coverage Part covers an "auto" with a mounted amusement device, we will retain the premium shown in the Declarations for the amusement device and not less than \$100 for the auto to which it is attached.

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

**7. Cancellation Of Policies In Effect More Than 60 Days**

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

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
- (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
- (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
- (6) A material violation of a material provision of the policy.

b. Subject to Paragraph 7.c., if we cancel for:

- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
- (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

c. The following applies to the Farm Umbrella Liability Policy, Commercial Liability Umbrella Coverage Part and the Commercial Automobile Coverage Part:

- (1) If we cancel for nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 10 days before the effective date of cancellation;
- (2) If we cancel for any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 20 days before the effective date of cancellation.

C. Paragraph g. of the **Mortgageholders Condition**, if any, is replaced by the following:

g. If we elect not to renew this policy, we will give written notice to the mortgageholder:

- (1) As soon as practicable if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal; or
- (2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.

D. The following Condition is added and supersedes any other provision to the contrary:

**NONRENEWAL**

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:

- a. Its expiration date; or
- b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

The provisions of this Paragraph 1. do not apply to any mortgageholder.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

IL 01 63 09 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART

- A. When this endorsement is attached to the Standard Property Policy CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The following is added to the Common Policy Conditions:

**MULTI-YEAR POLICIES**

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.

- C 1. Except as provided in C.2. below, the **Appraisal Condition**, if any, is replaced by the following:
- a. If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make a written request for an appraisal of the loss ("loss"). However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss ("loss") appraised. If so agreed, 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 ("loss"). If they fail to agree, they will submit their differences to the umpire.
  - b. An appraisal decision will not be binding on either party.
  - c. If there is an appraisal, we will still retain our right to deny the claim.

- d. Each party will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

- C. 2. The **Appraisal Condition** in Business Income Coverage Form (And Extra Expense) CP 00 30 Business Income Coverage Form (Without Extra Expense) CP 00 32 and Capital Assets Program Coverage Form (Output Policy), OP 00 01, Paragraph A.7. Business Income And Extra Expense is replaced by the following:

- a. If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire.
- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
  - (1) Pay its chosen appraiser; and
  - (2) Bear the other expenses of the appraisal and umpire equally.

- D. 1. This Paragraph, D.2., does not apply to the following:

Farm Liability Coverage Form

Legal Liability Coverage Form

2. The 2-year limitation in the Legal Action Against Us Condition is changed to 5 years.



IL 00 21 09 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL 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  
UNDERGROUND STORAGE TANK POLICY

**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 "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:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "byproduct material".

"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.

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

"Waste" means any waste material (a) containing "byproduct material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) 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".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a selfsupporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					RENEWAL EFF 09/08/2013	



## PRECISION PORTFOLIO POLICY COMMERCIAL PROPERTY DECLARATIONS

### PRECISION PREMIER RETAIL PROGRAM

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

For descriptions of premiums, see the attached buildings and personal property schedule.

Insurance at the described premises applies only for coverage for which a limit of insurance is shown. These may be found in this declarations and the attached schedules.

PRIMARY PROPERTY COVERAGES	DEDUCTIBLE	LIMITS
SCHEDULED BUILDINGS	\$2,500	SEE SCHEDULE
AUTOMATIC BUILDING INCREASE	NONE	2.5% OF LIMITS
SCHEDULED PERSONAL PROPERTY	\$2,500	SEE SCHEDULE
PEAK SEASON PERSONAL PROPERTY INCREASE	NONE	50% OF LIMIT
ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS
ACCOUNTS RECEIVABLE*	NONE	\$25,000
ANTENNAE AND SATELLITES*	\$2,500	\$1,000
BI & EE - DEPENDENT PROPERTIES - 30 DAYS	NONE	ACTUAL LOSS SUSTAINED
BI & EE - NEWLY ACQUIRED PROPERTIES - 180 DAYS	NONE	\$250,000
LOSS OF BUSINESS INCOME (BI) AND EXTRA EXPENSE (EE) - 12 MOS	NONE	ACTUAL LOSS SUSTAINED
DEBRIS REMOVAL - EACH LOCATION	NONE	\$10,000
DEFERRED PAYMENTS	NONE	\$5,000
BDP EQUIPMENT AND MEDIA - BLANKET	\$2,500	\$30,000
EMPLOYEE DISHONESTY*	NONE	\$10,000
FINE ARTS - BLANKET*	\$2,500	\$10,000
FIRE DEPARTMENT SERVICE CHARGE	NONE	\$10,000
FIRE EXTINGUISHING EQUIPMENT RECHARGE	NONE	\$1,000
FORGERY OR ALTERATION*	NONE	\$10,000
FREE-STANDING FENCES & WALLS*	\$2,500	\$2,500

\* The limits for these coverages may be increased. Contact your agent.

COMMERCIAL PROPERTY

9S1016 Ed. 3-00

INSURED'S COPY

08/04/2013

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					RENEWAL EFF 09/08/2013	



**PRECISION PORTFOLIO POLICY  
COMMERCIAL PROPERTY DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

ADDITIONAL COVERAGES - Continued	DEDUCTIBLE	LIMITS
INSTALLATION*	\$1,000	\$2,500
INVENTORY AND APPRAISAL	NONE	\$5,000
LEASEHOLD INTEREST*	NONE	\$10,000
LOCK AND KEY REPLACEMENT	NONE	\$1,000
MONEY & SECURITIES - INSIDE THE PREMISES/OUTSIDE THE PREMISES	NONE	\$20,000/ \$10,000
MONEY ORDERS & COUNTERFEIT CURRENCY - \$1,000 MAX. EACH ITEM	NONE	\$5,000
NEWLY ACQUIRED OR CONSTRUCTED BUILDINGS - 180 DAYS	\$2,500	\$500,000
OFF-PREMISES POWER OR WATER FAILURE*	\$1,000	\$10,000
PATTERNS, DIES & MOLDS*	\$2,500	\$5,000
PERSONAL EFFECTS AND PERSONAL PROPERTY OF EMPLOYEES	\$2,500	\$2,500
PERSONAL PROPERTY AT NEWLY ACQUIRED OR CONST. BLDGS. - 180 DAYS	\$2,500	\$250,000
PERSONAL PROPERTY AT OTHER LOCATIONS (INCLUDING EXHIBITIONS)	\$2,500	\$25,000
PERSONAL PROPERTY IN TRANSIT*	\$1,000	\$2,500
POLLUTION CLEAN-UP AND REMOVAL - EACH LOCATION	\$2,500	\$10,000
SALESPERSONS SAMPLES - \$2,500 MAX. EACH EMPLOYEE	\$1,000	\$10,000
SIGNS*	\$2,500	\$5,000
SPOILAGE*	\$1,000	\$5,000
TOOLS & EQUIPMENT INCLUDING COMMUNICATION DEVICES - BLANKET*	\$2,500	\$5,000
TREES, SHRUBS, PLANTS AND LAWNS - \$1,000 MAX. EACH ITEM	\$2,500	\$10,000
UNAUTHORIZED BUSINESS CARD USE - \$1,000 MAX. PER OCCURRENCE	NONE	\$5,000
VALUABLE PAPERS & RECORDS*	NONE	\$25,000
* The limits for these coverages may be increased. Contact your agent.		

Mortgagees and Loss Payees are listed on the Commercial Property Supplemental Declarations by building.

**COMMERCIAL PROPERTY**

9S1016 Ed. 3-00

INSURED'S COPY

08/04/2013

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC			RENEWAL EFF 09/08/2013			
<p align="center"><b>PRECISION PORTFOLIO POLICY</b>  <b>BUILDINGS AND PERSONAL PROPERTY SCHEDULE</b>  <b>PRECISION PREMIER</b></p>						
LOCATION	01 BUILDING #	01	820 REALTOR AVE	TEXARKANA	AR	
<b>PREMISES PRIMARY</b> <b>OCCUPANCY:</b> LIQUOR, WINE, PACKAGE STORES <b>INSURED'S INTEREST:</b> OWNER <b>CONSTRUCTION:</b> NON-COMBUSTIBLE						
				<b>PROTECTION CLASS: 004</b>		
				<b>DEDUCTIBLE</b>	<b>LIMIT</b>	
SCHEDULED BUILDINGS		REPLACEMENT COST		\$2,500	\$1,272,000	
SCHEDULED PERSONAL PROPERTY		REPLACEMENT COST		\$2,500	\$996,400	
FULL GLASS BREAKAGE				\$2,500	INCLUDED	
BACK-UP OF SEWERS & DRAINS				\$1,000	\$25,000	
EQUIPMENT BREAKDOWN				\$2,500	INCLUDED	
BUILDING ORDINANCE OR LAW COVERAGE 'A'				NONE	INCLUDED	
BUILDING ORDINANCE OR LAW - COVERAGES 'B' AND 'C' (BLANKET)				NONE	\$50,000	
LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA					\$15,000	
<b>PROTECTIVE DEVICES CONDITION APPLIES TO:</b>						
<b>COMMERCIAL PROPERTY</b> <small>981017 Ed. 6-01</small>						

08/04/2013

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL

IRANCH SJ LOUISIANA OFFIC

ENDORSEMENT EFF 02/20/2014



# PRECISION PORTFOLIO POLICY POLICY CHANGES

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY EFFECTIVE		POLICY CHANGES EFFECTIVE	COMPANY
FROM	TO		
09/08/2013	09/08/2014	02/20/2014	ASSURANCE COMPANY OF AMERICA

NAMED INSURED	AUTHORIZED REPRESENTATIVE
CHUBBY CHEEKS, LLC 820 REALTOR AVE TEXARKANA AR 71854	TEXARKANA INSURANCE AGENCY PO BOX 1289 TEXARKANA TX 75504-1289

## COVERAGE PARTS AFFECTED

COMMERCIAL PROPERTY COVERAGE PART

## CHANGES

CHANGED BUILDING DEDUCTIBLE TO \$1,000  
CHANGED PERSONAL PROPERTY DEDUCTIBLE TO \$1,000  
ADDED PROPERTY LOC 1 BLDG 1 EXTENDED GLASS COVERAGE

PREMIUM EFFECT OF THIS TRANSACTION: \$ 353.00

Countersigned by \_\_\_\_\_

Authorized Representative

Date

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Copyright, ISO Commercial Risk Services, Inc., 1983.

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02/20/2014  
PAGE 1 OF 1

Exhibit 1



BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 02/20/2014	



## PRECISION PORTFOLIO POLICY COMMERCIAL PROPERTY DECLARATIONS

### PRECISION PREMIER RETAIL PROGRAM

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

For descriptions of premiums, see the attached buildings and personal property schedule.

Insurance at the described premises applies only for coverage for which a limit of insurance is shown. These may be found in this declarations and the attached schedules.

PRIMARY PROPERTY COVERAGES	DEDUCTIBLE	LIMITS
SCHEDULED BUILDINGS	\$1,000	SEE SCHEDULE
AUTOMATIC BUILDING INCREASE	NONE	2.5% OF LIMITS
SCHEDULED PERSONAL PROPERTY	\$1,000	SEE SCHEDULE
PEAK SEASON PERSONAL PROPERTY INCREASE	NONE	50% OF LIMIT
ADDITIONAL COVERAGES	DEDUCTIBLE	LIMITS
ACCOUNTS RECEIVABLE*	NONE	\$25,000
ANTENNAE AND SATELLITES*	\$1,000	\$1,000
BI & EE - DEPENDENT PROPERTIES - 30 DAYS	NONE	ACTUAL LOSS SUSTAINED
BI & EE - NEWLY ACQUIRED PROPERTIES - 180 DAYS	NONE	\$250,000
LOSS OF BUSINESS INCOME (BI) AND EXTRA EXPENSE (EE) - 12 MOS	NONE	ACTUAL LOSS SUSTAINED
DEBRIS REMOVAL - EACH LOCATION	NONE	\$10,000
DEFERRED PAYMENTS	NONE	\$5,000
EDP EQUIPMENT AND MEDIA - BLANKET	\$1,000	\$30,000
EMPLOYEE DISHONESTY*	NONE	\$10,000
FINE ARTS - BLANKET*	\$1,000	\$10,000
FIRE DEPARTMENT SERVICE CHARGE	NONE	\$10,000
FIRE EXTINGUISHING EQUIPMENT RECHARGE	NONE	\$1,000
FORGERY OR ALTERATION*	NONE	\$10,000
FREE-STANDING FENCES & WALLS*	\$1,000	\$2,500

\* The limits for these coverages may be increased. Contact your agent.

COMMERCIAL PROPERTY

9S1016 Ed. 3-00

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02/20/2014

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 02/20/2014	



**PRECISION PORTFOLIO POLICY  
COMMERCIAL PROPERTY DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

ADDITIONAL COVERAGES - Continued	DEDUCTIBLE	LIMITS
INSTALLATION*	\$1,000	\$2,500
INVENTORY AND APPRAISAL	NONE	\$5,000
LEASEHOLD INTEREST*	NONE	\$10,000
LOCK AND KEY REPLACEMENT	NONE	\$1,000
MONEY & SECURITIES - INSIDE THE PREMISES/OUTSIDE THE PREMISES	NONE	\$20,000/ \$10,000
MONEY ORDERS & COUNTERFEIT CURRENCY - \$1,000 MAX. EACH ITEM	NONE	\$5,000
NEWLY ACQUIRED OR CONSTRUCTED BUILDINGS - 180 DAYS	\$1,000	\$500,000
OFF-PREMISES POWER OR WATER FAILURE*	\$1,000	\$10,000
PATTERNS, DIES & MOLDS*	\$1,000	\$5,000
PERSONAL EFFECTS AND PERSONAL PROPERTY OF EMPLOYEES	\$1,000	\$2,500
PERSONAL PROPERTY AT NEWLY ACQUIRED OR CONST. BLDGS. - 180 DAYS	\$1,000	\$250,000
PERSONAL PROPERTY AT OTHER LOCATIONS (INCLUDING EXHIBITIONS)	\$1,000	\$25,000
PERSONAL PROPERTY IN TRANSIT*	\$1,000	\$2,500
POLLUTION CLEAN-UP AND REMOVAL - EACH LOCATION	\$1,000	\$10,000
SALESPERSONS SAMPLES - \$2,500 MAX. EACH EMPLOYEE	\$1,000	\$10,000
SIGNS*	\$1,000	\$5,000
SPOILAGE*	\$1,000	\$5,000
TOOLS & EQUIPMENT INCLUDING COMMUNICATION DEVICES - BLANKET*	\$1,000	\$5,000
TREES, SHRUBS, PLANTS AND LAWNS - \$1,000 MAX. EACH ITEM	\$1,000	\$10,000
UNAUTHORIZED BUSINESS CARD USE - \$1,000 MAX. PER OCCURRENCE	NONE	\$5,000
VALUABLE PAPERS & RECORDS*	NONE	\$25,000
* The limits for these coverages may be increased. Contact your agent.		

Mortgagees and Loss Payees are listed on the Commercial Property Supplemental Declarations by building.

**COMMERCIAL PROPERTY**

991016 Ed. 3-00

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02/20/2014



BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC			ENDORSEMENT EFF 02/20/2014			
<b>PRECISION PORTFOLIO POLICY</b> <b>BUILDINGS AND PERSONAL PROPERTY SCHEDULE</b> <b>PRECISION PREMIER</b>						
LOCATION	01 BUILDING #	01	820 REALTOR AVE		TEXARKANA	AR
PREMISES PRIMARY						
OCCUPANCY: LIQUOR, WINE, PACKAGE STORES						
INSURED'S INTEREST: OWNER						
CONSTRUCTION: NON-COMBUSTIBLE					PROTECTION CLASS: 004	
			DEDUCTIBLE		LIMIT	
SCHEDULED BUILDINGS			REPLACEMENT COST		\$1,000 \$1,272,000	
SCHEDULED PERSONAL PROPERTY			REPLACEMENT COST		\$1,000 \$996,400	
FULL GLASS BREAKAGE - EXTENDED			\$0		INCLUDED	
BACK-UP OF SEWERS & DRAINS			\$1,000		\$25,000	
EQUIPMENT BREAKDOWN			\$1,000		INCLUDED	
BUILDING ORDINANCE OR LAW COVERAGE 'A'			NONE		INCLUDED	
BUILDING ORDINANCE OR LAW - COVERAGES 'B' AND 'C' (BLANKET)			NONE		\$50,000	
LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA					\$15,000	
PROTECTIVE DEVICES CONDITION APPLIES TO:						
COMMERCIAL PROPERTY						
98 1017 Ed. 6-01						02/20/2014

COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**GLASS - DEDUCTIBLE BUYBACK**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

The following provision applies with respect to Covered Property at any building listed in the Building and Personal Property Schedule to which GLASS – EXTENDED COVERAGE applies:

The following is added to the **DEDUCTIBLE** Section:

We will not apply any Deductible to the amount of loss of or damage to glass that is part of a building or structure.

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH LOUISIANA OFFIC					ENDORSEMENT EFF 02/20/2014	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION PREMIER  
ASSURANCE COMPANY OF AMERICA**

	FORM NUMBER		PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
*	9S1016	0300	X				PROPERTY DECLARATION
*	9S1017	0601	X				BUILDING AND PERSONAL PROPERTY SCHEDULE
*	9S1028	0899	X				GLASS - DEDUCTIBLE BUYBACK

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

COMMON  
9S5009 Ed. 3-00

02/20/2014

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			ENDORSEMENT EFF 02/20/2014	



**LIST OF ADDITIONAL FORMS ENCLOSED - NON-POLICY FORMS  
ASSURANCE COMPANY OF AMERICA**

FORM NUMBER		FORM DESCRIPTION
9C0015	01-96	COMMISSION SCHEDULE
9S5040	06-11	ENDORSEMENT COVER PAGE TO AGENTS
760638	02-98	INSURED SEPARATOR PAGE

02/20/2014

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U-CL-103-A CW (06/04)

PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD								
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL								
BRANCH SJ LOUISIANA OFFICE		ENDORSEMENT EFF 02/20/2014										
<p style="text-align: center;"><b>PRECISION PREMIER RETAIL PROGRAM COMMISSION SCHEDULE</b></p> <table><thead><tr><th>LINE OF BUSINESS</th><th>COMMISSION</th></tr></thead><tbody><tr><td>Commercial Property Coverage Part</td><td>15.0</td></tr><tr><td>Commercial General Liability Coverage Part</td><td>15.0</td></tr><tr><td>Commercial Umbrella Coverage Part</td><td>15.0</td></tr></tbody></table>					LINE OF BUSINESS	COMMISSION	Commercial Property Coverage Part	15.0	Commercial General Liability Coverage Part	15.0	Commercial Umbrella Coverage Part	15.0
LINE OF BUSINESS	COMMISSION											
Commercial Property Coverage Part	15.0											
Commercial General Liability Coverage Part	15.0											
Commercial Umbrella Coverage Part	15.0											
9C0015 Ed. 1-96		INSURED'S COPY		02/20/2014								

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	



## PRECISION PORTFOLIO POLICY POLICY CHANGES

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

POLICY EFFECTIVE		POLICY CHANGES EFFECTIVE	COMPANY
FROM	TO		
09/08/2013	09/08/2014	05/09/2014	ASSURANCE COMPANY OF AMERICA

NAMED INSURED	AUTHORIZED REPRESENTATIVE
CHUBBY CHEEKS, LLC 820 REALTOR AVE TEXARKANA AR 71854	TEXARKANA INSURANCE AGENCY PO BOX 1289 TEXARKANA TX 75504-1289

### COVERAGE PARTS AFFECTED

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

### CHANGES

DELETED LOC 1 CO-OWNER OF INSURED PREMISES ROGER REAL ESTATE , LLP 820  
REALTOR AVE TEXARKANA AR 71854  
DELETED LOC 1 MORTGAGEE, ASSIGNEE, RECEIVER COMMERCIAL NATIONAL BANK P.O.  
BOX 1998 TEXARKANA AR 75504  
ADDED PROPERTY LOC 1 BLDG 1 MORTGAGEE COMMERCIAL NATIONAL BANK P.O. BOX  
1998 TEXARKANA AR 75504  
PREMIUM EFFECT OF THIS TRANSACTION: \$ .00

Countersigned by \_\_\_\_\_

Authorized Representative

Date

Copyright, Insurance Services Office, Inc., 1983.  
Copyright, ISO Commercial Risk Services, Inc., 1983.

