

**FLORIDA FACE PAGE**

Insured's Name: Bridgewater at Bonita Beach Condominium Association, Inc Policy #: 2025-9007463-01  
Policy Dates From: Apr 01, 2025 To: Apr 01, 2026  
Surplus Lines Agent's Name: Don Deising

Surplus Lines Agent's Address: 610 CRESCENT EXECUTIVE CT STE 312 LAKE MARY FL 32746-2110

Surplus Lines Agent's License #: P200293

Producing Agent's Name: David Upton

Producing Agent's Physical Address: 9617 Gulf Research Lane Suite 202 Fort Myers, FL 33912

**"THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER."**

**"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY."**

Policy Premium: NA

Policy Fee: NA

Inspection Fee: N/A

Stamp Fee: NA

Tax: NA

ACCA: N/A

NSurcharge: N/A

FHCF Assessment: N/A

Surplus Lines Countersignature: \_\_\_\_\_



- ☐ **"THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR HURRICANE OR WIND LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**
- ☐ **"THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**

## GENERAL CHANGE ENDORSEMENT #1

**Policy Number:** 2025-9007463-01  
**Named Insured:** Bridgewater at Bonita Beach Condominium Association, Inc  
**Policy Term:** 4/1/2025 to 4/1/2026  
**Endorsement Effective Date:** 4/1/2025  
**Premium:** 0.00

Carrier	Participation	Policy Number
Fortegra Specialty Insurance Company	5.60%	FSV-CN-0007463-01
Certain Underwriters at Lloyd's Subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635	100.00%	VDB-CN-0007463-01
Emerald Bay Specialty Insurance Company	15.40%	VEB-CN-0007463-01
Certain Underwriters at Lloyd's, London - Syndicate 2357	8.80%	VNB-CN-0007463-01
National Fire & Marine Insurance Company	18.10%	VNI-CN-0007463-01
Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025	17.10%	VRN-CN-0007463-01
Velocity Specialty Insurance Company	33.00%	VSI-CN-0007463-01
United Specialty Insurance Company	2.00%	VTX-CN-0007463-01

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

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The Named Insured's mailing address is hereby amended on this insurance policy to the following:

C/O NextGen Community Management  
9410 Corkscrew Palms Circle # 201  
Estero, FL 33928

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls.

All other terms and conditions, insured coverage, and exclusions of this insurance policy including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by insurance policies:

FSV-CN-0007463-01  
VDB-CN-0007463-01  
VEB-CN-0007463-01  
VNB-CN-0007463-01  
VNI-CN-0007463-01  
VRN-CN-0007463-01  
VSI-CN-0007463-01  
VTX-CN-0007463-01

Countersigned: 4/29/2025	By: 
<b>Date</b>	<b>Authorized Representative</b>

**FLORIDA FACE PAGE**

Insured's Name: Bridgewater at Bonita Beach Condominium Association, Inc  
Policy Dates From: Apr 01, 2025  
Surplus Lines Agent's Name: Don Deising

Policy #: 2025-9007463-01  
To: Apr 01, 2026

Surplus Lines Agent's Address: 610 CRESCENT EXECUTIVE CT STE 312 LAKE MARY FL 32746-2110

Surplus Lines Agent's License #: P200293

Producing Agent's Name: David Upton  
Producing Agent's Physical Address: 9617 Gulf Research Lane Suite 202 Fort Myers, FL 33912

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**"SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY."**

Policy Premium: \$202,895.98

Policy Fee: \$3,650.00

Inspection Fee: \$500.00

Stamp Fee: \$124.23

Tax: \$10,228.07

ACCA: N/A

Surcharge: \$28.00

FHCF Assessment: N/A

Surplus Lines Countersignature: \_\_\_\_\_



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- ☐ **"THIS POLICY CONTAINS A CO-PAY PROVISION THAT MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU."**

# POLICYHOLDER NOTIFICATION

## FRAUD NOTICE

<b>Arkansas</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Colorado</b>	<b>It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.</b>
<b>District of Columbia</b>	<b>WARNING:</b> It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
<b>Florida</b>	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
<b>Kansas</b>	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
<b>Kentucky</b>	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
<b>Louisiana</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Maine</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
<b>Maryland</b>	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>New Jersey</b>	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>New Mexico</b>	<b>ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.</b>