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05/12/2014  
PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	



**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

**COVERAGES AND LIMITS OF INSURANCE**

Some of these coverages are sublimits or are subject to aggregate limits. Refer to your policy to determine how they apply.

GENERAL AGGREGATE	\$2,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE	\$2,000,000
EACH OCCURRENCE	\$1,000,000
TENANTS LEGAL LIABILITY	\$1,000,000
MEDICAL EXPENSES - EACH PERSON	\$ 10,000
PERSONAL INJURY AND ADVERTISING INJURY	\$1,000,000
HIRED AND NON-OWNED AUTOMOBILE LIABILITY	\$1,000,000
LIQUOR LIABILITY - AGGREGATE	\$1,000,000
LIQUOR LIABILITY - EACH COMMON CAUSE	\$1,000,000

**COMMERCIAL GENERAL LIABILITY**

6S2008 Ed. 3-00

05/12/2014

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	



**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY DECLARATIONS  
(CONTINUED)  
PRECISION PREMIER  
RETAIL PROGRAM**

**EXCLUSIONS AND LIMITATIONS**

ABSOLUTE ASBESTOS EXCLUSION  
VIOLATION OF COMMUNICATION OR INFORMATION LAW EXCLUSION - LIABILITY  
FUNGUS EXCLUSION

**COMMERCIAL GENERAL LIABILITY**

9S2008 Ed. 3-00

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BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	

**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY SCHEDULE  
PRECISION PREMIER**

LOC #	CLASS CODE	LOCATION ADDRESS (IF APPLICABLE) CLASSIFICATION NAME	RATING BASIS	ANNUAL EXPOSURE
01	59212	820 REALTOR AVE TEXARKANA AR ZIP CODE: 71854-1019  LIQUOR, WINE, PACKAGE STORES	RECEIPTS	\$3,392,000

COMMERCIAL GENERAL LIABILITY

9S2009 Ed. 3-00

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05/12/2014

PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH LOUISIANA OFFIC					ENDORSEMENT EFF 05/09/2014	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION PREMIER  
ASSURANCE COMPANY OF AMERICA**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
* 9S2008 0300		X			COMMERCIAL GENERAL LIABILITY DECLARATIONS
* 9S2009 0300		X			COMMERCIAL GENERAL LIABILITY SCHEDULE

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

**COMMON**  
9S5009 Ed. 3-00

05/12/2014

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			ENDORSEMENT EFF 05/09/2014	



**LIST OF ADDITIONAL FORMS ENCLOSED - NON-POLICY FORMS**  
**ASSURANCE COMPANY OF AMERICA**

FORM NUMBER		FORM DESCRIPTION
9C0015	01-96	COMMISSION SCHEDULE
9S5040	06-11	ENDORSEMENT COVER PAGE TO AGENTS
760638	02-98	INSURED SEPARATOR PAGE

05/12/2014

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U-CL-103-A CW (06/04)

PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			ENDORSEMENT EFF 05/09/2014	

**PRECISION PREMIER  
RETAIL PROGRAM**

**COMMISSION SCHEDULE**

LINE OF BUSINESS	COMMISSION
Commercial Property Coverage Part	15.0
Commercial General Liability Coverage Part	15.0
Commercial Umbrella Coverage Part	15.0

9C0015 Ed. 1-96

INSURED'S COPY

05/12/2014

## COMMERCIAL PROPERTY

**BUILDING AND PERSONAL PROPERTY 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 in quotation marks have special meaning. Refer to the DEFINITIONS section of this form.

Coverage provided by this form is also subject to all the Conditions in the COMMON POLICY CONDITIONS form.

**QUICK REFERENCE**

<b>SECTION OF THIS FORM</b>	<b>BEGINS ON PAGE</b>
Coverage .....	1
Covered Property .....	1
Covered Causes of Loss .....	7
Additional Coverages .....	13
Limits of Insurance .....	18
Deductible .....	18
Commercial Property Conditions .....	18
Loss Conditions .....	18
General Conditions .....	22
Definitions .....	24

**COVERAGE**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

**I. COVERED PROPERTY**

The following items are Covered Property in this policy if shown in the Declarations along with a Limit of Insurance.

- A. **Building**, meaning buildings and structures scheduled in the Declarations at a "described premises".
- B. The following property if within 1000 feet of the "described premises":
  1. Completed additions;
  2. Permanently installed fixtures, machinery and equipment;

3. Indoor and outdoor equipment and other personal property used to maintain or service the "described premises";

4. Unless covered by other insurance:

- (a) Incomplete additions and their component parts; and
- (b) Materials, equipment, supplies and temporary structures to be used in completing those additions.

- C. However, Covered Property does not include:

1. Land, water, growing crops, bridges, unattached retaining walls, patios or paved surfaces;

2. Foundations of buildings, supports, structures, machinery or boilers if the foundations are below:
  - (a) The lowest basement floor; or
  - (b) The surface of the ground, if there is no basement.
3. Property that is more specifically insured in this or another insurance policy.

**D. Newly Acquired or Constructed Buildings.**

If you acquire or commence construction on non-scheduled buildings after the inception date of this policy, such building(s) are Covered Property. However, this Coverage ends for each such building upon the earlier of:

1. The expiration of this policy;
2. The day you report the new property to us; or
3. The 180th day after you acquire the building(s) or commence construction on the building(s).

We will charge additional premium for new values reported from the date you acquire the property or the date construction begins.

**E. Personal Property.**

1. Personal Property located in, on or within 1000 feet of the "described premises" including:
  - a. Business personal property owned by you and used in your business;
  - b. Personal property of others in your care, custody or control, including the cost of labor, materials or services furnished or arranged by you on that property;
  - c. Leased personal property which you have a contractual responsibility to insure; and
  - d. "Improvements and betterments".
2. However, Covered Property does not include:
  - a. Land, water or growing crops;
  - b. Bullion, money or securities;

- c. Contraband, or property in the course of illegal transportation or trade;
- d. Shipments imported into the United States prior to discharge from an aircraft or ocean vessel;
- e. Shipments exported from the United States after being loaded on an aircraft or ocean vessel;
- f. Animals, except:
  - (1) Animals owned by others and boarded by you; or
  - (2) Animals owned by you and held for sale;
- g. Personal property of employees or personal effects of others;
- h. Aircraft;
- i. Self-propelled watercraft while afloat;
- j. (1) Vehicles or self-propelled machines that are:
  - (a) Licensed for use on public roads; or
  - (b) Operated principally away from the "described premises".
- (2) But we will cover vehicles or self-propelled machines you:
  - (a) Manufacture, process or warehouse; or
  - (b) Hold for sale, except for automobiles; or
- k. Property that is covered under 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.

**F. Personal Property at Newly Acquired or Constructed Buildings.** Personal Property Coverage extends to Personal Property at newly acquired or constructed buildings. But this Coverage ends for each newly acquired or constructed building upon the earlier of:

1. The expiration of this policy;

2. The day you report the new property to us; or
3. The 180th day after you acquire the property or begin the construction.

We will charge additional premium for new values reported from the date you acquire the property or the date construction begins.

**G. Personal Property at Other Locations,** meaning your Personal Property that is at any premises more than 1000 feet from the "described premises".

1. This Coverage includes property at:
  - a. A location you own or occupy that is not a "described premises"; or
  - b. The premises of a fair or exhibition.
2. This Coverage does not include property:
  - a. In the course of transportation; or
  - b. That is more specifically insured while off-premises in this or another insurance policy.

**H. Patterns, Dies and Molds,** located anywhere in the Coverage Territory, including at exhibitions.

1. Patterns are forms or models for imitation, or models for making molds for forming or casting molten metals.
2. Dies are devices that impart desired shapes or finishes to materials. They may be devices that stamp or cut objects. They may also be devices through which metal, plastics or other materials are extruded.
3. Molds are frames around which objects are constructed, or containers in which objects are shaped.

**I. Personal Effects and Personal Property of Employees,** in your care, custody or control while in, on or within 1000 feet of the "described premises". This insurance is excess over any other valid and collectible insurance available to the owner of the property.

**J. Salespersons Samples,** while more than 1000 feet from the "described premises", including in transit. This Coverage applies to samples of goods or

products you own while in the custody of a salesperson or any employee who travels with sales samples.

Salespersons Samples does not include:

1. Property that has been sold;
2. Property shipped by mail; or
3. Drugs, jewelry, costume jewelry, furs, fur garments or garments trimmed with fur.

The most we will pay for loss of or damage to property in the custody of any one salesperson or employee in any one occurrence is \$2500.

The following exclusions in **EXCLUSIONS** (Section II.A.) do not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 2.c.(4) Settling, cracking, shrinking, expansion.
- (3) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste products by insects, birds, rodents or other animals.

**K. Free Standing Fences and Walls,** at the "described premises" and not attached to buildings or other structures. This Coverage does not include retaining walls that are used to contain water.

**L. Antennae and Satellite Dishes,** meaning radio or television satellite dishes and antennae, including their lead-in wiring, masts and towers within 1000 feet of a "described premises."

**M. Signs,** wherever located in the Coverage Territory. This Coverage applies to signs:

1. Owned or rented by you; or
2. Owned by others but in which you have a financial interest.

**N. Outdoor Trees, Shrubs, Plants and Lawns,** at the "described premises", other than "stock". This Coverage includes debris removal expense. However, we will only pay for loss or damage caused by the following Causes of Loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion; or

5. Aircraft.

The most we will pay for loss or damage to any one tree, shrub or plant is \$1000.

**O. Personal Property In Transit**, meaning personal Property you own and are picking up from others, or are delivering to others.

1. This Coverage applies only to property while it is in transit more than 1000 feet from the "described premises" and:
  - a. In or on a vehicle owned, leased or operated by you; or
  - b. In the custody of a common carrier, contract carrier or registered mail carrier while in transit between points in the Coverage Territory. When title to a shipment passes to the consignee, if the consignee refuses to pay because the shipment is lost or damaged, you may elect to claim that loss under this insurance.
2. However, this coverage does not apply to:
  - a. Cargo that belongs to others that you are transporting for a fee, other than incidental delivery charges;
  - b. Cargo on your vehicle if that cargo has been stationary with no intent to move it within the next 72 hours;
  - c. Cargo while it is waterborne, unless it is on a barge on inland waterways within the continental United States;
  - d. Freight charges;
  - e. Live animals; or
  - f. Salespersons samples.

The following exclusions in **EXCLUSIONS** (Section II.A.) do not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 1.g. Water.
- (3) Exclusion 2.c.(4) Settling, cracking, shrinking, expansion.
- (4) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste

products by insects, birds, rodents or other animals.

**P. Installation Property.**

1. This Coverage applies to Personal Property being installed by you in work you are performing while at a job site or temporarily warehoused elsewhere anywhere in the Coverage Territory:
  - a. Awaiting and during installation or testing; and
  - b. Awaiting acceptance by the buyer.

If your Installation coverage limit is sufficient, coverage also extends to temporary structures at the job site as well as site preparation costs.

As used in this coverage, the term job site means a premises where you are installing, repairing or erecting property. However, It does not include the construction site of a dam, tunnel, flood control project, bridge, overpass, pier, wharf or dock.

2. This coverage does not apply to personal property that is not a part of or intended to become a part of the installation.
3. This coverage ends at any job site at the earliest of the following:
  - a. Your interest in the property ceases;
  - b. The buyer accepts the property; or
  - c. This policy terminates.

**Q. Tools and Equipment, Including Communication Devices.**

1. This Coverage applies to the following property located anywhere in the Coverage Territory:
  - a. Your tools and tools belonging to your employees, including spare parts and accessories;
  - b. Contractors equipment you own or for which you may be legally liable; and
  - c. Mobile communications equipment not permanently installed in a vehicle.
2. This Coverage does not include:
  - a. Automobiles, motor trucks, tractors, trailers or other vehicles



- designed and principally used for highway transportation;
- b. Aircraft or watercraft, or property while airborne or waterborne;
- c. Property located underground; or
- d. Contraband or property in the course of illegal transportation or trade.

The most we will pay for loss of or damage to any item under this Coverage is \$2500, unless the item is scheduled along with a higher limit in the Declarations of this policy.

The following exclusion in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

**Exclusion 1.b. Earth Movement.**

**Extension - Newly Acquired Equipment.** If you acquire new contractors equipment during the Policy Period of a type already covered in this policy by this Coverage, we will automatically cover that property up to 180 days, but not beyond the end of the policy period. The most we will pay in any one occurrence under this extension is \$250,000. You must notify us within 180 days of the acquisition of the property. We will charge additional premium from the date of acquisition.

**Insurance to Value.** All owned property included in this Coverage must be insured for at least 80% of its value at the time of loss or damage. If it is not, you will incur a penalty. The penalty is that we will only pay the proportion of the loss or damage that the Limit of Insurance for this Coverage bears to 80% of the value of the owned property at the time of loss or damage.

- R. Accounts Receivable,** meaning the money due you that you are unable to collect from your customers as a result of loss of or damage to your records of accounts receivable.

1. This coverage applies to:
  - a. Evidences of debt in connection with credit or charge cards;
  - b. Interest charges on any loan that you secure to offset amounts you are unable to collect pending our payment of these amounts;

- c. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
  - d. Other reasonable expenses you incur to re-establish your records of accounts receivable.
2. This coverage does not apply to:
  - a. Contraband or property in the course of illegal transportation or trade; or
  - b. Electronic data processing media or software.
3. Accounts Receivable loss payment will be determined as follows:
  - a. When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the amount will be computed as follows:
    - (1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and
    - (2) Adjust that total for any normal fluctuation in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - b. We will deduct from the total amount of accounts receivable, however that amount is established:
    - (1) The amount of the accounts for which there is no loss or damage;
    - (2) The amount of the accounts that you are able to re-establish or collect;
    - (3) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (4) All unearned interest and service charges.

- c. If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

The following exclusions in **EXCLUSIONS** (Section II.A.) do not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 2.c.(4) Settling, cracking, shrinking, expansion.
- (3) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste products by insects, birds, rodents or other animals.

- S. **Fine Arts**, meaning property that is rare or has historic or artistic value, such as paintings, etchings, drawings, rare books, rugs, tapestries, art glass, stained glass, murals, decoratively painted walls and other bona fide works of art or rarity that you own or are in your care, custody or control. This coverage applies to property located anywhere in the Coverage Territory except:

- 1. On exhibition at fairgrounds; or
- 2. On the premises of any national or international exposition.

The most we will pay for loss of or damage to any item under this Coverage is \$2500, unless the item is scheduled along with a higher limit in the Declarations of this policy. Scheduled items will be valued at the amount shown in the Declarations. All other items will be valued at actual cash value.

**Extension - Newly Acquired Property.** If you acquire new Fine Arts during the Policy Period, we will automatically cover that property up to 180 days, but not beyond the end of the Policy Period. The most we will pay in any one occurrence under this extension is the lesser of 25% of the total limits for Fine Arts in this policy or \$10,000. You must notify us within 180 days of the acquisition of the property. We will charge additional premium from the date of acquisition.

The following exclusions in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 1.g. Water.
- (3) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste products by insects, birds, rodents or other animals.

- T. **Electronic Data Processing Equipment and Media**, meaning data processing, and word processing and telephone systems and software you own or are in your care, custody or control.

- 1. This Coverage includes:

- a. Equipment, component parts and related peripheral equipment such as cables, modems, telephone handsets and fax machines;
- b. Media such as punch cards, tapes, discs, drums, or other magnetic recording or storage devices including the information stored on the media; and
- c. Software programs and documentation used to operate the systems.

- 2. This Coverage does not include property

- a. You hold for sale, distribute or manufacture; or
- b. That cannot be duplicated or replaced with similar property of equal quality, unless it is scheduled in the Declarations.

The most we will pay for loss of or damage to any data processing item under this Coverage is \$5000, except for any item specifically scheduled with a higher limit in the Declarations of this policy.

With respect to the above coverage, the term data processing item means an individual hardware component or peripheral (including related cards and cables), software program or media used with a specific software program.

The following exclusions in **EXCLUSIONS** (Section II.A.) do not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 2.c.(4) Settling, cracking, shrinking, expansion.
- (3) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste

products by insects, birds, rodents or other animals.

- (4) Exclusion 2.c.(6)(b) Changes or extremes of temperature.

U. **Valuable Papers and Records**, meaning inscribed, printed or written documents, manuscripts or records including abstracts, books, deeds, drawings, films, negatives, transparencies, tapes, maps, mortgages or credit card records. We will pay the cost incurred to research, replace or restore the information on lost or damaged Valuable Papers and Records.

This Coverage does not include:

1. Electronic data processing media or software;
2. Money or securities;
3. Valuable papers and records that cannot be replaced with others of like kind and quality;
4. Property held as samples or for delivery after sale;
5. Property in storage away from the "described premises"; or
6. Contraband, or property in the course of illegal transportation or trade.

The following exclusions in **EXCLUSIONS** (Section II.A.) do not apply to this coverage:

- (1) Exclusion 1.b. Earth Movement.
- (2) Exclusion 2.c.(4) Settling, cracking, shrinking, expansion.
- (3) Exclusion 2.c.(5) Nesting or infestation, or discharge or release of waste products by insects, birds, rodents or other animals.

## II. COVERED CAUSES OF LOSS

**RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE** unless the loss or damage is excluded or limited as described below:

### A. 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 -

- (1) The enforcement of any ordinance or law:

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

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

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

#### b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (2) 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.

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

- 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 Service Failure** - The failure of power or other utility service supplied to the "described premises", however caused, if the failure occurs away from the "described premises." But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

f. **War and Military Action**

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

g. **Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water 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

(4) Water that backs up or overflows from a sewer, drain or sump but only if Back-Up of Sewers and Drains is shown as "Excluded" in the Declarations.

But if water, as described in A1.g.(1) through (4) results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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

a. Delay, loss of use or loss of market.

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

c. (1) Wear and tear.

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

(3) Smog.

(4) Settling, cracking, shrinking, expansion.

(5) Nesting or infestation, or discharge or release of waste products by insects, birds, rodents or other animals.

(6) 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 2.c.(1) through (6) results in building glass breakage or a "specified cause of loss," we will pay for the building glass breakage or the loss or damage

caused by that "specified cause of loss."

- d. Explosion or mechanical breakdown of steam boilers, steam pipes, steam engines, steam turbines, or their accessories or components, owned or leased by you or operated under your control. But we will pay for:

- (1) Any loss or damage caused by fire or combustion explosion that results from explosion of steam boilers, steam pipes, steam engines or steam turbines; or
- (2) Any loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- e. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.

- f. 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.

- g. (1) Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

- (2) This exclusion does not apply to:

- (a) Acts of destruction by your employees, except that theft by employees is not covered; or

- (b) Acts committed by carriers for hire or anyone claiming to be a carrier for hire.

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

- i. Collapse. But

- (1) 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.

- (2) We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

- (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;

- (b) Hidden decay;

- (c) Hidden insect or vermin damage;

- (d) Weight of people or personal property;

- (e) Weight of rain that collects on a roof;

- (f) Use of defective material or methods if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in (2)(a) through (e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation



contributes to the collapse.

- (3) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

- (a) The personal property which collapses is inside a building insured under this policy; and
- (b) The collapse was caused by a cause of loss listed in (2)(a) through (2)(f) above.

- (4) With respect to the following property:

- (a) Satellite dishes and outdoor radio or television antennae, including their lead-in wiring, masts or towers;
- (b) Awnings;
- (c) Gutters and downspouts;
- (d) Yard fixtures;
- (e) Outdoor swimming pools;
- (f) Fences;
- (g) Piers, wharves and docks;
- (h) Beach or diving platforms or appurtenances;
- (i) Retaining walls;
- (j) Walks, roadways and other paved surfaces.

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

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

- j. 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."

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

- a. Weather conditions. 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, or organization representing a governmental or regulatory or controlling body.
- c. Faulty, inadequate or defective:
  - (1) Planning, zoning, development, surveying, siting;
  - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - (3) Materials used in repair, construction, renovation or remodeling; or
  - (4) Maintenance of part or all of any property on or away from the "described premises".