## POLICYHOLDER NOTIFICATION

<b>New York</b>	<p><b>General: All applications for commercial insurance, other than automobile insurance:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p><b>All applications for automobile insurance and all claim forms:</b> Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p><b>Fire:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
<b>Ohio</b>	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
<b>Oklahoma</b>	<b>WARNING:</b> Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
<b>Oregon</b>	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in Prison. The aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties.
<b>Pennsylvania</b>	<p><b>All Commercial Insurance, Except As Provided for Automobile Insurance:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p><b>Automobile Insurance:</b> Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
<b>Puerto Rico</b>	<b>Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.</b>
<b>Rhode Island</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

## POLICYHOLDER NOTIFICATION

<b>Tennessee</b>	<p><b>All Commercial Insurance, Except As Provided for Workers' Compensation</b> It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
<b>Utah</b>	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
<b>Virginia</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
<b>Washington</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
<b>West Virginia</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>All Other States</b>	Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto, may be a fraudulent insurance act, and could be a crime that might subject a person to criminal and/or civil penalties.

# POLICYHOLDER NOTIFICATION

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## PRIVACY NOTICE

For commercial business customers with policies administered by Velocity Risk Underwriters, LLC (VRU) and insured by a non-admitted insurer, our privacy policy is as follows:

- VRU does not collect or require personal private information from our customers.
- VRU does not share any policyholder information for marketing purposes with any third party.
- VRU does share policy information as necessary with third party service providers for purposes of evaluating, processing, or servicing our business, inclusive but not restricted to information gathered in the application, inspection, or claims process.
- We require a non-disclosure with all third party service providers as respects information shared from us to our third party service providers which restricts use of information to functions required to perform the contracted services.
- Exception to all restrictions above will be as required by applicable law or regulatory agency.



**POLICYHOLDER NOTIFICATION APPLICABLE TO THE HOME STATE OF FLORIDA**

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**SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.**

October 2009

**QUESTIONS OR COMPLAINTS ABOUT YOUR INSURANCE?**

FOR INFORMATION OR QUESTIONS ABOUT YOUR INSURANCE, COVERAGE, OR ASSISTANCE IN RESOLVING COMPLAINTS, PLEASE CONTACT VELOCITY RISK UNDERWRITERS, LLC AT

1-615-932-0740 EXT. 3.

10 Burton Hills Blvd., Ste. 300A  
Nashville, TN 37215

## GENERAL PROPERTY DECLARATIONS

This Declaration Page is attached to and forms part of the Policy as defined herein.

**Named Insured & Mailing Address:**

Bridgewater at Bonita Beach Condominium  
Association, Inc  
4975 Bonita Beach Road Southwest  
Bonita Springs, FL 34134

**Producer:**

Jeffrey F Aumick  
RT Specialty  
318 South US Highway One  
Suite 206  
Jupiter, FL 33477

## General Property Policy Declarations

This Declaration Page is attached to and forms part of the Policy as defined herein.

**Business or Operations of the Named Insured:**

Apartments

**Policy Term:**

(12:01 A.M. Local time at each insured location.)

**Effective Date:** Tuesday, April 1, 2025

**Expiration Date:** Wednesday, April 1, 2026

**Coverage is provided by the Following Company(s)** **Policy Number: 2025-9007463-01**

<b>Fortegra Specialty Insurance Company</b> 10751 Deerwood Park Blvd Suite 200, Jacksonville, FL 32256	FSV-CN-0007463-01
<b>Certain Underwriters at Lloyd's Subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635</b> 6 Bevis Marks 5th Floor, London, EC3A 7BA	VDB-CN-0007463-01
<b>Emerald Bay Specialty Insurance Company</b> 177 Madison Ave Suite 1004, Morristown, NJ 07960	VEB-CN-0007463-01
<b>Certain Underwriters at Lloyd's, London - Syndicate 2357</b> c/o Nephila Syndicate Management Limited 4th Floor, Walsingham House, 35 Seething Lane London EC3N 4AH United Kingdom	VNB-CN-0007463-01
<b>National Fire &amp; Marine Insurance Company</b> 1314 Douglas Street Suite 1400, Omaha, NE 68102	VNI-CN-0007463-01



10 Burton Hills Blvd., Ste. 300A  
Nashville, TN 37215

<b>Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025</b> Renaissance Re 18th Floor, 125 Old Broad Street London EC2N 1AR United Kingdom	VRN-CN-0007463-01
<b>Velocity Specialty Insurance Company</b> 10 Burton Hills Blvd Suite 300B, Nashville, TN 37215	VSI-CN-0007463-01
<b>United Specialty Insurance Company</b> 1900 L Don Dodson Drive , Bedford, TX 76021	VTX-CN-0007463-01

The insurance provided by this policy consists of the following coverage form(s). In return for 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.