4. **Special Exclusions.** The following exclusions apply only to the Covered Property or Additional Coverage specified:

- a. **Tools and Equipment, Including Communications Devices** - We will not pay for any loss or damage caused by or resulting from:

- (1) The weight of a load or lift exceeding the manufacturer-rated lifting capacity of the equipment under operating conditions at the time of loss or damage; or
  - (2) Collapse or collision of booms or jibs unless directly caused by one of the "specified causes of loss".
- b. **Accounts Receivable** - We will not pay for any loss or damage caused by or resulting from:
  - (1) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding.
  - (2) Bookkeeping, accounting or billing errors or omissions, or for any loss that requires an audit of records or an inventory computation to prove its factual existence.
- c. **Fine Arts** - We will not pay for loss or damage caused by or resulting from:
  - (1) Breakage of statuary, glassware, bric-a-brac, marbles, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft, attempted theft or by accident to the vehicle carrying the property.
  - (2) Any repairing, restoration or retouching of the Fine Arts.
- d. **Valuable Papers and Records** - We will not pay for any loss or damage caused by or resulting from errors or omissions in processing or copying the papers and records. But we will pay for loss or damage caused by a resulting fire or explosion.
- e. **Business Income and Extra Expense** - 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 re-produce "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 antennae, or satellite dishes, including 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" due to interference at the location of the rebuilding, repair or replacement by strikers or other persons;
    - (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"; or
  - (4) Any "extra expense" caused by or resulting from suspension, lapse or cancellation of any license, leases or contract beyond the "period of restoration".
  - (5) Any increase of loss of Net Income caused by or resulting from improvement(s) in business conditions subsequent to the time of loss.
  - (6) Any other consequential loss.
- f. **Leasehold Interest** - We will not pay for any loss caused by:

- (1) Your canceling the lease;
- (2) The suspension, lapse or cancellation of any license; or
- (3) Any other consequential loss.

#### B. LIMITATIONS

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

- 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 and 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 (unless held for sale by you) if the loss is caused by or results from theft. This Limitation does not apply to Installation.
- e. Property that is missing, where the only evidence of the loss is a shortage disclosed on taking inventory, or other instances where there is no physical evi-

dence to show what happened to the property.

- f. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
- g. Property that has been transferred to a person or to a place outside the "described premises" on the basis of unauthorized instructions.

##### 2. We will not pay more for loss of or damage to glass that is part of a building or structure than \$500 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$1000 for all loss of or damage to building glass that occurs at one time.

This Limitation does not apply:

- a. To loss or damage by the "specified causes of loss," except vandalism; or
- b. If Full Glass Breakage is shown as "Included" for the "described premises" in the Declarations.

Full Glass Breakage does not apply to stained glass or art glass.

##### 3. 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 glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
  - (1) Glass that is part of a building or structure;
  - (2) Containers of property held for sale; or
  - (3) Photographic or scientific instrument lenses.

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

- a. \$2500 for furs, fur garments and garments trimmed with fur.



- b. \$2500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious 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. \$250 for stamps, letters of credit and tickets, including lottery tickets held for sale.
- 5. 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.
- 6. We will not pay the cost of excavations.

### III. ADDITIONAL COVERAGES

The following Additional Coverages apply only if they are indicated in the Declarations:

- A. Business Income and Extra Expense -**  
We will pay for the actual loss of "business income" you sustain due to the necessary suspension of "operations" during the "period of restoration," but not to exceed 12 consecutive months. The suspension must be caused by direct physical loss of or damage to property at the "described premises," including personal property in the open, or in a vehicle, within 1000 feet, caused by or resulting from a Covered Cause of Loss.

We will also pay necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss.

This Additional Coverage is not subject to the Limits of Insurance, except for the Newly Acquired Properties Extension.

#### Extensions:

1. **Business Income From Dependent Properties -** We will also pay for the actual loss of "business income" you sustain due to the necessary suspension of "operations" caused by direct physical loss of or damage by a Covered Cause of Loss to "dependent property" at a premises you do not own, lease or operate.

- a. We will only pay for loss of "business income" that occurs within the lesser of:

(1) The "period of restoration" at the "dependent property" where the direct loss or damage occurs; or

(2) 30 days.

- b. We will reduce the amount of your "business income" loss, other than "extra expense", to the extent you can resume "operations", in whole or in part, by using any other available:

(1) Source of materials; or

(2) Outlet for your products.

2. **Newly Acquired Properties -** We will pay for the actual loss of "business income" and "extra expense" you sustain due to the necessary suspension of "operations" during the "period of restoration" caused by direct physical loss or damage by a Covered Cause of Loss to your property at newly acquired buildings, including personal property in the open, or in a vehicle, within 1000 feet. But this Coverage ends for each newly acquired location upon the earlier of:

- a. The expiration of this policy;
- b. The day you report the new property to us; or
- c. The 180th day after you acquire the property or begin the construction.

We will pay up to the Limit for this Extension shown in the Declarations.

3. **Extended Period of Indemnity -** We will pay for the actual loss of "business income" you sustain due to the impairment of "operations" during the period that:

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

b. Ends on the earlier of:

(1) The date you could restore "operations" with reasonable speed to the condition that would have existed if no direct physical loss or damage occurred; or

(2) 30 consecutive days after the date determined in a. above.

This period is in addition to, and not a part of, the 12-month limitation applicable to this Additional Coverage.

The loss of "business income" must be caused by direct physical loss or damage at the "described premises" caused by or resulting from a Covered Cause of Loss.

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

This coverage will begin after the action by civil authority for a period of up to three consecutive weeks after coverage begins.

B. **Deferred Payments.** We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.

When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

1. If the realized value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but

2. If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.

When a partial loss occurs and the buyer continues to pay you, there will be no loss payment.

#### C. **Off-Premises Power or Water Failure** -

1. We will pay for:

a. Direct physical loss or damage to Covered Property caused by an interruption of electrical power or water supply services to the "described premises". The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the "described premises":

(1) Water mains, pipes, aqueducts and other similar means of transporting water or steam;

(2) Generating plants;

(3) Switching stations, substations or pumping stations;

(4) Transformers; and

(5) Transmission lines, except for overhead transmission lines.

b. The actual loss of "business income" and necessary "extra expense" you sustain as a result of a power or water supply services failure described in paragraph a. above. But this paragraph b. does not apply unless Business Income and Extra Expense is covered in this Coverage Part.

2. This Additional Coverage does not apply to loss or damage:

a. To perishable "stock"; or

b. You incur during the first 12 consecutive hours after the direct loss or damage to utility supply equipment.

The following exclusion in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

Exclusion 1.a. Utility Service Failure.

**D. Building Ordinance or Law** - If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a covered building, and if enforcement of that ordinance or law affects the repair or rebuilding of that building following damage by a Covered Cause of Loss:

1. We will pay:

- a. The value of undamaged portions of the building if they must be demolished due to the enforcement of building ordinance or law;
- b. Costs to demolish and clear the site of those undamaged portions;
- c. Increased costs to:
  - (1) Repair or reconstruct damaged portions of that building; and/or
  - (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is the consequence of enforcement of building, zoning or land use ordinance or law.

However, 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.

- d. The actual loss of "business income" and "extra expense" you sustain solely because the building ordinance or law was enforced. But this paragraph d. does not apply unless Business Income and Extra Expense is covered in this Coverage Part.

The limit for a. above is included in the Building limit. The limit for covered losses payable under b. and c. above are shown in the Declarations.

2. We will not pay more under paragraphs 1.a. and 1.b. above than if the

repaired or replaced building were rebuilt:

- a. At the same location, as soon as reasonably possible;
- b. With the least expensive building materials and construction methods of comparable material and quality;
- c. In the same style and of the same size; and
- d. For the same type of occupancy as the one it replaces

to the extent permitted by the law or ordinance.

If you do not repair or replace the damaged building, we will pay only to demolish and clear the site of the undamaged portions of the building.

This Additional Coverage does not apply to the costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any other way respond to or assess the effects of "pollutants."

The following exclusion in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

Exclusion 1.a. Ordinance or Law.

**E. Spoilage** -

1. We will pay for loss or damage to Personal Property that is perishable "stock" within the "described premises" caused by:

- a. Change in temperature or humidity resulting from:
  - (1) Breakdown of machinery; or
  - (2) Failure of refrigerating, cooling or humidity control equipment

if such machinery or equipment is located at the "described premises";

- b. Contamination by refrigerant; or
- c. Change in temperature or humidity resulting from complete or partial interruption of electrical power due to conditions beyond your control.

2. We will not pay under this Additional Coverage for loss caused by or resulting from:
  - a. Disconnecting any refrigerating, cooling or humidity control system from its power source, except when done to avoid or reduce another loss covered by this Coverage Part;
  - b. Deactivating electrical power due to the manipulation of any switch or other device used to control the flow of electrical current;
  - c. The inability of a utility company or other power source to provide sufficient power due to:
    - (1) Lack of fuel; or
    - (2) Governmental order;
  - d. The inability of a power source at the "described premises" to provide sufficient power due to lack of generating capacity to meet demand; or
  - e. Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.
- F. **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 your liability for fire department charges:
  1. Assumed by contract or agreement prior to loss; or
  2. Required by local ordinance.
- G. **Fire Extinguishing Equipment Recharge** - We will pay for the cost to recharge or refill any fire protective equipment when discharged:
  1. To prevent or control a loss;
  2. Accidentally; or
  3. As a result of malfunction of the equipment.
- H. **Lock and Key Replacement** - We will pay the cost of:
  1. Premises entry key replacement, if keys are stolen; or
  2. Premises entry lock repair or replacement made necessary by theft or attempted theft at the "described premises".
- I. **Inventory and Appraisal** - We will pay for the following expenses you incur at our request, as required by this Coverage Part, to prepare a claim:
  1. The cost of taking inventories;
  2. The cost of making appraisals; and
  3. The cost of preparing a statement of loss and other supporting exhibits.

We will not pay for any expenses billed by and payable to independent or public insurance adjusters or for expenses to prepare claims not covered by this Coverage Part.
- J. **Pollutant Clean-Up and Removal** - We will pay your expenses to extract "pollutants" from land or water at the "described premises" if the release, discharge, 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 performed in the course of extracting "pollutants" from the land or water.

The most we will pay for each location under this Additional Coverage is the limit shown in the Declarations for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.
- K. **Debris Removal** - We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
  1. The most we will pay under this Additional Coverage is 25% of:
    - a. The amount we pay for the direct physical loss or damage to Covered Property; plus



- b. The deductible in this policy applicable to that loss or damage.
- 2. But if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance for the Covered Property; or
  - b. The debris removal expense exceeds the amount payable under the 25% limitation
 we will pay up to the additional amount shown in the Declarations for Debris Removal for each location in any one occurrence.
- 3. This coverage does not apply to costs to:
  - a. Extract "pollutants" from land or water; or
  - b. Remove, restore or replace polluted land or water.
- L. **Preservation of Property** - If it is necessary to move Covered Property from the "described premises" to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss 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.

This Additional Coverage is part of, and not in addition to, the Limit of Insurance applicable to the Covered Property.

- M. **Damage By Water, Other Liquid, Powder or Molten Material** - If loss or damage caused by or resulting from water or other liquid, powder or molten material damage loss occurs, we will 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 Additional Coverage is part of, and not in addition to the Limit of Insurance for Building.

- N. **Leasehold Interest** - We will pay for loss of "net leasehold interest" you sustain due to the cancellation of your lease. The cancellation must result from direct

physical loss or damage at the "described premises" caused by or resulting from a Covered Cause of Loss.

- 1. We will not pay more than the total "net leasehold interest" at the time of the cancellation of the lease. But if your lease is cancelled and your landlord lets you continue to use your premises under a new lease, we will not pay more than:
  - a. The rent you will pay under the new lease; minus
  - b. The rent you now pay.
- 2. We will not pay under this Additional Coverage if:
  - a. The premises where the lease is cancelled has been vacant for more than 60 consecutive days; and
  - b. You have not entered into an agreement to sublease the premises.

The following exclusion in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

Exclusion 1.a. Ordinance or Law.

- O. **Arson or Fraud Reward** - In the event that a covered loss was a result of arson or fraud, we will, at our discretion, reimburse you up to \$5,000 for rewards you pay for information leading to arrest and conviction for that act of arson or fraud.
- P. **Equipment Breakdown** - We will pay for loss or damage caused by or resulting from risks of direct physical loss due to:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
- (2) Artificially generated electric current, including electric arcing, that disturbs electrical devices and appliances.

But this additional coverage does not apply to the following types of property:

Steam pipes, steam engines, steam turbines, including their accessories and components

We will pay up to \$25,000 for any additional expenses you incur for:

- (1) Cleanup;
- (2) Repair or replacement; or
- (3) Disposal

of covered property that is damaged, contaminated or polluted as a result of an "accident" by a substance declared by a governmental agency to be hazardous to health. This limitation does not apply to damage, contamination or pollution caused by ammonia.

#### LIMITS OF INSURANCE

- A. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance for each coverage shown in the Declarations, except as provided below.
- B. **Automatic Building Increase**
  - 1. The Limits of Insurance for covered Buildings will automatically increase by the Automatic Building Increase percentage shown in the Declarations.
  - 2. The percentage applies proportionally throughout each year. The actual amount of increase available on the day of loss or damage will be:
    - a. The last limit fixed for the property in this policy, at inception, at anniversary or as subsequently endorsed; times
    - b. The Automatic Building Increase percentage from the Declarations; times
    - c. The number of days since the limit was last fixed; divided by
    - d. 365.
- C. **Peak Season Personal Property Increase**
  - 1. The Limits of Insurance for covered Personal Property will automatically increase by 50% to provide for seasonal variations.
  - 2. The increase will apply only if the Limit of Insurance shown for Personal Property in the Declarations is at least 90% of your average monthly values during the lesser of:
    - a. The 12 months immediately preceding the date the loss or damage occurs; or

- b. The period of time you have been in business as of the date the loss or damage occurs.

#### DEDUCTIBLE

We will not pay for loss or damage incurred in any one occurrence until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**Separate Deductibles.** Certain Coverages are subject to separate Deductibles as shown in the Declarations.

**Multiple Deductibles.** More than one Deductible may apply to loss or damage arising out of a single occurrence covered by this Coverage Part. If so, we will not deduct more from the entire amount of loss or damage than the largest Deductible applying to the occurrence.

#### COMMERCIAL PROPERTY CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

#### IV. LOSS CONDITIONS

- A. **Abandonment** - There can be no abandonment of any property to us.
- B. **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:
  - 1. Pay its chosen appraiser; and
  - 2. 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.
- C. **Duties In The Event Of Loss Or Damage** -
  - 1. In the event of loss or damage to Covered Property, you must:
    - a. Notify the police if a law may have been broken.

- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
  - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - f. 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.
  - g. 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.
  - h. Cooperate with us in the investigation or settlement of the claim.
2. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible. If you:
- a. Do not resume "operations"; or
  - b. Do not resume "operations" as quickly as possible;
- we will pay for loss of "business income," if covered in this policy, based on the length of time it would have taken to resume "operations" as quickly as possible.

- 3. 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.

#### D. Loss Adjustment -

- 1. This condition is intended to facilitate payment of insurance proceeds in the event of loss of or damage to Covered Property from a Covered Cause of Loss that is covered by:
  - a. This Commercial Property Coverage Part; and
  - b. Boiler and Machinery insurance.

It applies when there is a disagreement between the insuring companies as to the amount of loss to be paid by each company.
- 2. The provisions of paragraph 3. of this condition apply only if all of the following requirements are met:
  - a. The Boiler and Machinery insurance carried by the Named Insured and insuring the Covered Property contains a provision with substantially the same requirements, procedures and conditions as stated here.
  - b. The damage to the Covered Property was caused by a loss for which both we and the Boiler and Machinery insurer admit to some liability for payment under the respective policies.
  - c. The total amount of the loss is agreed to by you, the Boiler and Machinery insurer and us.
  - d. We and the Boiler and Machinery insurer disagree as to the amount of loss that each of us should pay that is attributable to:
    - (1) A Covered Cause of Loss under this Coverage Part; and
    - (2) An "accident" covered under the Boiler and Machinery insurance as defined in that policy.
- 3. If the requirements listed in paragraph 2. above are satisfied, we and

the Boiler and Machinery insurer will make payments as follows:

- a. At your written request:
  - (1) We will pay the entire amount of loss that we have agreed as being covered by this Commercial Property coverage and one-half the amount of loss that is in disagreement.
  - (2) The Boiler and Machinery insurer will pay the entire amount of loss that they have agreed as being covered by the Boiler and Machinery insurance and one-half the amount of loss that is in disagreement.
- b. The amount in disagreement to be paid by us under this condition will not exceed the amount payable under the equivalent Loss Adjustment provisions of the Boiler and Machinery insurer.
- c. The amount to be paid under this condition will not exceed the amount we would have paid had no Boiler and Machinery insurance been in effect at the time of loss.
- d. Acceptance by you of sums paid under this insurance does not alter, waive or surrender any other rights against us.
- e. The Boiler and Machinery insurer and we agree to submit our differences to arbitration within 90 days after loss payment made under these terms.
- f. You agree to cooperate with any arbitration procedures. There will be three arbitrators. We will appoint one and the Boiler and Machinery insurer will appoint another. The two arbitrators will select a third arbitrator. If they cannot agree, either may request that a judge of a court having jurisdiction make selection. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

#### E. Loss Payment -

1. In the event of loss or damage covered by this Coverage Part, at our option we will either:
  - a. Pay the value of lost or damaged property;
  - b. Pay the cost of repairing or replacing the lost or damaged property;
  - c. Take all or any part of the property at an agreed or appraised value; or
  - d. Repair, rebuild or replace the property with other property of comparable kind and quality.
2. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
3. We will not pay you more than your financial interest in the Covered Property.
4. 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.
5. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
6. 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 the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of loss; or
  - b. An appraisal award has been made.

#### F. Pair, Sets or Parts - In case of loss of or damage to:

1. Any part of a pair or set, we may:
  - a. Repair or replace any part or set to its value before the loss or damage; or
  - b. Pay the difference between the value of the pair or set before and after the loss or damage.



2. Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**G. 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 you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**H. Reinstatement After Loss** - The Limits of Insurance will not be reduced by the payment of any claim, except for total loss of a scheduled item, in which event we will refund the unearned premium on that item.

**I. Vacancy -**

**1. Description of Terms**

- a. As used in this Vacancy Condition, the term building and the term vacant have meanings set forth in a.(1) and a.(2) below:

- (1) 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.

- (2) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

- (a) Is not rented; or
- (b) Is not used to conduct customary operations.

- b. Buildings under construction or renovation are not considered vacant.

**2. Vacancy Provisions**

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

- a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Sprinkler leakage, unless you have protected the system against freezing;
- (3) Building glass breakage;
- (4) Water damage;
- (5) Theft; or
- (6) Attempted theft.

- b. With respect to Covered Causes of Loss other than those listed in 2.a.(1) through 2.a.(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**J. Valuation -**

1. For property valued on a Replacement Cost Basis, we will determine the value of Covered Property in the event of loss or damage at the cost to replace the lost or damaged property with new property:

- a. Of comparable kind and quality;
- b. On the same premises (regardless of where the rebuilding actually occurs); and
- c. Intended for the same occupancy or use

without deduction for depreciation. But if the damaged or destroyed property is not repaired or replaced, we will not pay more than its actual cash value at the time of loss or damage.

You may make a preliminary claim for loss or damage covered by this insurance on an Actual Cash Value Basis. In the event you do, you may still make a claim on a Replacement Cost Basis if you notify us of your intent to do so within 180 days after the loss or damage.

2. **Penalty for Underinsurance** - If the property is covered on a Replacement Cost Basis and the value shown in the Declarations for the Covered Property is less than 80% of its replacement cost value at the time of loss or damage, we will value the

property at its actual cash value instead. This condition applies to Coverages A, B, C and D of SECTION I - COVERED PROPERTY.

3. **Special Valuations** - Regardless of the method of valuation shown in the Declarations, we will value the types of property shown below as follows:

a. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

b. Glass, other than art glass, at the cost of replacement with safety glazing material if required by law plus the cost to replace lettering and ornamentation. Building glass valuation will also include:

(1) Attached frames; and

(2) The portions of burglar alarms, accessories and devices that are attached to or incorporated within the glass, up to a maximum of \$1,000 in any one occurrence.

c. "Improvements and betterments" at:

(1) Actual cash value or replacement cost, whichever applies to personal property at the same building, if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Divide the number of days from the loss or damage to the end of the lease by the number of days from the installation of the "improvements and betterments" to the end of the lease; and

(b) Multiply the result of (a) by the original cost.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in paragraph (a) above.

(3) Nothing if others pay for repairs or replacement.

d. Valuable Papers and Records, including negatives, transparencies, tapes and prints, at the cost of:

(1) Blank materials for reproducing the materials; plus

(2) Labor to transcribe or copy the records when there is a duplicate.

e. Prepackaged software programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent software and hardware.

f. Precious metals such as gold, silver and platinum, at the average market cost of replacement on the date of loss, or the actual cost of replacement, if less.

g. Property that cannot be replaced with new property, at actual cash value.

#### GENERAL CONDITIONS

A. **Concealment, Misrepresentation And 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. **Contract Of Sale** - If you have entered into a contract for the sale of Covered Property with a Loss Payee shown in the Declarations, for the property that is the subject of that sale:

1. We will adjust losses with you and pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

2. The word "you" in the Other Insurance condition below includes the Loss Payee.

C. **Control Of Property** - Any act or neglect of any person other than you beyond your 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.

- D. **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.
- E. **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 2 years after the date on which the direct physical loss or damage occurred.
- F. **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 automatically apply to this Coverage Part.
- G. **Loss Payable** - For Covered Property in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:
  - 1. Adjust losses with you; and
  - 2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- H. **Mortgage Holders, Including Lender's Loss Payable** -
  - 1. In this condition, the term "lienholder" includes:
    - a. Mortgage holders or trustees of real property; and
    - b. Creditors or trustees with whom you have entered into a contract for the sale of personal property and whose interest in that property is established by such written contracts as:
      - (1) Warehouse receipts;
      - (2) A contract for a deed;
      - (3) Bills of lading; or
      - (4) Financing statements.
  - 2. For Covered Property in which both you and a lienholder have an insurable interest:

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

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

- d. If we pay the lienholder 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 lienholder's rights will be transferred to us to the extent of the amount we pay; and
  - (2) The lienholder's rights to recover the full amount of the lienholder's claim will not be impaired.

At our option, we may pay to the lienholder the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- 3. If we elect to cancel this policy, we will give written notice to the lienholder at least:
  - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- b. 30 days before the effective date of cancellation if we cancel for any other reason.
- 4. If we elect not to renew this policy, we will give written notice to the lienholder at least 10 days before the expiration of this policy.
- I. **No Benefit to Bailee** - No person or organization, other than you, having custody of Covered Property will benefit from this insurance.
- J. **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.
- K. **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.
    - d. With respect to equipment covered under the Electronic Data Processing Equipment and Media blanket limit in the Declarations, the Coverage Territory is Anywhere in the World.
- L. **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 dam-

ages 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.

#### DEFINITIONS

- A. "Accident" means a sudden and accidental breakdown of any:
  - 1. Fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
  - 2. Refrigerating or air conditioning system, piping and its accessory equipment; and
  - 3. Mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

At the time the breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the equipment or a part of the equipment.

If covered electrical equipment requires drying out as a result of flood, the drying out will be considered an "accident".

If an initial "accident" causes other "accidents", all will be considered one "accident". All "accidents" at any one location that become apparent at the same time and are the result of the same cause will be considered one "accident".

- B. "Business Income" means the:
  - 1. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
  - 2. Continuing normal operating expenses incurred, including payroll if there had been no direct physical loss or damage.



C. "Dependent Property" means premises operated by others on whom you depend to:

1. Deliver materials or services to you, or to others for your account (not including water, communication or power supply services);
2. Accept your products or services;
3. Manufacture products for delivery to your customers under contract of sale; or
4. Attract customers to your business.

D. "Described Premises" means the locations described in the Building and Personal Property Schedule. If you are a tenant, "described premises" means the portions of the building which you rent, lease or occupy, including all routes within the building to gain access to the described premises.

E. "Extra Expense" means necessary costs incurred to:

1. Avoid or minimize the suspension of business and continue "operations":
  - a. At the "described premises"; or
  - b. At replacement premises or temporary locations, including:
    - (1) Relocation expenses; and
    - (2) Costs to equip and operate the replacement or temporary locations.
2. Minimize the suspension of business if you cannot continue "operations".
3.
  - a. Repair or replace any property; or
  - b. Research, replace or restore the lost information on damaged Valuable Papers and Records

to the extent it reduces the amount of loss that otherwise would be payable under paragraphs 1. and 2. above, or as "business income".

F. "Gross Leasehold Interest" means:

1. The monthly rental value of the premises you lease on the date the direct physical loss or damage occurs; minus
2. The actual monthly rent you pay, including taxes, insurance, janitorial or other service you pay as part of the rent.

Example:

Rental value of your leased premises	\$500
Monthly rent including taxes, insurance, janitorial or other services that you pay for as part of the rent	-400
"Gross Leasehold Interest"	\$100

G. "Improvements and Betterments" means fixtures, alterations, installations or additions:

1. Made a part of a building or structure you occupy but do not own; and
2. You acquired or made at your expense but cannot legally remove.

H. "Monthly Leasehold Interest" means the original costs you made for:

1. Bonus Payments – Money you originally paid to acquire your lease, but not including rent, prepaid rent or security; and
2. Prepaid Rent – Advance rent you paid that will not be refunded to you, other than periodic rental payments

divided by the number of months left in your lease at the time of the expenditure.

Example:

Original cost of Bonus Payment and/or Prepaid Rent	\$4,000
With 20 months left in the lease at time of payment	/20
"Monthly Leasehold Interest"	\$200

I. "Net Leasehold Interest" means the sum of:

1. The net present value of your "gross leasehold interest" for each remaining month of your lease discounted at the Prime Rate prevailing on the date the direct physical loss or damage occurs, rounded to the nearest whole number; plus
2. Your "monthly leasehold interest" times the number of months left in your lease on the date the direct physical loss or damage occurs, rounded to the nearest whole number.

Example:

With 20 months left in lease and 10% prime rate:

"Gross Leasehold Interest"	\$100
NPV Factor for 20 months	x 18.419
Subtotal (A)	\$1,842
"Monthly Leasehold Interest"	\$200
With 20 months left in lease	x20
Subtotal (B)	\$4,000
"Net Leasehold Interest" Subtotal (A) + Subtotal (B)	\$5,842

J. "Operations" means your business activities occurring at the "described premises".

K. "Period of Restoration" means the period of time that:

1. Begins with the date 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 any ordinance or law that:

1. Regulates the construction, use or repair, or requires the tearing down of any property; or
2. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants."

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

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

M. "Specified Causes of Loss" means:

1. Fire;
2. Lightning;
3. Explosion;
4. Windstorm or hail;
5. Aircraft or vehicles;
6. Riot or civil commotion;
7. Vandalism;
8. Leakage from fire extinguishing equipment;
9. Sinkhole collapse, meaning 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:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities;
10. "Volcanic action";
11. Falling objects, which does not include loss of or damage to:

- a. Personal property in the open; or
- b. 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;
12. Weight of snow, ice or sleet; or
13. Water damage, meaning accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

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

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

1. Airborne volcanic blast or airborne shock waves;
2. Ash, dust or particulate matter; or
3. Lava flow.

"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 premises."

## COMMERCIAL PROPERTY

**COMMERCIAL CRIME 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 in quotation marks have special meaning. Refer to the DEFINITIONS section of this form.

Coverage provided by this form is also subject to all the Conditions in the COMMON POLICY CONDITIONS form and the BUILDING AND PERSONAL PROPERTY COVERAGE FORM, except as noted below.

**QUICK REFERENCE**

Section of this Form	Begins on Page
I. Coverage	1
II. Exclusions	2
III. Limits of Insurance	3
IV. Deductible	3
V. Crime Conditions	3
VI. Definitions	6

**I. COVERAGE**

We will pay for the following for which a limit is shown in the Declarations:

- A. Employee Dishonesty** - Loss of, and direct loss from damage to, "money," "securities" and "property other than money and securities" resulting directly from employee dishonesty.

Employee dishonesty means dishonest acts committed by an "employee" 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 salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
  - a. The "employee"; or
  - b. Any person or organization intended by the "employee" to receive that benefit.

**Extension - Employees Outside Coverage Territory.** Employee Dishonesty Cov-

erage includes loss caused by an "employee" while temporarily outside the Coverage Territory for a period of 90 days or less.

- B. Money And Securities** - Loss of "money" and "securities" resulting directly from "theft," disappearance or destruction.

1. Separate limits apply to loss to property that is:

- a. **Inside The Premises:** Inside the "premises" or a "banking premises."
- b. **Outside The Premises:** Outside the "premises" while in the care and custody of:
  - (1) A "messenger"; or
  - (2) An armored motor vehicle company.

2. **Extensions:**

- a. **Containers** - We will pay for loss of, or loss from damage to, "containers" resulting directly from actual or attempted:
  - (1) "Theft" of; or
  - (2) Unlawful entry into those "containers."

- b. **Premises Damage** - We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of your "money" or "securities" if you are the owner of the "premises" or liable for damage to it.

The amount we will pay under these Extensions is included in the Limit of Insurance for Inside the Premises.

- C. **Forgery Or Alteration** - Loss of a "covered instrument" resulting directly from forgery or alteration of, on or in the "covered instrument."

**Extension - Legal Expenses.** If you are sued for refusing to pay any "covered instrument" on the basis that it has been forged or altered and you have our written consent to defend against the suit, we will pay any reasonable legal expenses you incur and pay in that defense. If we pay or offer to pay the Limit of Insurance for this Coverage, our obligation to pay legal expenses ceases. The amount we pay under this Extension is in addition to the Limit of Insurance for Forgery or Alteration Coverage.

- D. **Money Orders And Counterfeit Currency** - Loss of "money," "securities" or "property other than money and securities" resulting directly from the acceptance in good faith of:

1. A post office or express money order or bank certified check; or
2. Counterfeit United States or Canadian paper currency.

The most we will pay due to the acceptance of any one item under this Coverage is \$1000.

- E. **Unauthorized Business Card Use** - Loss of "money" resulting directly from "theft," forgery or unauthorized use of credit, debit or charge cards issued in your name, including:

1. Fund transfer cards;
2. Charge plates; and
3. Telephone cards.

The most we will pay for all loss under this Coverage during each 12 month period of this policy (including any extension of less than one year), is \$5000.

## II. EXCLUSIONS

### A. Applicable To All Coverages:

We will not pay for:

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. **Acts Of Employees, Directors, Trustees Or Representatives** - Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:

- a. Acting alone or in collusion with others; or
- b. While performing services for you or otherwise.

This Exclusion does not apply to acts by "employees" that are covered by Employee Dishonesty Coverage.

3. **Governmental Action** - Loss resulting from seizure or destruction of property by order of governmental authority.
4. **Indirect Loss** - Any indirect result of an act or "occurrence" including but not limited to:
  - a. Your inability to realize income that you would have realized had there been no loss, or loss from damage to, "money," "securities" or "property other than money and securities."
  - b. Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a covered loss.
  - c. Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss.
5. **Legal Expenses** - Expenses related to any legal action. This Exclusion does not apply to Forgery Or Alteration Coverage.
6. **Nuclear** - Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.



7. **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. Applicable Only to Employee Dishonesty Coverage:**

We will not pay for:

1. **Employee Cancelled Under Prior Insurance** - Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
2. **Inventory Shortages** - Loss as to which the proof of its existence or amount is dependent upon:
  - a. An inventory computation; or
  - b. A profit and loss computation.

**C. Applicable Only to Money And Securities Coverage:**

We will not pay for:

1. **Accounting Or Arithmetical Errors Or Omissions** - Loss resulting from accounting or arithmetical errors or omissions.
2. **Exchanges Or Purchases** - Loss resulting from the giving or surrendering of property in any exchange or purchase.
3. **Fire** - Loss from damage to the "premises" resulting from fire, however caused.
4. **Money Operated Devices** - Loss of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
5. **Transfer Or Surrender Of Property** -
  - a. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
    - (1) On the basis of unauthorized instructions; or
    - (2) As a result of a threat to do bodily harm to any person or damage to any property.
  - b. But this exclusion does not apply to loss of property while in the

care and custody of a "messenger" if you:

- (1) Did not know of any threat at the time the conveyance began; or
- (2) Did know of a threat at the time the conveyance began, but the loss had nothing to do with that threat.

6. **Vandalism** - Loss from damage to the "premises," its exterior, or "containers" by vandalism or malicious mischief.

**D. Applicable Only to Unauthorized Business Card Use Coverage:**

We will not pay for:

**Personal Credit Cards** - Loss resulting from the use of any credit, debit or charge card issued in the name of anyone other than you, whether or not customarily used in your business.

**III. LIMITS OF INSURANCE**

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

**IV. DEDUCTIBLE**

We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**Multiple Deductibles.** More than one Deductible may apply to loss or damage arising out of a single "occurrence" covered by this Coverage Part. If so, we will not deduct more from the entire amount of loss or damage than the largest Deductible applying to the "occurrence."

**V. CRIME CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions, except as noted:

**A. Consolidation - Merger -**

1. Subject to paragraph 2. below, through consolidation or merger with, or purchase of assets 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."
- 2. Paragraph 1. above applies only if you:
  - a. Give us written notice within 180 days of the addition; and
  - b. Pay us an additional premium.

**B. Discovery Period For Loss** - We will pay only for covered loss discovered no later than one year from the end of the Policy Period.

**C. Duties In The Event Of Loss** - The following supersedes the Commercial Property Duties in the Event of Loss or Damage Loss Condition (COMMERCIAL PROPERTY CONDITIONS Section, Paragraph I.C. of the Building and Personal Property Coverage Form).

After you discover a loss or a situation that may result in a loss of, or loss from damage to, covered property, you must:

- 1. Notify us as soon as possible.  
For losses under Unauthorized Business Card Use Coverage, you must also immediately notify the issuers of any lost or stolen cards.
- 2. Submit to examination under oath at our request and give us a signed statement of your answers.
- 3. Give us a detailed, sworn proof of loss within 120 days.  
For losses under Forgery Or Alteration Coverage or Money Orders And Counterfeit Currency Coverage, you must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit stating the amount and cause of loss.
- 4. Cooperate with us in the investigation and settlement of any claim.

**D. Joint Insured** -

- 1. 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.

- 2. If any insured or partner or officer of that insured had knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every insured.
- 3. An "employee" of any insured is considered to be an "employee" of every insured.
- 4. 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.
- 5. 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.

**E. Loss Sustained During Prior Insurance** -

- 1. 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:
  - a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - b. 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.
- 2. The insurance under paragraph 1. above 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:
  - a. This insurance as of its effective date; or
  - b. The prior insurance had it remained in effect.
- 3. 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.

- F. **Non-Accumulation Of Limit Of Insurance** - Regardless of the number of years this insurance remains in force or the number of premiums paid, the Limits of Insurance do not accumulate from year to year or period to period.

- G. **Ownership Of Property; Interests Covered** - The property covered under this insurance is limited to property:

- 1. That you own or hold; or
- 2. 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.

- H. **Records** - You must keep records of all property so that we can verify the amount of any loss.

- I. **Recoveries** -

- 1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- a. To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible amount, if any;
- b. Then to us, until we are reimbursed for the settlement made;
- c. Then to you for any remainder.

- 2. Recoveries do not include any recovery:

- a. From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- b. Of original "securities" after duplicates of them have been issued.

- J. **Valuation - Settlement** - We will determine the value of:

- 1. "Money" at its face value. At our option, we may value "money" issued by any country other than the United States of America in the US dollar equivalent determined by the rate of exchange on the day the loss was discovered.

- 2. "Securities" at their value on the close of business on the day the loss was discovered. At our option, we may:

- a. Replace the "securities" in kind. If we do, you must assign to us all your rights, title and interest in and to those "securities"; or

- b. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." But we won't pay more than the cost of a bond having a penalty of the lesser of:

- (1) The value of the "securities" at the close of business on the day the loss was discovered; or

- (2) The Limit of Insurance.

- 3. "Property other than money and securities" at its actual cash value on the day the loss was discovered. At our option, we may pay the cost of:

- a. Repairing the property; or
- b. Replacing the property with other property of comparable kind and quality.

- K. **Applicable Only to Employee Dishonesty Coverage - Cancellation As To Any Employee** - Employee Dishonesty Coverage is cancelled as to any "employee":

- 1. Immediately upon discovery by:

- a. You; or
- b. Any of your partners, officers or directors not in collusion with the "employee"

of any prior dishonest act committed by that "employee" whether before or after becoming employed by you.

- 2. 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.

- L. **Applicable Only to Forgery Or Alteration Coverage** -

- 1. **Facsimile Signature** - We will treat mechanically reproduced facsimile sig-

natures the same as handwritten signatures.

2. **Coverage Territory** – We will cover loss you sustain anywhere in the world.

#### V. DEFINITIONS

- A. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- B. "Container" means a locked safe, vault, cash register, cash box or cash drawer located in the "premises."
- C. "Covered Instrument" means a check, draft, promissory note or similar written promise, order or direction to pay a sum certain in "money" that is:
  1. Made or drawn by or drawn upon you; or
  2. Made or drawn by one acting as your agent
 or that is purported to have been so made or drawn.
- D. 1. "Employee" means any natural person:
  - a. While in your service and for 30 days after termination of service;
  - b. Whom you compensate directly by salary, wages or commissions; and
  - c. Whom you have the right to direct and control while performing services for you.
2. "Employee" also means any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you. This does not include any such person who has care and custody of property outside the "premises."
3. But "employee" does not mean any:
  - a. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - b. Director or trustee, except while performing acts coming within the scope of the usual duties of an employee.

- E. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."
- F. "Money" means:
  1. Currency, coins and bank notes in current use and having a face value; and
  2. Travelers checks, register checks and money orders held for sale to the public.
- G. "Occurrence" means:
  1. For Employee Dishonesty Coverage, all loss caused by or involving one or more "employees," whether the result of a single act or a series of acts.
  2. For Forgery Or Alteration Coverage, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  3. For all other Coverages:
    - a. An act or series of related acts involving one or more persons; or
    - b. An event, or a series of related events not involving any person.
- H. "Premises" means the interior of that portion of any building you occupy in conducting your business.
- I. "Property Other Than Money And Securities" means any tangible property other than "money" and "securities" that has intrinsic value.
- J. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you but does not include "money."
- K. "Theft" means any act of stealing.

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION FOR SOFTWARE AND DATA-RELATED LOSSES

This endorsement modifies provisions in the following forms:

### COMMERCIAL PROPERTY COVERAGE PART

The following additional exclusion supersedes any policy provision to the contrary.

1. Except as specifically provided for in 2. of this endorsement, we will not pay for any **Software Loss**. This exclusion does not apply if the **Software Loss** results solely from direct physical loss of, or direct physical damage to, the equipment, hardware, media or device on which the program, computer software or operating systems, programming instructions, or data are transported, processed or contained.

**Software Loss** means loss of or damage to any program(s), computer software or operating system(s), programming instruction(s) or data arising out of or resulting from any failure, malfunction, deficiency, fault, **Virus**, deletion or corruption. **Software loss** includes, but is not limited to, loss or damage resulting from any authorized or unauthorized access in, of or to any computer, communication system, file server, networking equipment, computer system, computer hardware, data processing equipment, computer memory, microchip, microprocessor (computer chip), integrated circuit or similar device in computer equipment, any program, computer software or operating systems, programming instructions or data.

2. This exclusion does not apply to direct physical loss or direct physical damage to tangible property that results from a **Software Loss**. For the purposes of this endorsement, program(s), computer software or operating system(s), programming instruction(s) and data are not tangible property.

3. **Virus** means software, data or code that affects the operation or functionality of any computer, communication system, file server, networking equipment, computer system, computer hardware, data processing equipment, computer memory, microchip, microprocessor (computer chip), integrated circuit or similar device in computer equipment, program, computer software or operating systems, programming instructions or data including, but not limited to, any destructive program, computer code, computer virus, worm, logic bomb, denial of service attack, smurf attack, vandalism, Trojan Horse or any other data introduced into any electronic system causing deletion, destruction, degradation, corruption, malfunction or compromise to your data, software or electronic business systems.

All other terms, conditions and limitations of this Policy remain unchanged.



COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GLASS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

Under **COVERAGE** Section I. **COVERED PROPERTY**, Paragraph E. **Personal Property**, the following is added to Subparagraph 1:

- e. Building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or you must be legally responsible to insure the glass under the terms of your lease.