## PROPERTY INSURANCE

### PREMIUM and FEE SUMMARY (Policy and Inspection Fee retained by Velocity Risk Underwriters, LLC)

Annual Premium/Fees	Premium (x TRIA)	TRIA	Modeling Fee	Policy Fee	Inspection Fee	Total
Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 RenaissanceRe	\$29,474.91	\$0.00	\$42.75	\$153.90	\$85.50	\$29,757.06
Certain Underwriters at Lloyd's Subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635	\$27,895.98	\$0.00	\$0.00	\$0.00	\$0.00	\$27,895.98
Certain Underwriters at Lloyd's, London - Syndicate 2357	\$15,168.37	\$0.00	\$22.00	\$79.20	\$44.00	\$15,313.57
Emerald Bay Specialty Insurance Company	\$26,544.65	\$0.00	\$38.50	\$138.60	\$77.00	\$26,798.75
Fortegra Specialty Insurance Company	\$9,652.60	\$0.00	\$14.00	\$50.40	\$28.00	\$9,745.00
National Fire & Marine Insurance Company	\$31,198.59	\$0.00	\$45.25	\$162.90	\$90.50	\$31,497.24
United Specialty Insurance Company	\$3,447.36	\$0.00	\$5.00	\$18.00	\$10.00	\$3,480.36

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Nashville, TN 37215

Velocity Specialty Insurance Company	\$56,881.40	\$0.00	\$82.50	\$297.00	\$165.00	\$57,425.90
Velocity Specialty Insurance Company (Cyber)	\$1,199.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,199.00
Velocity Specialty Insurance Company (EB)	\$1,433.12	\$0.00	\$0.00	\$0.00	\$0.00	\$1,433.12
TOTAL	\$202,895.98	Rejected	\$250.00	\$900.00	\$500.00	\$204,545.98

LOCATIONS OF PREMISES--Applicable to Coverages specified in these Declarations

Locations on file with the Insurer(s) and/or Company(ies)

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## FORMS ATTACHED AT INCEPTION

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### Endorsements Attached

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VRU-037-0323 Policyholder Notification – Fraud Notice  
VRU-038-0816 Policyholder Notification – Privacy Notice  
FL 0520 Policyholder Notice - Florida  
VRU-073-0224 General Property Declarations - FL  
VRU-086-112124 Surplus Lines License Information Request Form  
VRU-017-022025 VRU Commercial Property Comprehensive Form  
VRU-001-020125 Service of Suit (Syndicated)  
VRU-003-0316 Office of Foreign Assets Control  
VRU-006-1121 Minimum Earned and Special CAT Minimum Earned Premium  
VRU-011-0516 Claims Reporting Information Notice  
VRU-012-020125 Allocation Endorsement  
VRU-016-0821 TRIA Rejection Notice  
VRU-031-0822 Protective Safeguards Endorsement  
VRU-032-1122 Roof Valuation Endorsement  
VRU-036-1018 Equipment Breakdown Endorsement  
VRU-043-0918 Florida Catastrophic Ground Cover Collapse and Sinkhole Loss  
VRU-054-010125 Cyber Suite Endorsement  
VRU-057-0718 Total Or Constructive Loss Earned Premium Condition  
VRU-061-1018 Cosmetic Damage Exclusion  
VRU-062-0822 Water Damage Deductible  
VRU-067-1219 Several Liability Clause  
VRU-068-0122 Property Cyber and Data Exclusion Modified for the Purchase of Cyber Suite  
VRU-075-1120 Sanction Limitation and Exclusion Clause  
VRU-076-020125 Certain Underwriters at Lloyds & Other Insurers Subscribing to Binding Authority  
UMR B604510568622025 List  
VRU-077-0221 Window/Door With Glass/Sliding Door With Glass Settlement Endorsement  
VRU-078-0823 Anti-Public Adjuster Endorsement

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10 Burton Hills Blvd., Ste. 300A  
Nashville, TN 37215

**VRU-079-0721 Restricted Assignment of Post-Loss Benefits**

**VRU-088-112124 VRU Deductible Buyback Endorsement**

**VRU-090-112124 Certain UW at Lloyd's Satinwood Consortium 4635**

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THESE DECLARATIONS TOGETHER WITH THE COVERAGE PART DECLARATIONS, COVERAGE FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE.