Under **COVERAGE** Section II. **COVERED CAUSES OF LOSS**, Paragraph B. **LIMITATIONS**, Subparagraph 2. is replaced by the following:

- 2. We will not pay more for loss or damage to glass that is part of a building or structure than \$1000 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter. We will not pay more than \$2000 for all loss of or damage to building glass that occurs at one time.

This limitation does not apply:

- a. To loss or damage by the "specified causes of loss", except vandalism; or
- b. If Full Glass Breakage is shown as "Included" for the "described premises" in the Declarations.

Full Glass Breakage does not apply to stained glass or art glass.

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CANCELLATION CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The following is added to the CANCELLATION Common Policy Condition:

If any one of the following conditions exists at any building that is Covered Property in this policy, we may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least 5 days before the effective date of cancellation.

A. The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

1. Seasonal unoccupancy;
2. Buildings in the course of construction, renovation or addition; or
3. Buildings to which the Vacancy Permit endorsement applies.

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

B. After damage by a covered cause of loss, permanent repairs to the building:

1. Have not started, and
  2. Have not been contracted for,
- within 30 days of initial payment of loss.

C. The building has:

1. An outstanding order to vacate;
2. An outstanding demolition order;
3. Been declared unsafe by governmental authority.

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

E. Failure to:

1. Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
2. Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

## Limited Coverage For Fungi, Wet Rot, Dry Rot And Bacteria

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

### COMMERCIAL PROPERTY COVERAGE PART

- A. The following is added under Paragraph 1. of Section II. **COVERED CAUSES OF LOSS, A. EXCLUSIONS:**

#### **"Fungi", Wet Rot, Dry Rot And Bacteria**

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

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

This exclusion does not apply:

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

- B. Paragraph 2.c.(2) under Section II. **COVERED CAUSES OF LOSS, A. EXCLUSIONS** is replaced by the following:

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

- C. Paragraph 2.e. under Section II. **COVERED CAUSES OF LOSS, A. EXCLUSIONS** is replaced by the following:

- e. 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.

- D. Paragraph D. **Building Ordinance or Law** under Section III. **ADDITIONAL COVERAGES** is replaced by the following:

- D. **Building Ordinance or Law** – If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a covered building, and if enforcement of that ordinance or law affects the repair or rebuilding of that building following damage by a Covered Cause of Loss:

1. We will pay:

- a. The value of undamaged portions of the building if they must be demolished due to the enforcement of building ordinance or law;
- b. Costs to demolish and clear the site of those undamaged portions;
- c. Increased costs to:
  - (1) Repair or reconstruct damaged portions of that building; and/or
  - (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is the consequence of enforcement of building, zoning or land use ordinance or law.

However, 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.

- d. The actual loss of "business income" and "extra expense" you sustain solely because the building ordinance or law was enforced. But this paragraph 1.d. does not apply unless Business Income and Extra Expense is covered in this Coverage Part.

The limit for 1.a. above is included in the Building limit. The limit for covered losses payable under 1.b. and 1.c. above are shown in the Declarations.

2. We will not pay more under paragraphs 1.a. and 1.b. above than if the repaired or replaced building were rebuilt:



- a. At the same location, as soon as reasonably possible;
- b. With the least expensive building materials and construction methods of comparable material and quality;
- c. In the same style and of the same size; and
- d. For the same type of occupancy as the one it replaces

to the extent permitted by the law or ordinance.

3. Under this Additional Coverage, we will not pay for:

- a. The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
- b. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

If you do not repair or replace the damaged building, we will pay only to demolish and clear the site of the undamaged portions of the building.

The following exclusion in **EXCLUSIONS** (Section II.A.) does not apply to this coverage:

Exclusion 1.a. Ordinance or Law.

E. The following is added to Section III. **ADDITIONAL COVERAGES**:

**Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria**

If "fungi", wet or dry rot or bacteria results from a "specified cause of loss" (other than fire or lightning) that occurs during the policy period, and if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- 1. We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.

- 2. The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is \$15,000. This limit applies regardless of the number of premises involved in such occurrence(s).
- 3. We will not pay more than the total of \$15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- 4. Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
- 5. If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- 6. The terms of this Limited Coverage do not increase or reduce the coverage provided under the exceptions to 2.i. Collapse under Section II. **COVERED CAUSES OF LOSS, A. EXCLUSIONS** or the coverage provided under M. Damage By Water, Other Liquid, Powder or Molten Material under Section III. **ADDITIONAL COVERAGES**.
- 7. This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.

- F. The following is added to **Extensions** of Section III. **ADDITIONAL COVERAGES A. Business Income and Extra Expense.** It applies only if Business Income and Extra Expense coverage applies to the "described premises" and only if the suspension of "operations" satisfies all terms and conditions of the Business Income and Extra Expense coverage.

**"Fungi", Wet Rot, Dry Rot And Bacteria**

1. If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of "business income" and "extra expense" you sustain. However, we will only pay for loss of "business income" and "extra expense" sustained in a period of not more than 30 days. The days need not be consecutive.

2. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for the actual loss of "business income" and "extra expense" you sustain 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.

G. The following is added to **DEFINITIONS:**

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

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC						RENEWAL EFF 09/08/2013



**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY DECLARATIONS  
PRECISION PREMIER  
RETAIL PROGRAM**

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

**COVERAGES AND LIMITS OF INSURANCE**

Some of these coverages are sublimits or are subject to aggregate limits. Refer to your policy to determine how they apply.

GENERAL AGGREGATE	\$2,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE	\$2,000,000
EACH OCCURRENCE	\$1,000,000
TENANTS LEGAL LIABILITY	\$1,000,000
MEDICAL EXPENSES - EACH PERSON	\$ 10,000
PERSONAL INJURY AND ADVERTISING INJURY	\$1,000,000
HIRED AND NON-OWNED AUTOMOBILE LIABILITY	\$1,000,000
LIQUOR LIABILITY - AGGREGATE	\$1,000,000
LIQUOR LIABILITY - EACH COMMON CAUSE	\$1,000,000

**COMMERCIAL GENERAL LIABILITY**

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08/04/2013

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
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**PRECISION PORTFOLIO POLICY**  
**COMMERCIAL GENERAL LIABILITY DECLARATIONS**  
**(CONTINUED)**  
**PRECISION PREMIER**  
**RETAIL PROGRAM**

**EXCLUSIONS AND LIMITATIONS**

ABSOLUTE ASBESTOS EXCLUSION  
 VIOLATION OF COMMUNICATION OR INFORMATION LAW EXCLUSION - LIABILITY  
 FUNGUS EXCLUSION

COMMERCIAL GENERAL LIABILITY

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BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC						RENEWAL EFF 09/08/2013

**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY SCHEDULE  
PRECISION PREMIER**

LOC #	CLASS CODE	LOCATION ADDRESS (IF APPLICABLE) CLASSIFICATION NAME	RATING BASIS	ANNUAL EXPOSURE
01		820 REALTOR AVE TEXARKANA AR ZIP CODE: 71854-1019		
	59212	LIQUOR, WINE, PACKAGE STORES	RECEIPTS	\$3,392,000

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE					RENEWAL EFF 09/08/2013	



**PRECISION PORTFOLIO POLICY  
SUPPLEMENTAL DECLARATIONS  
PRECISION PREMIER**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER		FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
LIABILITY		ADDITIONAL INSURED - CO-OWNER OF INSURED PREMISES
CG2027	1185	NAME OF PERSON OR ORGANIZATION: ROGER REAL ESTATE , LLP  820 REALTOR AVE  TEXARKANA AR 71854  LOCATION: 820 REALTOR AVE TEXARKANA, AR 71854

COMMERCIAL GENERAL LIABILITY

9S5008 Ed. 3-00

INSURED'S COPY

08/04/2013

PAGE 1 OF 2

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFIC						RENEWAL EFF 09/08/2013



**PRECISION PORTFOLIO POLICY  
SUPPLEMENTAL DECLARATIONS  
PRECISION PREMIER  
(CONTINUED)**

COVERAGE PART(S) AND FORM OR ENDORSEMENT NUMBER		FORM OR ENDORSEMENT NAME AND FORM OR ENDORSEMENT SUPPLEMENTAL INFORMATION
LIABILITY		ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER
CG2018	1185	NAME OF PERSON OR ORGANIZATION: COMMERCIAL NATIONAL BANK  P.O. BOX 1998  TEXARKANA AR 75504 DESIGNATION OF PREMISES: LOCATION: 820 REALTOR AVE TEXARKANA, AR 71854

COMMERCIAL GENERAL LIABILITY

985008 Ed. 3-00

INSURED'S COPY

08/04/2013


PAGE 2 OF 2

Exhibit 1



BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL

RANCH SJ LOUISIANA OFFIC ENDORSEMENT EFF 05/09/2014

  
**ZURICH®**

**PRECISION PORTFOLIO POLICY  
POLICY CHANGES**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

POLICY EFFECTIVE	POLICY CHANGES EFFECTIVE	COMPANY
FROM 09/08/2013	TO 09/08/2014	
	05/09/2014	ASSURANCE COMPANY OF AMERICA

NAMED INSURED	AUTHORIZED REPRESENTATIVE
CHUBBY CHEEKS, LLC 820 REALTOR AVE TEXARKANA AR 71854	TEXARKANA INSURANCE AGENCY PO BOX 1289 TEXARKANA TX 75504-1289

**COVERAGE PARTS AFFECTED**

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**CHANGES**

DELETED LOC 1 CO-OWNER OF INSURED PREMISES ROGER REAL ESTATE, LLP 820  
REALTOR AVE TEXARKANA AR 71854

DELETED LOC 1 MORTGAGEE, ASSIGNEE, RECEIVER COMMERCIAL NATIONAL BANK P.O.  
BOX 1998 TEXARKANA AR 75504

ADDED PROPERTY LOC 1 BLDG 1 MORTGAGEE COMMERCIAL NATIONAL BANK P.O. BOX  
1998 TEXARKANA AR 75504

PREMIUM EFFECT OF THIS TRANSACTION:                      \$                      .00

Countersigned by \_\_\_\_\_

Authorized Representative Date

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Copyright, ISO Commercial Risk Services, Inc., 1983.

INSURED'S COPY

05/12/2014  
PAGE 1 OF 1

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## COMMERCIAL GENERAL LIABILITY

**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 quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

Coverage provided by this form is also subject to all the Conditions in the **COMMON POLICY CONDITIONS** form.

**QUICK REFERENCE**

<b>SECTION OF THIS FORM</b>	<b>BEGINS ON PAGE</b>
Section I - Coverages .....	1
Coverage A. Bodily Injury and Property Damage Liability .....	1
Coverage B. Personal and Advertising Injury Liability .....	6
Coverage C. Medical Expenses .....	7
Supplementary Payments - Coverages A and B .....	7
Section II - Who Is An Insured .....	8
Section III - Limits of Insurance .....	10
Section IV - Commercial General Liability Conditions .....	11
Section V - Definitions .....	13
Section VI - Broad Form Nuclear Exclusion .....	16

**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 end 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"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period.

- c. 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:

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

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

## f. Pollution

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

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

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

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

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

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

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible;

(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"; or

(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 opera-

tions 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 does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, main-

tenance or use of aircraft or watercraft;

- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or

- (6) An aircraft you do not own that you charter with crew.

**h. Mobile Equipment**

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

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

**i. War**

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

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises.
- (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"



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 Tenants Legal Liability 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, in-

spection, 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. Professional**

- (1) "Bodily injury" or "property damage" arising out of the rendering or failure to render any professional service, including but not limited to:

- (a) Accounting, advertising, architectural, drafting, engineering, financial, insurance or legal services, advice and instruction;
- (b) Medical, cosmetic, dental, ear piercing, hair dressing, massage, physical therapy, veterinary, nursing, surgical or x-ray services, advice and instruction;
- (c) Use of any tanning booth, tanning bed, tanning equipment or tanning device;
- (d) Laboratory operations or services, whether medical or not; and
- (e) Services performed as a funeral director or as an operator of a cemetery; and
- (f) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.

- (2) This exclusion does not apply to:

- (a) Pharmacological services if:
  - (i) You do business as a retail drug store and do not manufacture or compound in bulk pharmaceuticals for sale by others; and
  - (ii) The "bodily injury" or "property damage" is not caused by the willful violation of a penal statute or ordinance relating to the sale of phar-



maceuticals by or with the knowledge or consent of any insured;

- (b) Optical or hearing aid services, including the prescribing, preparation, production, mounting, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid services.

**p. Personal And Advertising Injury**

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

Exclusions c. through o. do not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to Tenants Legal Liability, 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 end 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 "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "cov-

erage territory" during the policy period.

**2. Exclusions**

This insurance does not apply to:

**a. "Personal and advertising injury":**

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of the willful violation of a penal statute or ordinance committed by or at with the consent of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is advertising, broadcasting, publishing or telecasting. However, this exclusion does not apply to Paragraphs 1 4.a, b. and c. of "personal and advertising injury" under **SECTION V - DEFINITIONS**; or
- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

- b. Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the 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".

#### 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 three years 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. To any insured.

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

#### 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. The 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 costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the 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 damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

- (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 2.b.(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:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph 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.

Your subsidiaries, and subsidiaries of subsidiaries, are insureds if:

- (1) They are legally incorporated entities; and
- (2) You own more than 50% of the voting stock in them as of the effective date of this policy.

If such subsidiaries are not shown in the Declarations, you must report them to us within 180 days of the inception of this policy.

2. Each of the following is also an insured:

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

- (1) "Bodily injury" or "personal and advertising injury":
  - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
  - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(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 (1)(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 exer-

cised for any purpose by you, any of your "employees", 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 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.
- e. Any person or organization with whom you agree, because of a written contract, to provide insurance such as is afforded under this policy, but only with respect to liability arising out of your operations, "your work" or facilities owned or used by you.

This provision does not apply:

- (1) To any vendor, concessionaire, lessor of leased equipment, grantor of a franchise, engineer, architect or surveyor; or
- (2) Unless the contract has been signed prior to the date of "bodily injury", "property damage", or "personal or advertising injury".
- f. Any person or organization to whom you are obligated by virtue of a written "insured contract" to provide insurance such as is afforded by this policy, but only with respect to liability arising out of the ownership, maintenance, or use of that part of any premises leased to you. This does not apply to:
  - (1) Any "occurrence" that takes place after you cease to be a tenant on those premises.
  - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such insured.



- g. Any state or political subdivision, but only as respects legal liability incurred by the state or political subdivision solely because it has issued a permit in connection with premises you own, rent, or control for one of the hazards listed below:
- (1) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners or decorations and similar exposures;
  - (2) The construction, erection or removal of elevators; or
  - (3) The ownership, maintenance or use of any elevators covered by this insurance.
3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
  - b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. 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;
  - 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 the sum of:
    - a. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
    - b. Damages under Coverage B.

The General Aggregate Limit applies separately to each location owned by or rented to you. Location, as used here, means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
  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 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 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 5. above, the Tenants Legal Liability Limit is the most we will pay under

Coverage A for damages because of "property damage" to any one premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one "occurrence".

7. Subject to 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.

- e. Knowledge of "occurrence", claim or "suit" by an agent, servant or "employee" of an insured (other than an officer or partner) does not imply knowledge by the insured unless the insured has received notice from the agent, servant or "employee".

- f. Failure by an agent, servant or "employee" of an insured (other than an "executive officer", manager or partner) to notify us of an "occurrence" will not be considered an failure to comply with paragraphs a. and b. above.

##### **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 obtained after an actual trial; 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. Motor Vehicle Laws**



With respect to "mobile equipment" to which this insurance applies:

- a. When this Coverage Part is certified as proof of financial responsibility under the provisions of any motor vehicle financial responsibility law, the insurance provided by the Coverage Part for Bodily Injury Liability or Property Damage Liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. We will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverages required by any motor vehicle insurance law. We will provide the required limits for those coverages.

#### 5. 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 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 c. below.

##### b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That insures for direct physical loss to premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) 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
  - (d) 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.

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

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any claim or "suit" if any other insurer has a duty to defend the insured against that claim or "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.

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

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

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

#### 6. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy 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.

#### 7. 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.

#### 8. 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.

#### 9. 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.

This condition does not apply to Coverage C. Medical Expenses.

#### 10. Unintentional Errors And Omissions

Any unintentional error or omission in the description of, or failure to completely describe, any premises or operations intended to be covered by this Coverage Part

will not invalidate or affect coverage for those premises or operations. But you must report such error or omission to us as soon as practicable after its discovery.

#### 11. 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 the non-renewal 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.
- 2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.
- 4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in 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:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort li-

ability 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 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 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 with a gross vehicle weight of 1000 lbs. or more and designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication 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 of material that violates a person's right of privacy;
- f. Misappropriation of advertising ideas or style of doing business; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.



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

(c) When that part of the work done at 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. Also includes "bodily injury" and "property damage" arising from the consumption of food or beverages sold, handled or distributed as "your product" at any premises you own or rent.

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

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of that vehicle;

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

(3) Products or operations for which the classification, listed in this Coverage Part, 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.

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. "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 loaned for the use of others but not sold.

21. "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.

**SECTION VI - NUCLEAR ENERGY LIABILITY EXCLUSION**

The insurance does not apply:

1. Under any Liability Coverage, to "bodily injury" or "property damage":
  - a. 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 limits of liability; or
  - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) 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.
2. Under any Medical Expenses coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
3. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:
  - a. The "nuclear material" (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured, or (2) has been discharged or dispersed therefrom;
  - b. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of any insured; or
  - c. The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to "property damage" to

such "nuclear facility" and any property thereat.

As used in this exclusion:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "special nuclear material," and "by-product material," which have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor";

"Waste" means any waste material (1) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (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."

"Nuclear facility" means:

- a. Any "nuclear reactor";
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"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;

"Property damage" includes all forms of radioactive contamination of property.



COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ELECTRONIC DATA LIABILITY AMENDMENT ENDORSEMENT

This endorsement modifies provisions in the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- 1 Paragraphs d. & e. of the definition of "personal and advertising injury" in SECTION V - DEFINITIONS are deleted and replaced by the following:
    - d. 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. Publication, in any manner, of material that violates a person's right of privacy.
  2. In SECTION V - DEFINITIONS paragraphs 1., 4. and 17. are deleted and replaced by the following:
    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.
    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 damages occurs in the course of travel or transportation between any places in 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 a. above;
      - (2) The activities of a person whose home is in the territory described in 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 a. above or in a settlement we agree to.
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, 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.

3 **2. Exclusions, a. (2) and (3) of SECTION I - COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY are deleted and replaced by the following:**

This insurance does not apply to:

a. "Personal and advertising injury":

- (2) Arising out of publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of publication of material whose first publication took place before the beginning of the policy period.

4. **Exclusion (9) of SECTION I - COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions, a. is deleted and replaced by the following:**

(9) Committed by an insured whose business is:

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

However, this exclusion does not apply to Paragraphs 1 4. a., b. and c. of "personal and advertising injury" under the Definitions Section.

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.

5. **The following additional exclusions are added to SECTION I - COVERAGE B. PERSONAL AND ADVERTISING INJURY, 2. Exclusions, a.:**

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control;

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights;

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

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

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 00 62 12 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion i. under 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:

##### I. War

"Bodily injury" or "property 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.

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

#### 2. Exclusions

This insurance does not apply to:

##### WAR

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

- a. War, including undeclared or civil war; or
- b. 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
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Exclusion h. under Paragraph 2., **Exclusions of Section I - Coverage C - Medical Payments** does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., **Exclusions of Section I - Coverage C - Medical Payments** since "bodily injury" arising out of war is now excluded under Coverage A.

**COMMERCIAL GENERAL LIABILITY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PERSONAL AND ADVERTISING INJURY REDEFINED**

This endorsement modifies provisions in the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

1. Paragraph f. of the definition of personal and advertising injury in **SECTION V - DEFINITIONS** is deleted and replaced by the following:
  - f. The use of another's advertising idea in your "advertisement"; or

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TWO OR MORE COVERAGE FORMS OR POLICIES  
ISSUED BY US**

This endorsement modifies provisions in the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence", offense, claim or "suit", the Limits of Insurance under all the Coverage Forms or policies applicable to such "occurrence", offense, claim or "suit" shall not exceed the highest applicable Limits of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or affiliated company specifically to apply as excess Insurance over this Coverage Form.

COMMERCIAL GENERAL LIABILITY  
CG 00 33 10 01

## LIQUOR 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 quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – LIQUOR LIABILITY COVERAGE

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. 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 "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" 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.

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

- b. This insurance applies to "injury" only if:

- (1) The "injury" occurs during the policy period in the "coverage territory"; and

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

- c. "Injury" 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 "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

- d. "Injury" 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 "injury" or claim:

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

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Injury" 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. Workers' Compensation And Similar Laws

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



**c. Employer's Liability**

"Bodily injury" to:

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

This exclusion applies:

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

**d. Liquor License Not In Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is suspended or after such license expires, is cancelled or revoked.

**e. Your Product**

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnitees 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.

**f. Other Insurance**

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**5 SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. 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.

3. 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.
4. All costs taxed against the insured in the "suit".
5. 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.
6. 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.
7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

**SECTION II - WHO IS AN INSURED**

1. If you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a. Your "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" is an insured for:

## (1) "Injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above; or
- (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 (1)(a) or (b) above.

## (2) "Property damage" to property:

- (a) Owned or occupied by, or
- (b) Rented or loaned

to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).

- b. 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.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
  - b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, 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 Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.
3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to 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 - LIQUOR 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 Injury, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "injury" took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any "injury".
- 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" 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 this Coverage Part, our obligations are limited as follows:

**a. Primary Insurance**

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 b. below.

**b. 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.

### 3. **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.

### 4. **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 the nonrenewal not less than 30 days before the expiration date.

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

## **SECTION V - DEFINITIONS**

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

2. "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" occurs in the course of travel or transportation between any places included in a. above; or
- c. All other parts of the world if the "injury" arises out of:

- (1) Goods or products made or sold by you in the territory described in a. above; or
- (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business

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

3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

4. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

5. "Injury" means all damages, including damages because of "bodily injury" and "property damage", and including damages for care, loss of services or loss of support.

6. "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".

7. "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.

8. "Suit" means a civil proceeding in which damages because of "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.

9. "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.

10. "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.



COMMERCIAL GENERAL LIABILITY  
COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ABSOLUTE ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under coverage parts as designated below. This endorsement contains two sections and each section pertains to a different coverage part. Please compare the coverage parts listed on the Declarations page with the coverage parts referenced in both Section 1 and 2 of this endorsement to determine the applicability of each section. PLEASE READ THIS ENTIRE ENDORSEMENT CAREFULLY.

1. This section modifies insurance provided under the:

**Commercial General Liability Coverage Part**

The following exclusion is added to paragraph 2. Exclusions of Section I Coverage A Bodily Injury And Property Damage Liability and Coverage B Personal And Advertising Injury Liability:

**2. Exclusions**

This insurance does not apply to:

**Asbestos**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of or which would not have occurred, in whole or in part, but for the actual, alleged or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape or presence of asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to the injury or damage; or
- (2) Any sums that any insured or other entity must pay, repay or reimburse because of any:
  - (a) Request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or
  - (b) Claim or "suit" for damages arising out of or relating in any way to any

request, demand, order, statutory or regulatory requirement, direction or determination that any insured or others test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or

- (3) Any other loss, cost or expense arising out of or relating in any way to asbestos.

2. This section modifies insurance provided under the:

**Commercial Property Coverage Part**

Notwithstanding any other provision of this policy, the insurance provided by any of the above does not apply to any of the following:

- a. Any physical loss or damage caused by or resulting from asbestos, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
- b. Any demand, requirement, order, direction, determination, or request that you or any other entity pay, repay or reimburse sums expended or to be expended to test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or
- c. Any demand, requirement, order, direction, determination, or request that you or any other entity test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos; or
- d. Any sums that you become legally obligated to pay because of the actual, alleged or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape or presence of asbestos.

However, this section does not exclude coverage for debris removal, including the removal of asbestos debris, if the debris is caused by or results from a Covered Cause of Loss that occurs during the policy period and such coverage is otherwise provided under the applicable

coverage part(s) (See Additional Coverages provisions of applicable coverage part). The coverage for debris removal, if any, shall be subject to all of the terms, conditions and limitations prescribed in the applicable coverage part for such coverage.



COMMERCIAL GENERAL LIABILITY  
CG 00 57 09 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF INSURING AGREEMENT -  
KNOWN INJURY OR DAMAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)

Paragraph 1. Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

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



## Fungi Or Bacteria Exclusion Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
PPS 05344009	09/08/2012	09/08/2013		16650848	\$	\$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

The following exclusion is added to paragraph 2. Exclusions of Section 1. – Coverage A – Bodily Injury And Property Damage Liability and paragraph 2. Exclusions of Coverage B – Personal And Advertising Injury Liability:

### 2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

- A. "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any:
  - 1. "Fungi" or "bacteria"; or
  - 2. Substance, vapor or gas produced by or arising out of any "fungi" or "bacteria".
- B. Loss, costs 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.
- C. For the purposes of this exclusion, the following definitions are added:
  - 1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, "spores", scents or by-products produced or released by fungi.
  - 2. "Spores" means reproductive bodies produced by or arising out of "fungi".
  - 3. "Bacteria" means any type or form of bacteria and any materials or substances that are produced or released by bacteria.

This exclusion does not apply to any "fungi" or "bacteria" that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.

## Violation Of Communication Or Information Law Exclusion



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
PPS 05344009	09/08/2012	09/08/2013	09/11/2012	16650848	\$	\$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

The following exclusion is added to paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability and Coverage B - Personal and Advertising Injury Liability:

### 2. Exclusions

This insurance does not apply to:

Violation of Communication or Information Law

"Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising out of any actual or alleged violation of:

A. the federal Telephone Consumer Protection Act (47 U.S.C. § 227), Drivers Privacy Protection Act (18 U.S.C. § 2721 - 2725) or Controlling the Assault of Non-Solicited Pornography and Marketing Act (15 U.S.C. § 7701, et seq.); or

B. any other federal, state or local statute, regulation or ordinance that imposes liability for the:

- (1) Unlawful use of telephone, electronic mail, internet, computer, facsimile machine or other communication or transmission device; or
- (2) Unlawful use, collection, dissemination, disclosure or re-disclosure of personal information in any manner

by any insured or on behalf of any insured.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TOBACCO EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY INSURANCE COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury", "property damage", "personal and advertising injury" or any claim, demand, "suit", request, obligation, loss, cost or expense, arising directly or indirectly in whole or in part, from:

1. "Health hazards" caused by or contributed to by the consumption, use, exposure to, or contact with "tobacco";
2. "Health hazards" caused by or contributed to by exposure to, or contact with, smoke, including second-hand smoke, from "tobacco";
3. Exposure to, or contact with, "tobacco";
4. The furnishing of "tobacco" to a person under the legal smoking age;
5. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of "tobacco";
6. Any warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "tobacco"; or
7. The providing of or failure to provide warnings or instructions relating to "tobacco";

regardless of any other cause, event or product that contributed concurrently or in any sequence to that injury or damage.

For the purposes of this endorsement, the following definitions are added:

"Health hazards" includes, but is not limited to, the actual or alleged emergence, contraction, aggravation or exacerbation, monitoring for, or fear of "tobacco" related diseases and conditions, including, but not limited to, atherosclerosis, heart disease, lung disease, cancer and emphysema, as well as other metabolic effects of and symptoms associated with the consumption of, use of, or exposure to "tobacco" including, but not limited to, psychological or mental injury, addiction, withdrawal symptoms or any financial consequence arising out of health hazards.

"Tobacco" includes, but is not limited to, raw or cured tobacco, cigars and wrappers, pipe tobacco, filters, snuff, chewing tobacco, smokeless tobacco products, cigarettes, cigarette paper, tobacco smoke, gaseous or solid residues or by-products of tobacco, or any chemical, mineral or other product sprayed on, applied to or customarily found within or use in conjunction with tobacco.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

**Location of Premises:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as co-owner of the premises shown in the Schedule.



COMMERCIAL GENERAL LIABILITY  
CG 21 47 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. 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:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

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

- B. 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:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

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

**COMMERCIAL GENERAL LIABILITY  
CG 01 42 07 11**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Pursuant to Arkansas Code Section 23-79-155:

**A.** The definition of "occurrence" includes faulty workmanship; and

**B.** The definition of "occurrence" required by this section of Arkansas law does not serve to limit or restrict the applicability of any exclusion for "bodily injury" or "property damage" under this Coverage Part.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS CHANGES - NON-BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTION LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

If we and the insured do not agree whether coverage is provided under this Coverage Part or Policy for a claim made against the insured, both parties may, by mutual consent, agree in writing to arbitration of the disagreement.

If both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, both parties must request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. Any decision agreed to by the arbitrators may be appealed to a court of competent jurisdiction.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CG 20 18 11 85

**ADDITIONAL INSURED—MORTGAGEE, ASSIGNEE OR RECEIVER**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

**Designation of Premises:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you and shown in the Schedule.
2. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A. HIRED AUTO LIABILITY**

The insurance provided under **SECTION I - COVERAGE A** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**B. NON-OWNED AUTO LIABILITY**

The insurance provided under **SECTION I - COVERAGE A** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

**C. With respect to the insurance provided by this endorsement:**

1. Exclusions **c., e., g., h., and j. through o.** under **SECTION I - COVERAGE A** are deleted.

2. The following exclusions are added:

a. (1) "Bodily injury" to:

(a) An "employee" of the insured arising out of and in the course of;

(i) Employment by the insured; or

(ii) Performing duties related to the conduct of the insured's business; or

(b) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (a) above.

(2) This exclusion applies:

(a) Whether the insured may be liable as an employer or in any other capacity; and

(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.

(3) This exclusion does not apply to:

(a) Liability assumed by the insured under an "insured contract"; or

(b) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

b. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to the insured; or

(2) Property in the care, custody or control of the insured.

2. **SECTION II - WHO IS AN INSURED** is replaced by the following:

a. Each of the following is an insured under this insurance to the extent set forth below:

(1) You;

- (2) Any other person using a "hired auto" with your permission;
  - (3) With respect to a "non-owned auto," any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business;
  - (4) Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under (1), (2), or (3) above.
- b. None of the following is an insured:
- (1) Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-"employee" of such person injured in the course of employment;
  - (2) Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
  - (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business," other than an "auto business" you operate;
  - (4) The owner or lessee (of whom you are a sub-lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or

"employee" of any such owner or lessee;

- (5) Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

#### D. LIMITS OF INSURANCE

The General Aggregate limit stated in the Commercial General Liability Declarations does not apply to the insurance provided by this endorsement. Otherwise, there is no other change in the application of SECTION III - LIMITS OF INSURANCE.

#### E. ADDITIONAL DEFINITIONS

The following additional definitions apply:

- 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."
- 2. "Hired auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
- 3. "Non-owned auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership a "non-owned auto" does not include any auto owned by any partner.



## Arkansas Changes - Cancellation And Nonrenewal



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

- A.** Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:
- 5.a.** If this policy is cancelled, we will send the first Named Insured any premium refund due.
- b.** We will refund the pro rata unearned premium if the policy is:
- (1) Cancelled by us or at our request;
  - (2) Cancelled but rewritten with us or in our company group;
  - (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
  - (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
- c.** If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in b.(2), (3) or (4) above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
- d.** The cancellation will be effective even if we have not made or offered a refund.
- e.** If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:
- (1) We will retain no less than \$250 of the premium for the Boiler And Machinery Coverage.
  - (2) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect More Than 60 Days**
- a.** If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
- (1) Nonpayment of premium;
  - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
  - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
  - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
  - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
  - (6) A material violation of a material provision of the policy.
- b.** Subject to Paragraph 7.c., if we cancel for:
- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.

- (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

c. The following applies to the Farm Umbrella Liability Policy, Commercial Liability Umbrella Coverage Part and the Commercial Automobile Coverage Part:

- (1) If we cancel for nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 10 days before the effective date of cancellation;
- (2) If we cancel for any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy, and any lessee of whom we have received notification prior to the loss, at least 20 days before the effective date of cancellation.

C. Paragraph 4. of the **Mortgage Holders, Including Lender's Loss Payable** Condition, if any, is replaced by the following:

- 4. If we elect not to renew this policy, we will give written notice to the lienholder:
  - (1) As soon as practicable if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal; or

- (2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.

D. The following Condition is added and supersedes any other provision to the contrary:

**NONRENEWAL**

- 1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:
  - a. Its expiration date; or
  - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

The provisions of this Paragraph 1. do not apply to any mortgageholder.

- 2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE				RENEWAL EFF 09/08/2013



**PRECISION PREMIER  
RETAIL PROGRAM**

**COMMERCIAL UMBRELLA DECLARATIONS**

This coverage part consists of this declarations form and the coverage form and endorsements indicated as applicable on the forms list.

LIMITS OF INSURANCE	
GENERAL AGGREGATE LIMIT	\$2,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE LIMIT	\$2,000,000
EACH OCCURRENCE LIMIT	\$2,000,000
RETAINED LIMIT (NOT COVERED BY UNDERLYING INSURANCE)	\$0

**SCHEDULE OF UNDERLYING INSURANCE**

TYPE	CARRIER/POLICY NUMBER	POLICY PERIOD	LIMITS OF INSURANCE	
Commercial Automobile Liability	EXCLUDED			
Commercial General Liability	ASSURANCE COMPANY OF AMERICA PPS 05344009	09/08/2013 09/08/2014	General Aggregate Limit Products & Completed Operations Aggregate Limit Personal and Advertising Injury Limit Each Occurrence Limit	\$2,000,000 \$2,000,000 \$1,000,000 \$1,000,000
Employers Liability	FIRSTCOMP WC0139270	09/10/2012 09/10/2013	Bodily Injury Each Accident Bodily Injury By Disease Policy Limit Bodily Injury By Disease Each Employee	\$1,000,000 \$1,000,000 \$1,000,000
AUTO LIABILITY HIRED & NON-OWNED	ASSURANCE COMPANY OF AMERICA PPS 05344009	09/08/2013 09/08/2014	EACH OCCURRENCE	\$1,000,000

## COMMERCIAL UMBRELLA COVERAGE FORM CONTENTS

	Item	Page		Item	Page
<b>SECTION 1. INSURING AGREEMENTS</b>					
Coverage .....	1.01	2	Cancellation - Non Renewal .....	4.04	12
Defense, Settlement and Supplementary Payments .....	1.02	2	Changes .....	4.05	12
Limits of Insurance .....	1.03	3	Drop Down Over Underlying Insurance Aggregate Reduction Or		
Territory .....	1.04	4	Exhaustion .....	4.06	12
<b>SECTION 2. EXCLUSIONS</b>					
Advertising Injury, Personal Injury .....	2.01	4	Duties in the Event of An Occurrence, Claim or Suit .....	4.07	13
Aircraft .....	2.02	4	Inspections and Surveys .....	4.08	13
Aircraft Products .....	2.03	5	Legal Action Against Us .....	4.09	14
Asbestos .....	2.04	5	Maintenance of Underlying Insurance .....	4.10	14
Contractual Liability .....	2.05	5	Other Insurance .....	4.11	14
Discrimination, Humiliation .....	2.06	5	Premiums, Premium Audit, Examination Of Your Books and Records .....	4.12	14
Employees Retirement Income Security Act .....	2.07	5	Representations .....	4.13	15
Employers Liability .....	2.08	5	Separation of Insureds .....	4.14	15
Expected or Intended Injury .....	2.09	6	Settlement of Claims or Suits .....	4.15	15
Fellow Employee Injury .....	2.10	6	Transfer of Rights of Recovery Against Others to Us .....	4.16	15
Impaired Property .....	2.11	6	Unintentional Errors or Omissions .....	4.17	15
Nuclear Energy .....	2.12	6	<b>SECTION 5. DEFINITIONS</b>		
Personal Injury .....	2.01	4	Advertising Injury .....	5.01	15
Pollution .....	2.13	8	Auto .....	5.02	16
Property Damage .....	2.14	9	Bodily Injury .....	5.03	16
Racing .....	2.15	9	Claim .....	5.04	16
Recall of Products, Work or Impaired Property .....	2.16	10	Employee .....	5.05	16
Uninsured Motorist, No-Fault .....	2.17	10	Executive Officer .....	5.06	16
War .....	2.18	10	Impaired Property .....	5.07	16
Watercraft .....	2.19	10	Insured Contract .....	5.08	16
Workers Compensation and Similar Laws .....	2.20	10	Leased Worker .....	5.09	17
<b>SECTION 3. WHO IS INSURED</b>					
Insured .....	3.01	10	Loading and Unloading .....	5.10	17
Newly Acquired or Formed Organizations .....	3.02	11	Mobile Equipment .....	5.11	17
Other Insureds .....	3.03	11	Occurrence .....	5.12	18
<b>SECTION 4. COMMERCIAL UMBRELLA CONDITIONS</b>					
Appeals .....	4.01	11	Personal Injury .....	5.13	18
Assignment - Transfer of Your Rights and Duties .....	4.02	11	Pollutants .....	5.14	18
Bankruptcy .....	4.03	12	Products-Completed Operations Hazard .....	5.15	18
			Property Damage .....	5.16	19
			Retained Limit .....	5.17	19
			Suit .....	5.18	19
			Temporary Worker .....	5.19	19
			Underlying Insurance .....	5.20	19
			Your Product .....	5.21	19
			Your Work .....	5.22	20

## COMMERCIAL UMBRELLA 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 stated on the DECLARATIONS PAGE, 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 3. WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION 5. DEFINITIONS.

### SECTION 1. INSURING AGREEMENTS

#### 1.01 Coverage

- A) We will pay on behalf of the insured those sums in excess of the "retained limit" which the insured becomes legally obligated to pay as damages for:
  - 1) "Bodily injury" or "property damage" occurring during the POLICY PERIOD stated on the DECLARATIONS PAGE and caused by an "occurrence";
  - 2) "Personal injury" caused by an offense committed during the POLICY PERIOD stated on the DECLARATIONS PAGE and arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
  - 3) "Advertising injury" caused by an offense committed during the POLICY PERIOD stated on the DECLARATIONS PAGE and in the course of advertising your goods, products or services.
- B) No other obligation or liability to pay sums or perform any act or service is covered unless explicitly provided for under Item 1.02, Defense, Settlement and Supplementary Payments.

#### 1.02 Defense, Settlement and Supplementary Payments

- A) When "underlying insurance" does not apply to an "occurrence" or offense and coverage for the "occurrence" or offense is provided by this coverage part, we have the right and duty to defend any "suit" seeking damages but:
  - 1) The amount we will pay for damages, subject to the "retained limit", is limited as described in Item 1.03, Limits of Insurance;
  - 2) We may, at our option, investigate any "occurrence" or offense and settle any "claim" or "suit" that may result;
  - 3) The amount we pay for defense is not subject to the "retained limit" and is in addition to the applicable LIMITS OF INSURANCE stated on the DECLARATIONS PAGE; and
  - 4) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments and settlements.
- B) When "underlying insurance" does apply to an "occurrence" or offense, we are not obligated to investigate, defend or be responsible for payment of supplementary expenses provided by the "underlying insurance". However, we have the right and opportunity to associate with you and your underlying insurer in the defense and control of any "claim" or "suit" reasonably likely to involve us. Should this occur, you are obligated to cooperate fully with us.

When the limits of insurance, afforded to you by your "underlying insurance", are used up by an "occurrence" or offense, we will assume charge of the settlement or defense



of any "claim" or "suit" against you resulting from the same "occurrence" or offense. Our coverage part must cover the "occurrence" or offense and be the immediate excess coverage of your "underlying insurance". When we associate with you or assume charge of the defense of any "claim" or "suit", we will do so at our own expense. The amount we pay for defense is in addition to the applicable LIMITS OF INSURANCE stated on the DECLARATIONS PAGE. Our right and duty to defend end when we have used up the applicable limits of insurance in the payment of judgments and settlements.

- C) Supplementary Payments. We will pay with respect to any "claim" or "suit" we defend under this coverage part:
- 1) All expenses we incur.
  - 2) The cost of bail bonds required because of an "occurrence" or traffic law violations arising out of the use of any vehicle to which this coverage part applies. We do not have to furnish these bonds.
  - 3) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - 4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - 5) All costs taxed against the insured in the "suit".
  - 6) 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.
  - 7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

The amount we pay for Supplementary Payments is in addition to the applicable LIMITS OF INSURANCE stated on the DECLARATIONS PAGE. Our duty to make Supplementary Payments described in 1), 2), 3), 4), and 5), above, ends when we have used up the applicable limit of insurance in the payments of judgments and settlements.