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Date Countersigned: 4/19/2025

By:

A handwritten signature in black ink, appearing to read "Cheryl K. Butler".

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Authorized Representative

## SURPLUS LINES LICENSE INFORMATION REQUEST FORM

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Surplus lines license and filing information are due at the time coverage is bound. Policy issuance may be delayed if this information is not provided. Return completed form to [service@velocityrisk.com](mailto:service@velocityrisk.com)

Please complete fields below for licensee (**Agency OR Individual Broker**) responsible for filing surplus lines taxes

VRU Policy Number: 2025-9007463-01

Policy Home State: FL

Corresponding Agency Surplus Lines License #: \_\_\_\_\_

Corresponding Legal Entity (Agency) Name: \_\_\_\_\_

Corresponding Agency Licensed Address: \_\_\_\_\_

Corresponding Licensed Individual Broker Name: Jeffrey Aumick

Corresponding Individual Broker Surplus Lines License #: A009843

Corresponding Individual Broker Surplus Lines Address: 150 US highway One 3rd Floor Jupiter, FL 33477

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### BELOW FIELDS ONLY APPLICABLE IF POLICY HOME STATE IS NEW JERSEY

NJ Transaction-Sequence Numbers are required for each participating Carrier listed on the coverage binder

Velocity Specialty Insurance Company: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

National Fire & Marine Insurance Company: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Certain Underwriters at Lloyd's, London c/o Nephila: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Certain Underwriters at Lloyd's, Renaissance Re: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

United Specialty Insurance Company: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Fortegra Specialty Insurance Company: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Emerald Bay Specialty Insurance Company: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Certain Underwriters at Lloyd's, Satinwood Consortium 4635: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_



**THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM LOSSES,  
WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU**

## VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM

In return for your payment of premium, this **POLICY** covers sudden and accidental direct physical damage to the **COVERED PROPERTY** at all covered **LOCATIONS** caused by a **COVERED CAUSE OF LOSS** occurring during the **POLICY** period. Coverage shall be subject to the terms, conditions, definitions, exclusions, limitations and provisions contained herein or endorsed hereto. This Commercial Property Comprehensive form, your insurance application, the Declarations and any endorsements issued, which may be changed or revised from time-to-time, make up your insurance policy ("POLICY") and form a legal contract between you and the Insurers.

### SECTION I - COVERAGES AND LIMITS OF LIABILITY

Terms which appear in boldface type have special meaning. Most are defined in **Section VIII: POLICY DEFINITIONS**, however, some definitions are set forth in other sections.

- A. **NAMED INSURED: NAMED INSURED** (as shown in the **DECLARATIONS**) and/or its affiliated and subsidiary companies and/or corporations as now exist or may hereafter be constituted or acquired including their interests as may appear in partnerships or joint ventures which the Insured is responsible or legally obligated to insure but only as to **LOCATION(S)** specified in the **STATEMENT OF VALUES** or, subject to the terms herein including applicable **SUBLIMITS OF LIABILITY** as to **NEWLY ACQUIRED LOCATIONS** or **MISCELLANEOUS UNNAMED LOCATIONS**.
- B. **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)**: Per endorsements or certificates of insurance issued or on file with Velocity Risk Underwriters, LLC (VRU). Any endorsements or certificates of insurance issued in connection with this **POLICY** shall be issued solely as a matter of convenience or information (and do not alter or amend coverage) except where any **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)** are named pursuant to the Special Provisions of said endorsements or certificates of insurance and only if the endorsement or certificate of insurance is issued prior to a loss. Such endorsements or certificates of insurance adding any **ADDITIONAL INSURED(S), MORTGAGEE(S), and LENDER'S LOSS PAYEE(S)** will be deemed attached to the **POLICY** and the **NAMED INSURED** will pay any required premium.
- C. **COVERAGE TERRITORY**: Coverage under this **POLICY** applies to **OCCURRENCES** within the United States of America being the fifty (50) states plus the District of Columbia.
- D. **PARTICIPATION**: The **LIMITS OF LIABILITY** shown in I.E. and **SUBLIMITS OF LIABILITY** shown in I.F. or endorsements attached to this **POLICY** represent 100% from the ground up for all Insurance Companies combined whether issued as Co-Insurance or as separate policies to this one. The maximum share of the **LIMITS OF LIABILITY** and **SUBLIMITS OF LIABILITY** for the **INSURER** in any one **OCCURRENCE** as a result of **COVERED CAUSE OF LOSS** under this **POLICY** is 100%
- E. **LIMIT OF LIABILITY**: The total maximum liability in any one **OCCURRENCE** as a result of a **COVERED CAUSE OF LOSS** regardless of the number of **LOCATION(S)**, coverages, or perils insured under this **POLICY** shall not exceed the lesser of 1 (a, b, and/or c; as indicated by an 'X'); OR 2.:

1.

\_\_\_ a. As respects to each **LOCATION** insured by this **POLICY**: N/A of the total combined stated values for all categories of **COVERED PROPERTY** and **TIME ELEMENT COVERAGES**

VRU-017-022025 Comprehensive Form

In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.

shown for that **LOCATION** on the latest **STATEMENT OF VALUES** or other documentation on file with VRU.

  X   **b.** As respects to each **LOCATION** Insured by this **POLICY**: 100% of the total combined stated values for all categories of **COVERED PROPERTY** shown for that **LOCATION**; and separately, 100% of the total combined stated values for **TIME ELEMENT COVERAGES** shown for that **LOCATION**; all on the latest **STATEMENT OF VALUES** or other documentation on file with VRU.

       **c.** No single **LOCATION** limit shall exceed \$75,000,000.

OR

2. \$23,074,297 maximum **LIMIT OF LIABILITY**.

**F. SUBLIMITS OF LIABILITY: SUBLIMITS OF LIABILITY** stated below are included within and not in addition to the **LIMIT OF LIABILITY** shown in Paragraph E., above. These **SUBLIMITS OF LIABILITY** and the specified limits of liability contained in the forms, endorsements and extensions attached, if any, are per **OCCURRENCE**, unless otherwise indicated.

If the words "**NOT COVERED**" are shown, instead of a limit, sublimit dollar amount or number of days, or if a specified dollar amount or number of days is not shown corresponding to any coverage or **COVERED CAUSE OF LOSS**, then no coverage is provided for that coverage or **COVERED CAUSE OF LOSS**.

When a **SUBLIMIT OF LIABILITY** applies to property that **SUBLIMIT OF LIABILITY** also applies to any **TIME ELEMENT COVERAGE** associated with that property.

#### **SUBLIMITS OF LIABILITY**

##### **a. EARTHQUAKE/EARTH MOVEMENT: NOT COVERED**

- |                         |   |
|-------------------------|---|
| <b>i.</b> Not Covered   | Annual Aggregate, for all insured <b>LOCATIONS</b> , combined; further subject to:              |
| <b>ii.</b> Not Covered  | Annual Aggregate for all insured <b>LOCATIONS</b> in California.                                |
| <b>iii.</b> Not Covered | Annual Aggregate for all insured <b>LOCATIONS</b> in Alaska.                                    |
| <b>iv.</b> Not Covered  | Annual Aggregate for all insured <b>LOCATIONS</b> in Hawaii.                                    |
| <b>v.</b> Not Covered   | Annual Aggregate for all insured <b>LOCATIONS</b> in PACIFIC NORTHWEST STATES, combined.        |
| <b>vi.</b> Not Covered  | Annual Aggregate for insured <b>LOCATIONS</b> in NEW MADRID EARTHQUAKE ZONE COUNTIES, combined. |
| <b>vii.</b> Not Covered | Annual Aggregate, as respects <b>LOCATIONS</b> in: N/A  |

**b. FLOOD:**

- i. Not Covered Annual Aggregate, for all insured **LOCATIONS**, combined; however, further subject to:
- ii. Not Covered Annual Aggregate as respects **FLOOD** for all **LOCATIONS** combined, wholly or partially within Special Flood Hazard Areas.
- iii. Not Covered Annual Aggregate, as respects **LOCATIONS** in: N/A

**c. NAMED STORM:**

Included Regardless of the number of coverages, **LOCATIONS** or perils involved including, but not limited to, all **wind**, wind gusts, tornados, cyclones, hail, or rain, all arising out of a **NAMED STORM** (a storm that has been declared by the National Weather Service to be a **HURRICANE**, Typhoon, Tropical Cyclone, Tropical Storm, or Tropical Depression), this is the maximum amount that will be paid **per OCCURRENCE** as respects any **COVERED CAUSE OF LOSS**. In the event covered damage by **FLOOD** arises out of a **NAMED STORM**, the maximum amount that will be paid **per OCCURRENCE** for all such damage by **FLOOD** shall be the **SUBLIMITS OF LIABILITY** for **FLOOD** as shown in Subparagraphs F.b.i and F.b.ii. above. However, if **FLOOD** is not covered, the maximum amount that will be paid **per OCCURRENCE** for all such damage by **NAMED STORM** shall exclude damage by **FLOOD**.

**d. WIND DRIVEN PRECIPITATION:**

- i. \$50,000 per **OCCURRENCE**, for all insured **LOCATIONS**, combined

Each peril's **SUBLIMIT** above (F.a. – F.d.) shall be considered a separate **SUBLIMIT** apart from the other peril's **SUBLIMITS** above.

However, the **SUBLIMITS** below (starting with e.) shall be **considered SUBLIMITS** within the above applicable covered peril **SUBLIMITS** (F.a. – F.d.).

**e. ADDITIONAL COVERAGE SUBLIMITS**

- a. **ACCOUNTS RECEIVABLE** \$100,000
- b. **BACKUP OF SEWERS AND DRAINS** \$100,000
- c. **BUILDERS RISK** \$100,000  
Property in the course of construction or renovation, excluding  
SOFT COSTS
- d. **DEBRIS REMOVAL**

Total liability for DEBRIS REMOVAL per OCCURRENCE for all insured LOCATIONS, combined, sustaining a COVERED CAUSE OF LOSS payable under this POLICY shall not exceed the lesser of:

- i. 25% of the amount of covered physical loss or damage to COVERED PROPERTY (excluding TIME ELEMENT COVERAGES), payable for all insured LOCATIONS; or
- ii. \$500,000

e.	<b>ELECTRONIC DATA AND MEDIA</b>	\$100,000
f.	<b>ERRORS AND OMISSIONS, SUBJECT TO ALL OTHER SUBLIMITS CONTAINED HEREIN</b>	\$100,000
g.	<b>FINE ARTS</b>	\$25,000
h.	<b>FIRE BRIGADE CHARGES</b>	\$15,000
i.	<b>FUNGUS, MOLDS, MILDEW, SPORES, YEAST</b>	\$15,000 Per Occurrence and Annual Aggregate
j.	<b>LEASED OR RENTED EQUIPMENT</b> but not to exceed:	\$25,000 \$1,000 any one item
k.	<b>LEASEHOLD INTEREST</b>	\$25,000
l.	<b>LIMITED POLLUTION COVERAGE</b>	\$15,000 Annual Aggregate
m.	<b>LOCK REPLACEMENT</b>	\$5,000
n.	<b>MISCELLANEOUS UNNAMED LOCATIONS</b> Subject to all other SUBLIMITS contained herein.	\$100,000
o.	<b>NEWLY ACQUIRED PROPERTY</b> In no event will this POLICY pay more than: Subject to all other SUBLIMITS contained herein.	60 Days \$250,000
p.	<b>ORDINANCE OR LAW</b>	
	i. Coverage A	Included in BUILDING Limit
	ii. Coverage B	10% of BUILDING Limit Per BUILDING or max \$500,000 per occurrence, whichever is less

iii. Coverage C	10% of BUILDING Limit Per BUILDING or max \$500,000 per occurrence, whichever is less
iv. Coverage D (if covered)	Included in TIME ELEMENT

q.	<b>OUTDOOR PROPERTY</b>	\$100,000
r.	<b>PAIRS OR SETS</b>	\$5,000
s.	<b>PERSONAL PROPERTY OF OTHERS</b>	\$10,000
t.	<b>PLANTS, LAWNS, TREES OR SHRUBS</b> limited for any one plant, lawn, tree or shrub to:	\$50,000 \$1,000
u.	<b>PROFESSIONAL FEES FOR ALL CLAIMS COMBINED</b>	Lesser of 5% of Loss Amount Per Coverage Item; or \$5,000 Per Occurrence and Annual Aggregate
v.	<b>PROPERTY REMOVED FROM INSURED LOCATIONS</b>	\$10,000
w.	<b>PROTECTION AND PRESERVATION OF PROPERTY</b>	\$100,000
x.	<b>RECLAIMING, RESTORING OR REPAIRING LAND IMPROVEMENTS</b>	\$10,000
y.	<b>REWARD REIMBURSEMENT</b>	\$25,000
z.	<b>SIDEWALKS, PAVED SURFACES, ROADWAYS</b>	\$50,000
aa.	<b>SPOILAGE</b>	\$5,000
ab.	<b>TRANSIT</b>	\$10,000
ac.	<b>UNDERGROUND PIPES, FLUES AND DRAINS</b>	\$10,000
ad.	<b>VALUABLE PAPERS OR RECORDS</b>	\$10,000