### 1.03 Limits of Insurance

- A) The LIMITS OF INSURANCE shown on the DECLARATIONS PAGE and the rules below fix the most we will pay regardless of the number of:
- 1) Insureds;
  - 2) "Claims" made or "suits" brought; or
  - 3) Persons or organizations making "claims" or bringing "suits".
- B) If there is a GENERAL AGGREGATE LIMIT stated in the LIMITS OF INSURANCE on the DECLARATIONS PAGE, that limit is the most we will pay for all injuries and damages other than those arising out of the "products-completed operations hazard" or arising out of the ownership, operation, maintenance, use, "loading or unloading", or entrustment to others of an "auto".
- C) If there is a PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT stated in the LIMITS OF INSURANCE on the DECLARATIONS PAGE, that limit is the most we will pay for all injuries or damages arising out of the "products-completed operations hazard".
- D) If there is a COMBINED AGGREGATE LIMIT stated in the LIMITS OF INSURANCE on the DECLARATIONS PAGE, that limit is the most we will pay for all injuries or damages, other than those arising out of the ownership, operation, maintenance, use, "loading or unloading", or entrustment to others of an "auto".



- E) Subject to B), C), or D) above, whichever applies, the EACH OCCURRENCE LIMIT stated in the LIMITS OF INSURANCE on the DECLARATIONS PAGE, is the most we will pay for all damages arising from a single "occurrence" or offense.

The Limits of Insurance set forth in A), B), C), D), and E), above, 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 on the DECLARATIONS PAGE, 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 considered part of the last preceding period for purposes of determining the Limits of Insurance.

#### 1.04 Territory

This coverage part applies to a covered "occurrence" or offense that happens anywhere.

### SECTION 2. EXCLUSIONS

This insurance does not apply to:

#### 2.01 Advertising Injury, Personal Injury

A) "Advertising injury" or "personal injury":

- 1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- 2) Arising out of oral or written publication of material whose first publication took place before the beginning of the POLICY PERIOD;
- 3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- 4) For which the insured has assumed liability in a contract or agreement. However, this does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

B) "Advertising injury" arising out of:

- 1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
- 2) The failure of goods, products or services to conform with advertised quality or performance;
- 3) The wrong description of the price of goods, products or services; or
- 4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

#### 2.02 Aircraft

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

This exclusion does not apply to:

- A) Any insured while using or legally responsible for the use of any non-owned aircraft chartered with paid crew, by or on behalf of any insured provided the actual use is with your permission. For purposes of this paragraph, the owner, pilot or aircrew or any other person operating the aircraft is not an insured.
- B) Liability for "bodily injury" to any "employee" of yours arising out of and in the course of employment by you; or
- C) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft.

### 2.03 Aircraft Products

"Bodily injury", "property damage", "personal injury" or "advertising injury" included in the "products-completed operations hazard" that arises out of any aircraft product designed or manufactured by you as an aircraft or for installation in any aircraft. This includes ground support or control equipment while used with aircraft.

As used in this exclusion, aircraft product means:

- A) Aircraft, including missiles or spacecraft, or any part or portion thereof; or
- B) Any article, good or product designed or manufactured for use in the control, maintenance or operation of any aircraft.

### 2.04 Asbestos

- A) "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of or relating in any way to asbestos;
- B) Any "claim", "suit" or proceeding arising out of or relating in any way to any demand, requirement, order, direction, determination or request that you or any other entity pay, repay or reimburse sums expended or to be expended to test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos;
- C) Any "claim", "suit" or proceeding arising out of or relating in any way to any demand, requirement, order, direction, determination or request that you or any other entity test for, investigate, monitor, clean up, remove, study, contain, treat, encapsulate, control or take any other action regarding asbestos;
- D) Any sums that you become legally obligated to pay as damages because of the actual, alleged or threatened discharge, dispersal, release, leakage, leaching, friability, flaking, escape or presence of asbestos; or
- E) Any loss, cost or expense arising out of or relating in any way to asbestos.

### 2.05 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:

- A) 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; or
- B) That the insured would have in the absence of the contract or agreement.

### 2.06 Discrimination, Humiliation

"Bodily injury" or "personal injury" arising out of discrimination or humiliation:

- A) That is directly or indirectly related to the employment or prospective employment by the insured of any person or persons; or
- B) That is based on race, creed, color, sex, age or national origin.

### 2.07 Employees Retirement Income Security Act

Liability imposed upon any insured under the Employees Retirement Income Security Act (ERISA) of 1974 as now or hereafter amended, or any similar law.

### 2.08 Employers Liability

- A) 1) a) "Bodily injury" to any "employee" of the insured arising out of and in the course of his or her employment by the insured for which the insured may be held liable as an employer or in any other capacity;
- b) Any obligation of the insured to indemnify or contribute with another because of damages for "bodily injury" to an "employee" arising out of and in the course of his or her employment by the insured; or

- c) "Bodily injury" to the spouse, child, parent, brother or sister of an "employee" of the insured as a consequence of "bodily injury" to such "employee" arising out of and in the course of his or her employment by the insured.

2) However, A)1)a), b), and c) do not apply:

- a) To liability assumed by the insured under an "insured contract".
- b) To the extent coverage is available to the insured in a policy listed in the SCHEDULE OF UNDERLYING INSURANCE.

B) "Bodily injury" to your "employees" if the "bodily injury" arises out of and in the course of employment that is subject to the Workers Compensation Law of Massachusetts, Missouri, New Jersey, or New York. However, this provision does not apply to liability assumed by the insured under an "insured contract".

#### 2 09 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 in protecting persons or property.

#### 2 10 Fellow Employee Injury

Any "employee" as an insured with respect to "bodily injury" or "personal injury":

- A) To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;
- B) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph A) above;
- C) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs A) and B) above; or
- D) Arising out of his or her providing or failing to provide professional health care services.

However, this exclusion does not apply to the extent that coverage for fellow employee injury is available to the insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE.

#### 2 11 Impaired Property

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

- A) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- B) 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.

#### 2 12 Nuclear Energy

A) "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) "Bodily injury" or "property damage" resulting from "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.
- D) As used in this exclusion:
  - 1) "Hazardous properties" includes radioactive, toxic or explosive properties.
  - 2) "Nuclear material" means "source material", "special nuclear material" or "by-product material".
  - 3) "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.
  - 4) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
  - 5) "Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".
  - 6) "Nuclear facility" means:
    - a) Any "nuclear reactor";
    - b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
    - c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
    - d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"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.

"Property damage" includes all forms of radioactive contamination of property.

## 2.13 Pollution

A) "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- 1) At or from any premises, site or location which is or was at any time owned or occupied by or rented or loaned to, any insured;
- 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- 3) Which are or were at any time transported, handled, stored, treated, disposed of or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- 4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
  - a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
  - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraphs A)1) and A)4)a), above, do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

B) Any loss, cost or expense arising out of any:

- 1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the 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".

C) "Bodily injury", "property damage", "personal injury", or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- 1) That are, or that are contained in any property that is:
  - a) Being transported or towed by, handled, or handled for movement into, onto or from any "auto";
  - b) Otherwise in the course of transit by or on behalf of the insured; or
  - c) Being stored, disposed of, treated or processed in or upon any "auto";
- 2) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto any "auto"; or
- 3) After the "pollutants" or any property in which the "pollutants" are contained are moved from any "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.



Paragraph C)1), above, does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of any "auto", or its parts, insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE, if:

- a) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- b) The "bodily injury", "property damage", "personal injury" or "advertising injury" does not arise out of the operation of any equipment listed in paragraphs F)2) and F)3) of the definition of "mobile equipment".

Paragraphs C)2 and C)3), above, of this exclusion do not apply to accidents that occur away from premises owned by or rented to an insured with respect to "pollutants" not in or upon any "auto" insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE, if:

- a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned, or damaged as a result of the maintenance or use of that "auto"; and
- b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

#### 2.14 Property Damage

"Property damage" to:

- A) Property which is owned by, leased by, rented to or used by you;
- B) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- C) Personal property in the care, custody or control of the insured;
- D) Property, other than aircraft or watercraft, rented or loaned to you, occupied or used by you or in your care, custody or control to the extent you are obligated by contract to provide insurance for such property;
- E) Aircraft or watercraft owned or rented by you or in your care, custody or control; or
- F) 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;
- G) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it. This paragraph does not apply to "property damage" included in the "products-completed operations hazard";
- H) "Your product" arising out of it or any part of it; or
- I) "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 work out of which the damage arises was performed on your behalf by a subcontractor.

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

Paragraphs A), F) and G) of this exclusion do not apply to liability assumed under a sidetrack agreement.

#### 2.15 Racing

"Bodily injury" or "property damage" arising out of the use of any "auto" or "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity. However, this exclusion does not apply to those activities for which coverage is afforded to the insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE.



**2.16 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:

- A) "Your product";
- B) "Your work"; or
- C) "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.

**2.17 Uninsured Motorist, No-Fault**

Damages claimed for any loss, cost, or expense under any uninsured motorist, underinsured motorist, automobile no-fault or first party personal injury protection law, or any similar law.

**2.18 War**

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

**2.19 Watercraft**

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

This exclusion does not apply to:

- A) A watercraft that is:
  - 1) Less than 51 feet long owned by any insured; or
  - 2) Not owned by any insured;but only if the watercraft is not being used to carry persons or property for a charge;
- B) A watercraft while ashore on premises you own, rent or occupy;
- C) Liability for "bodily injury" to any "employee" of yours arising out of and in the course of employment by you; or
- D) Liability assumed under an "insured contract" for the ownership, maintenance or use of watercraft.

**2.20 Workers Compensation and Similar Laws**

Any obligation of the insured under a Workers Compensation, disability benefits, occupational disease or unemployment compensation law or any similar law except this exclusion does not apply to liability assumed by the insured under an "insured contract".

**SECTION 3. WHO IS AN INSURED**

**3.01 If you are designated on the DECLARATIONS PAGE as:**

- A) An individual, you and your spouse are an insured, 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) An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are also 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.

3.02 Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or interest which is greater than 50%, will qualify as a NAMED INSURED if there is no other similar insurance available to that organization. However, this coverage part does not apply to:

- A) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- B) "Personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

3.03 Each of the following is also an insured:

- A) Any person or organization for which you have agreed in a written contract to include as an insured, however:
  - 1) Only in connection with liability arising out of the operation of your business;
  - 2) Only to the extent that coverage is afforded to that person or organization by "underlying insurance"; and
  - 3) Only up to the extent of the limits of liability required by such contract, not to exceed the applicable LIMITS OF INSURANCE of this coverage part.
- B) Any other person or organization that is included as an insured or additional insured under "underlying insurance" is an insured but only to the extent that coverage is afforded to that person or organization by the "underlying insurance".
- C) Any person or organization while acting on your behalf as a real estate manager.
- D) Your "employees", while acting within the scope of their duties as your "employees", except in connection with the ownership, maintenance, operation, use, "loading or unloading" of an "auto", other than one owned by, loaned to, or hired for use by you.
- E) Anyone is an insured while using, with your permission, any "auto" owned, hired or borrowed by you except:
  - 1) Someone engaged in the business of selling, servicing, repairing, parking or storing "autos" unless you own or operate that business.
  - 2) The owner of an "auto" you hire or borrow including one of your "employees" or a member of the "employees" household.
- F) Any of your subsidiary companies or any company over which you exercise control and actively manage, but only to the extent that coverage is afforded to the subsidiary or managed company by "underlying insurance".

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a NAMED INSURED on the DECLARATIONS PAGE.

#### **SECTION 4. COMMERCIAL UMBRELLA CONDITIONS**

##### **4.01 Appeals**

In the event you or your underlying insurer elect not to appeal a judgment in excess of the "retained limit", we may do so at our expense and will be responsible for the taxable costs, disbursements and interest incidental to those items, but in no event will our liability exceed the applicable limit specified in the LIMITS OF INSURANCE on the DECLARATIONS PAGE.

##### **4.02 Assignment - Transfer of Your Rights and Duties**

Your rights and duties under this coverage part 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.

**4.03 Bankruptcy**

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

**4.04 Cancellation - Non Renewal**

- A) The first NAMED INSURED shown on the DECLARATIONS PAGE may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- B) We may cancel this policy by mailing or delivering to the first NAMED INSURED written notice of cancellation at least:
  - 1) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
  - 2) 30 days before the effective date of cancellation if we cancel for any other reason.
- C) We will mail or deliver our notice to the first NAMED INSURED'S last mailing address known to us.
- D) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- E) If this policy is 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.
- F) If we decide not to renew this policy, we will mail or deliver to the first NAMED INSURED shown on the DECLARATIONS PAGE written notice of the non-renewal not less than 30 days before the expiration date.
- G) If notice of cancellation or non-renewal is mailed, proof of mailing will be sufficient proof of notice.

**4.05 Changes**

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

**4.06 Drop Down Over Underlying Insurance Aggregate Reduction Or Exhaustion**

If an aggregate limit of insurance of any "underlying insurance" should be reduced or exhausted by reason of payment of damages due to injuries or offenses which occur during the POLICY PERIOD shown in the DECLARATIONS PAGE, then, subject to the applicable limits of insurance of this coverage part:

- A) In the event of "underlying insurance" aggregate reduction, this coverage part will drop down and apply in excess of the applicable reduced "underlying insurance" aggregate; or
- B) In the event of "underlying insurance" aggregate exhaustion, this coverage part will drop down and apply as "underlying insurance" subject to terms and conditions of this coverage part, for the remainder of the policy period of such "underlying insurance" or the end of this POLICY PERIOD, whichever occurs first.

No "retained limit" will apply.

**4.07 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 an offense which may result in a "claim". To the extent possible, notice should include:
  - 1) The insured's name and address;
  - 2) How, when and where the "occurrence" or offense took place;
  - 3) The names and addresses of any injured persons and witnesses; and
  - 4) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- B) Notice of an "occurrence" or offense is not notice of a "claim". However, 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;
  - 2) Notify us as soon as practicable; and
  - 3) Provide us with 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, settlement or defense of the "claim" or "suit"; and
  - 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- D) No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- E) Knowledge of an "occurrence" or offense, "claim" or "suit" by the agent, servant or "employee" of an insured shall not in itself constitute your knowledge unless your officer, manager, or partner has received notice of the "occurrence", offense, "claim", or "suit".
- F) Failure by an agent, servant or "employee" of an insured (other than an officer, manager, or partner) to notify us of an "occurrence" or offense will not be considered a failure to comply with paragraphs A) and B) above.

**4.08 Inspections and Surveys**

We have the right but are not obligated to:

- A) Make inspections and surveys at any time;
- B) Give you reports on the conditions we find; and
- C) Recommend changes.

Any inspections, surveys, reports or recommendations 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.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

**4.09 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 its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this 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.

**4.10 Maintenance of Underlying Insurance**

- A) You agree that you will maintain the "underlying insurance" without alteration of terms, limits or conditions in full effect during this POLICY PERIOD, except for any reduction or exhaustion of the aggregate or occurrence limits in the "underlying insurance" as described in Condition 4.06, Drop Down Over Underlying Insurance Aggregate Reduction Or Exhaustion.
- B) If any "underlying insurance" is not available or collectible because of:
  - 1) the bankruptcy or insolvency of the underlying insurer(s) providing that "underlying insurance"; or
  - 2) the inability or failure for any other reason of the underlying insurer(s) to comply with any of the obligations of its policy,then this coverage part will apply (and amounts payable will be determined) as if that "underlying insurance" were available and collectible.
- C) Your failure to comply with this condition will not invalidate this coverage part. In the event you fail to comply, we will be liable only to the extent we would have been had you maintained the "underlying insurance".

**4.11 Other Insurance**

If you have collectible insurance available to you covering a loss also covered by this coverage part, the insurance afforded by this coverage part will apply as excess of and not contribute with such other insurance. However, this limitation does not apply to other insurance which is specifically written as excess insurance over the limits afforded by this coverage part.

**4.12 Premiums, Premium Audit, Examination Of Your Books And Records**

- A) The first NAMED INSURED shown on the DECLARATIONS PAGE:
  - 1) Is responsible for the payment of all premiums; and
  - 2) Will be the payee for any return premiums we pay.
- B) We will compute all premiums for this coverage part in accordance with our rules and rates.
- C) The premium on the DECLARATIONS PAGE, if stated as subject to audit, is a deposit premium only. At the close of each audit period we will compute the earned premium for that period.
- D) If stated as subject to audit, audit premiums are due and payable on notice to the first NAMED INSURED. If the sum of the POLICY PREMIUM shown on the DECLARATIONS PAGE and the audit premiums paid for the POLICY PERIOD is greater than the earned premium, we will return the excess to the first NAMED INSURED.
- E) 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.



- F) We may examine and audit your books and records as they relate to this coverage part at any time during the POLICY PERIOD and up to three years afterward.

**4.13 Representations**

By accepting this policy, you agree:

- A) The statements on the DECLARATIONS PAGE 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.

**4.14 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.

**4.15 Settlement of Claims or Suits**

We may pay, but we are not obligated to pay, any part or all of the "retained limit" which is not covered by "underlying insurance" to effect settlement of any "claim" or "suit". Upon notification of this action, you will promptly reimburse us for the amount of such part of the "retained limit" paid by us.

**4.16 Transfer of Rights of Recovery Against Others to Us**

If any 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.

Recoveries received will be applied first to reimburse any insured for payment it may have made in excess of the "retained limit" plus the LIMIT OF INSURANCE provided by this coverage part to the extent of such payments. We will be reimbursed next to the extent of our payments under this coverage part. If any balance remains it will be applied to reimburse you or any underlying insurer as your respective interests appear. The expenses of such recovery will be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by us, the expenses will be borne by us.

**4.17 Unintentional Errors and Omissions**

Any unintentional error or omission in the description of, or failure to describe completely, any premises or operations intended to be covered by this coverage part will not invalidate or affect coverage for those premises or operations. However, you must report such error or omission to us as soon as practicable after its discovery.

**SECTION 5. DEFINITIONS**

**5.01 Advertising Injury**

"Advertising injury" means injury arising out of one or more of the following offenses:

- A) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- B) Oral or written publication of material that violates a person's right of privacy;
- C) Misappropriation of advertising ideas or style of doing business; or
- D) Infringement of copyright, title or slogan.



**E.02 Auto**

"Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. "Auto" does not include "mobile equipment".

**E.03 Bodily Injury**

"Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.

**E.04 Claim**

"Claim" means a demand upon the insured for damages. "Claim" does not include reports of accidents, acts, errors, "occurrences", offenses or omissions which may give rise to a "claim" under this coverage part.

**E.05 Employee**

"Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

**E.06 Executive Officer**

"Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

**E.07 Impaired Property**

"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:
  - A) The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - B) Your fulfilling the terms of the contract or agreement.

**E.08 Insured Contract**

"Insured contract" means:

- A) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- B) A sidetrack agreement;
- C) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- D) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- E) An elevator maintenance agreement;
- F) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- 1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and

affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

- 2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
  - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- 3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in 2) above and supervisory, inspection or engineering services.

#### **5.09 Leased Worker**

"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".

#### **5.10 Loading or Unloading**

"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".

#### **5.11 Mobile Equipment**

"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 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 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;
  - c) Street cleaning;
- 2) Cherry pickers and similar devices mounted on "auto" 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.

#### **E.12 Occurrence**

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

All damages that arise from continuous or repeated exposure to substantially the same general harmful conditions are considered to arise from one "occurrence".

#### **E.13 Personal Injury**

"Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:

- A) False arrest, detention or imprisonment;
- B) Malicious prosecution;
- C) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- D) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- E) Oral or written publication of material that violates a person's right of privacy; or
- F) Discrimination or humiliation, but only with respect to injury to the feelings or reputation of a natural person.

#### **E.14 Pollutants**

"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.

#### **E.15 Products-Completed Operations Hazard**

- A) "Products-completed operations hazard" 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.
- B) "Your work" will be deemed completed at the earliest of the following times:
  - 1) When all of the work called for in your contract has been completed.
  - 2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
  - 3) 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.

- C) This hazard does not include "bodily injury" or "property damage" arising out of:
- 1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;
  - 2) The existence of tools, uninstalled equipment or abandoned or unused materials;
  - 3) Products or operations for which the classification in the "underlying insurance" carrier's policy, coverage part, or manual of rules, includes products or completed operations.

**5.16 Property Damage**

"Property damage" means:

- A) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will 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 will be deemed to occur at the time of the "occurrence" that caused it.

**5.17 Retained Limit**

"Retained limit" means:

- A) An amount equal to the applicable limit of insurance for "underlying insurance"; or
- B) The amount specified in the RETAINED LIMIT (Not Covered by Underlying Insurance) on the DECLARATIONS PAGE applying to damages arising out of any one "occurrence" or offense not covered by "underlying insurance".

**5.18 Suit**

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

- A) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- B) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**5.19 Temporary Worker**

"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.

**5.20 Underlying Insurance**

"Underlying insurance" means:

- A) Those policies designated in the SCHEDULE OF UNDERLYING INSURANCE;
- B) Any other policies purchased or issued for any newly acquired or formed organization which qualifies as a NAMED INSURED in SECTION 3. WHO IS AN INSURED;
- C) Renewals or replacements of the policies in A) and B), above, if renewed or replaced during the POLICY PERIOD of this coverage part; and
- D) Any other insurance available to, collectible by or payable on your behalf, except for other insurance which is specifically written as excess insurance over this coverage part.

**5.21 Your Product**

- A) "Your product" means:

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

B) "Your product" includes:

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

**E.22 Your Work**

A) "Your work" means:

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

B) "Your work" includes:

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

**Exclusion – Violation Of Statutes That Govern E-Mails,  
Fax, Phone Calls Or Other Methods Of Sending  
Material Or Information**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

The following exclusion is added to **Section 2. Exclusions**:

This insurance does not apply to:

**Distribution of Material in Violation of Statutes**

"Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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



COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **VIOLATION OF COMMUNICATION OR INFORMATION LAW EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

The following exclusion is added to **Section 2. Exclusions**:

This insurance does not apply to:

**Violation of Communication or Information Law**

A) "Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising out of any actual or alleged violation of:

- 1) the federal Telephone Consumer Protection Act (47 U.S.C. § 227), Drivers Privacy Protection Act (18 U.S.C. § 2721 - 2725) or Controlling the Assault of Non-Solicited Pornography and Marketing Act (15 U.S.C. § 7701, et seq.); or
- 2) any other federal, state or local statute, regulation or ordinance that imposes liability for the:
  - a) Unlawful use of telephone, electronic mail, internet, computer, facsimile machine or other communication or transmission device; or
  - b) Unlawful use, collection, dissemination, disclosure or re-disclosure of personal information in any manner

by any insured or on behalf of any insured.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAR EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM**

A. Paragraph 2.18 under **SECTION 2. EXCLUSIONS** is replaced with the following:

**2. EXCLUSIONS**

This insurance does not apply to:

**2.18 War**

"Bodily injury" or "property damage" arising, directly or indirectly, out of:

- (a) War, including undeclared or civil war; or
- (b) 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
- (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

3. The following exclusion is added to **SECTIONS 2. EXCLUSIONS**:

**2. EXCLUSIONS**

This insurance does not apply to:

**War**

"Personal and advertising injury" arising, directly or indirectly, out of:

- (a) War, including undeclared or civil war; or
- (b) 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
- (c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AUTOMOBILE LIABILITY  
FOLLOWING FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

With respect to "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any "auto" owned or operated by or rented or loaned to any insured, the coverage afforded by this insurance is limited to the extent that coverage is provided to the insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE.

However, this endorsement does not modify Exclusions 2.13, Pollution, or 2.17, **Uninsured Motorist, No-Fault** of this coverage form.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIQUOR LIABILITY  
FOLLOWING FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:  
COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

With respect to "bodily injury" or "property damage" for which any insured may be held liable by reason of:

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

the coverage afforded by this insurance is limited to the extent that coverage is provided to the insured by a policy listed in the SCHEDULE OF UNDERLYING INSURANCE.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## UMBRELLA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

- I. A) The following replaces the title in **SECTION 2. EXCLUSIONS**, for Advertising Injury, Personal Injury in the TABLE OF CONTENTS:  
Personal and Advertising Injury
- B) The following replaces the titles in **SECTION 5. DEFINITIONS**, for Advertising Injury and Personal Injury in the TABLE OF CONTENTS:  
Personal and Advertising Injury
- II. The following replaces paragraphs A)2) and A)3) of **SECTION I. INSURING AGREEMENTS**, Item 1.01, Coverage:
  - A) 2) "Personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed during the POLICY PERIOD.
- III. The following replaces Exclusion 2.01, Advertising Injury, Personal Injury:
  - 2.01 Personal and Advertising Injury
    - A) "Personal and advertising injury":
      - 1) Committed by, at the direction or with the consent or acquiescence of, the insured with the intention or expectation to inflict "personal and advertising injury";
      - 2) Arising out of publication of material, if done by or at the direction of the insured with knowledge of its falsity;
      - 3) Arising out of publication of material whose first publication took place before the beginning of the POLICY PERIOD;
      - 4) Arising out of a criminal act committed by or at the direction of any insured;
      - 5) Arising out of a violation of an antitrust law;
      - 6) 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; to injury arising out of false arrest, detention or imprisonment, malicious prosecution; or to 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;  
provided the contract or agreement is an "insured contract" and the injury is caused by an offense which occurs subsequent to the execution of the contract or agreement;
      - 7) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
      - 8) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
      - 9) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement"; or
      - 10) Committed by an insured whose business is:

- a) Advertising, broadcasting, publishing or telecasting;
- b) Designing or determining content of web-sites for others; or
- c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs A), B) or C) of "personal and advertising injury" under **SECTION 5. DEFINITIONS**. 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;

- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copy-right, trade dress or slogan; or

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

IV. The following replaces the first paragraph of Item 2.03, **Aircraft Products**:

**2.03 Aircraft Products**

"Bodily injury", "property damage" or "personal and advertising injury" included in the "products-completed operations hazard" that arises out of any aircraft product designed or manufactured by you as an aircraft or for installation in any aircraft. This includes ground support or control equipment while used with aircraft.

V. The following replaces paragraph A) of Item 2.04, **Asbestos**:

- A) "Bodily injury", "property damage" or "personal and advertising injury" arising out of or relating in any way to asbestos;

VI. The following replaces the lead-in phrase of Item 2.06, **Discrimination, Humiliation**:

"Bodily injury" or "personal and advertising injury" arising out of discrimination or humiliation:

VII. The following replaces the lead-in phrase of Item 2.10, **Fellow Employee Injury**:

Any "employee" as an insured with respect to "bodily injury" or "personal and advertising injury":

VIII.A) The following replaces paragraph A)1) of Item 2.13, **Pollution**:

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

- 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured.

However, subparagraph 1) does not apply to "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- 3) Which are or were at any time transported, handled, stored, treated, disposed of or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- 4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
  - a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or



- b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraphs A)1) and A)4)a), above, do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- B) The following replaces the lead-in phrase of paragraph C) of Item 2.13, **Pollution**:

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

- C) The following replaces paragraph C)3)b) of Item 2.13, **Pollution**:

- b) The "bodily injury", "property damage" or "personal and advertising injury" does not arise out of the operation of any equipment listed in paragraphs F)2) and F)3) of the definition of "mobile equipment".

- IX. The following replaces paragraph B) of Item 3.02:

- B) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

- X. The following condition is added to **SECTION 4. COMMERCIAL UMBRELLA CONDITIONS**:

**Two Or More Coverage Forms Or Policies Issued By Us**

If this Commercial Umbrella Coverage Form and any other Umbrella or Excess Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "occurrence", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

- XI. Definitions 5.01, **Advertising Injury**; 5.13, **Personal Injury** and 5.16, **Property Damage**, are replaced with the following:

**5.01 Advertisement**

"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.

**5.13 Personal and Advertising Injury**

"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) 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) 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".

**5.16 Property Damage**

"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, 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.

XII. Definition 5.05, **Employee**, is amended to include the following:

If the definition of "employee" has been amended by an endorsement to a policy listed in the SCHEDULE OF UNDERLYING INSURANCE, that definition supersedes the definition of "employee" in this policy.

XIII. The following replaces the first sentence of Item 5.18, **Suit**:

"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.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ARKANSAS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

The following is added to Item 4.04, Cancellation – Non Renewal and supersedes any provision to the contrary:

H) Cancellation of Policies in Effect for 60 Days or Less

- 1) If this policy is cancelled, we will send the first NAMED INSURED any premium refund due.
- 2) We will refund the pro rata unearned premium if the policy is:
  - a) Cancelled by us or at our request;
  - b) Cancelled but rewritten with us or in our company group;
  - c) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
  - d) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
- 3) If the policy is cancelled at the request of the first NAMED INSURED, other than a cancellation described in 2)b),c), or d) above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
- 4) The cancellation will be effective even if we have not made or offered a refund.

I) Cancellation of Policies in Effect More than 60 Days

- 1) If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
  - a) Nonpayment of premium;
  - b) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
  - c) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
  - d) Violation of any local fire, health, safety, building or construction regulations or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;

- e) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
  - f) A material violation of a material provision of the policy.
- 2) If we cancel for:
- a) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first NAMED INSURED at least 10 days before the effective date of cancellation.
  - b) Any other reason, we will mail or deliver notice of cancellation to the first NAMED INSURED at least 20 days before the effective date of cancellation.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

The following exclusion is added to **Section 2. Exclusions**:

This insurance does not apply to:

**Fungi or Bacteria**

- A) "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly by the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any:
  - 1) "Fungi" or "bacteria"; or
  - 2) Substance, vapor or gas produced by or arising out of any "fungi" or "bacteria".
- B) Loss, costs 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.
- C) For the purposes of this exclusion, the following definitions are added:
  - 1) "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, "spores", scents or byproducts produced or released by fungi.
  - 2) "Spores" means reproductive bodies produced by or arising out of "fungi".
  - 3) "Bacteria" means any type or form of bacteria and any materials or substances that are produced or released by bacteria.

This exclusion does not apply to any "fungi" or "bacteria" that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TOBACCO EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA COVERAGE FORM

This insurance does not apply to any "bodily injury", "property damage", "personal and advertising injury" or any claim, demand, "suit", request, obligation, loss, cost or expense, arising directly or indirectly in whole or in part, from:

1. "Health hazards" caused by or contributed to by the consumption, use, exposure to, or contact with "tobacco";
2. "Health hazards" caused by or contributed to by exposure to, or contact with, smoke, including second-hand smoke, from "tobacco";
3. Exposure to, or contact with, "tobacco";
4. The furnishing of "tobacco" to a person under the legal smoking age;
5. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of "tobacco";
6. Any warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "tobacco"; or
7. The providing of or failure to provide warnings or instructions relating to "tobacco";

regardless of any other cause, event or product that contributed concurrently or in any sequence to that injury or damage.

For the purposes of this endorsement, the following definitions are added:

"Health hazards" includes, but is not limited to, the actual or alleged emergence, contraction, aggravation or exacerbation, monitoring for, or fear of "tobacco" related diseases and conditions, including, but not limited to, arteriosclerosis, heart disease, lung disease, cancer and emphysema, as well as other metabolic effects of and symptoms associated with the consumption of, use of, or exposure to "tobacco" including, but not limited to, psychological or mental injury, addiction, withdrawal symptoms or any financial consequence arising out of health hazards.

"Tobacco" includes, but is not limited to, raw or cured tobacco, cigars and wrappers, pipe tobacco, filters, snuff, chewing tobacco, smokeless tobacco products, cigarettes, cigarette paper, tobacco smoke, gaseous or solid residues or by-products of tobacco, or any chemical, mineral or other product sprayed on, applied to or customarily found within or use in conjunction with tobacco.



COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF INSURING AGREEMENT -  
KNOWN INJURY OR DAMAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA COVERAGE FORM

I. Item 1.01, Coverage, is replaced by the following:

1.01 Coverage

- A) We will pay on behalf of the insured those sums in excess of the "retained limit" which the insured becomes legally obligated to pay as damages for:
  - 1) "Bodily injury" or "property damage" to which this insurance applies, occurring during the POLICY PERIOD stated on the DECLARATIONS PAGE and caused by an "occurrence";
  - 2) "Personal injury" to which this insurance applies, caused by an offense committed during the POLICY PERIOD stated on the DECLARATIONS PAGE and arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;
  - 3) "Advertising injury" to which this insurance applies, caused by an offense committed during the POLICY PERIOD stated on the DECLARATIONS PAGE and in the course of advertising your goods, products or services.
- 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 Item 3.01, of SECTION 3. WHO IS AN INSURED and no "employee" authorized by you to give or receive notice of an "occurrence" or "claim", knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the POLICY PERIOD, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the POLICY PERIOD will be deemed to have been known 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 Item 3.01, of SECTION 3. 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 Item 3.01, of SECTION 3. WHO IS AN INSURED or any "employee" authorized by you to give or receive notice of an "occurrence" or "claim":
  - 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - 2) Receives a written or verbal demand or "claim" for damages because of the "bodily injury" or "property damage"; or
  - 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- E) Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- F) No other obligation or liability to pay sums or perform any act or service is covered unless explicitly provided for under Item 1.02, Defense, Settlement and Supplementary Payments.

COMMERCIAL UMBRELLA LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EMPLOYMENT - RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

This insurance does not apply to "bodily injury", "personal injury", or "advertising injury" to:

A) A person arising out of any:

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

B) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury", "personal injury", or 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 insured may be liable as an employer or in any other capacity; and
- 2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH LOUISIANA OFFIC					RENEWAL EFF 09/08/2013	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION PREMIER  
ASSURANCE COMPANY OF AMERICA**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
* / 9S5008	0300		X		SUPPLEMENTAL DECLARATIONS
/ 9S5293	0207	X	X	X	ARKANSAS CHANGES-CANCELLATION AND NONRENEWAL
* / 9S1016	0300	X			PROPERTY DECLARATION
* / 9S1017	0601	X			BUILDING AND PERSONAL PROPERTY SCHEDULE
/ 9S1001	0499	X			BUILDING AND PERSONAL PROPERTY COVERAGE FORM
/ 9S1220	0701	X			EXCLUSION FOR SOFTWARE AND DATA-RELATED LOSSES
/ 9S2102	0601		X		ELECTRONIC DATA LIABILITY AMENDMENT ENDORSEMENT
/ 9S1002	1092	X			CRIME COVERAGE FORM
/ 9S1103	0302	X			GLASS AMENDATORY ENDORSEMENT
/ CP0299	1185	X			CANCELLATION CHANGES
* / 9S2008	0300		X		COMMERCIAL GENERAL LIABILITY DECLARATIONS
* / 9S2009	0300		X		COMMERCIAL GENERAL LIABILITY SCHEDULE
/ 9S2001	0499		X		COMMERCIAL GENERAL LIABILITY COVERAGE FORM
/ CG0062	1202		X		WAR LIABILITY EXCLUSION
/ 9S2345	0104		X		PERSONAL AND ADVERTISING INJURY REDEFINED

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

COMMON  
9S5009 Ed. 3-00

08/04/2013

INSURED'S COPY  
PAGE 1 OF 3

Exhibit 1

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH LOUISIANA OFFIC					RENEWAL EFF 09/08/2013	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION PREMIER  
ASSURANCE COMPANY OF AMERICA  
(CONTINUED)**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
CG0142	0711	X			ARKANSAS CHANGES
9S2002	0196	X			HIRED AUTO AND NON-OWNED AUTO LIABILITY
* 9S2324	0902	X			TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US
CG0033	1001	X			LIQUOR LIABILITY COVERAGE FORM
15153	0803	X	X		ABSOLUTE ASBESTOS EXCLUSION
CG0057	0999	X			AMENDMENT OF INSURING AGREEMENT - KNOWN INJURY OR DAMAGE
U-GL-1171-A-CW	0703	X			FUNGI OR BACTERIA EXCLUSION ENDORSEMENT
U-GL-1198-A-CW	0204	X			VIOLATION OF COMMUNICATION OR INFORMATION LAW EXCLUSION
9S1122	0110	X			LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA
9S2280	0301	X			TOBACCO EXCLUSION
983109	0804			X	FUNGI OR BACTERIA EXCLUSION ENDORSEMENT
983117	0301			X	TOBACCO EXCLUSION
CG2018	1185	X			ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER
CG2027	1185	X			ADDITIONAL INSURED - CO-OWNER OF INSURED PREMISES
CG2147	0798	X			EMPLOYMENT-RELATED PRACTICES EXCLUSION

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

COMMON  
9S5008 Ed. 3-00

08/04/2013

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 05344009		16650848		M020656098-001-00001	ANNUAL
BRANCH LOUISIANA OFFIC					RENEWAL EFF 09/08/2013	

**PRECISION PORTFOLIO POLICY  
FORMS AND ENDORSEMENTS APPLICABLE  
PRECISION PREMIER  
ASSURANCE COMPANY OF AMERICA  
(CONTINUED)**

FORM NUMBER	PROP	LIAB	AUTO	UMB	FORM OR ENDORSEMENT NAME
983104	0900			X	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG2644	1195	X			ARKANSAS CHANGES - NONBINDING ARBITRATION
985021	0300			X	AMENDMENT OF INSURING AGREEMENT - KNOWN INJURY OR DAMAGE
983145	0604			X	VIOLATION OF COMMUNICATION OR INFORMATION LAW EXCLUSION
983153	1105			X	EXCLUSION-VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF SENDING MATERIAL OR INFORMATION
988003	0397			X	ARKANSAS AMENDATORY ENDORSEMENT
* 982001	0196			X	COMMERCIAL UMBRELLA DECLARATIONS
982003	0196			X	COMMERCIAL UMBRELLA COVERAGE FORM
983139	1202			X	WAR EXCLUSION
984004	0196			X	AUTOMOBILE LIABILITY FOLLOWING FORM ENDORSEMENT
984013	0196			X	LIQUOR LEGAL LIABILITY - FOLLOWING FORM ENDORSEMENT
985013	0901			X	UMBRELLA AMENDATORY ENDORSEMENT

\* These forms are attached. Remaining forms were attached to a previous copy of the policy.

COMMON  
8S5008 Ed. 3-00

08/04/2013



[illegible]

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL
BRANCH SJ LOUISIANA OFFICE			RENEWAL EFF 09/08/2013	



**LIST OF ADDITIONAL FORMS ENCLOSED - NON-POLICY FORMS**  
**ASSURANCE COMPANY OF AMERICA**

FORM NUMBER		FORM DESCRIPTION
9S5001	06-11	PRECISION POLICY MAILING SHEET-AGENT
/ U-GU-1041-A	03-11	ADVISORY NOTICE TO POLICYHOLDERS REGARDING THE U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") REGULATIONS
/ 9C0015	01-96	COMMISSION SCHEDULE
/ 9S5319	06-09	IMPORTANT POLICYHOLDER INFORMATION (ARKANSAS)
/ 982054	09-11	NOTICE TO POLICYHOLDER - FUNGI OR BACTERIA EXCLUSION ENDORSEMENT

08/04/2013

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U-CL-103-A CW (08/04)

PAGE 1 OF 1

Exhibit 1

BILL	POLICY NUMBER	PRODUCER NUMBER	ACCOUNT NUMBER	AUDIT PERIOD								
D	PPS 05344009	16650848	M020656098-001-00001	ANNUAL								
BRANCH SJ LOUISIANA OFFICE			RENEWAL EFF 09/08/2013									
<p style="text-align: center;"><b>PRECISION PREMIER RETAIL PROGRAM</b></p> <p style="text-align: center;"><b>COMMISSION SCHEDULE</b></p> <table><thead><tr><th>LINE OF BUSINESS</th><th>COMMISSION</th></tr></thead><tbody><tr><td>Commercial Property Coverage Part</td><td>15.0</td></tr><tr><td>Commercial General Liability Coverage Part</td><td>15.0</td></tr><tr><td>Commercial Umbrella Coverage Part</td><td>15.0</td></tr></tbody></table>					LINE OF BUSINESS	COMMISSION	Commercial Property Coverage Part	15.0	Commercial General Liability Coverage Part	15.0	Commercial Umbrella Coverage Part	15.0
LINE OF BUSINESS	COMMISSION											
Commercial Property Coverage Part	15.0											
Commercial General Liability Coverage Part	15.0											
Commercial Umbrella Coverage Part	15.0											
9C0015 Ed. 1-96		INSURED'S COPY		08/04/2013								