#### Time Element Coverages

<b>ORDINARY PAYROLL</b> (provided values are included in the TIME ELEMENT VALUES on STATEMENT OF VALUES)	NOT COVERED
--	-------------

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#### Additional Time Element Coverages

1.	<b>BUILDER'S RISK SOFT COSTS</b>	NOT COVERED
2.	<b>CONTINGENT TIME ELEMENT</b> The lesser of	NOT COVERED
3.	<b>EXTENDED PERIOD OF INDEMNITY</b>	NOT COVERED
4.	<b>EXTRA EXPENSE</b>	NOT COVERED
5.	<b>INGRESS &amp; EGRESS COVERAGE</b> but in no event will this POLICY pay more than subject to a 72 hour qualifying period	NOT COVERED NOT COVERED
6.	<b>INTERRUPTION BY CIVIL OR MILITARY AUTHORITY</b> <b>restricting access to LOCATIONS</b> but in no event will this POLICY pay more than subject to a 72 hour qualifying period	NOT COVERED NOT COVERED
7.	<b>RENTAL VALUE</b>	NOT COVERED
8.	<b>ROYALTIES</b>	NOT COVERED
9.	<b>SERVICE INTERRUPTION</b> but in no event will this POLICY pay more than subject to a 72 hour qualifying period (if TIME ELEMENT is covered)	NOT COVERED NOT COVERED
10.	<b>TIME ELEMENT MONTHLY LIMITATION</b> Monthly, applicable to all TIME ELEMENT COVERAGES, except those that have a SUBLIMIT.	NOT COVERED

G. **MAXIMUM AMOUNT PAYABLE:** In the event of a **COVERED CAUSE OF LOSS** hereunder, total liability under this **POLICY** shall be limited to the least of the following in any one **OCCURRENCE**:

1. The actual adjusted amount of loss, less applicable **DEDUCTIBLE(S)**, or
2. The **LIMIT OF LIABILITY** or applicable **SUBLIMIT OF LIABILITY** shown in **this POLICY** or endorsed onto this **POLICY**.

H. **DEDUCTIBLE:** Each claim for damage under this **POLICY** shall be subject to a per

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**OCCURRENCE DEDUCTIBLE** amount of:

1. N/A            **Property Damage & TIME ELEMENT COVERAGE** combined; OR
2. \$10,000      Property Damage; and
3. 72 Hours      **TIME ELEMENT COVERAGE- Number of Hours WAITING PERIOD**

unless a specific **DEDUCTIBLE** shown below applies for the indicated peril(s) or a specific **QUALIFYING PERIOD** is shown in the **ADDITIONAL COVERAGE SUBLIMIT** above.

**1. EARTHQUAKE/EARTH MOVEMENT: NOT COVERED**

- a.      N/A per **OCCURRENCE**, except as follows in Subparagraphs H.1.b., OR H.1.c.
- b.      N/A of **TIV** at each **LOCATION/BUILDING** involved in the loss arising out of an **EARTHQUAKE/EARTH MOVEMENT**, subject to a minimum of N/A any one **OCCURRENCE**, as respects **LOCATIONS** N/A as per **STATEMENT OF VALUES** on file with VRU
- c.      N/A per **UNIT OF INSURANCE** involved in the loss arising out of an **EARTHQUAKE/EARTH MOVEMENT**, subject to a minimum **DEDUCTIBLE** of N/A any one **OCCURRENCE**; as respects **LOCATIONS** in N/A as per **STATEMENT OF VALUES** on file with VRU

**2. FLOOD:**

- a.      N/A Per **OCCURRENCE**, except as follows in Subparagraph H.2.b.:
- b.      As respects **LOCATIONS**, wholly or partially within **SPECIAL FLOOD HAZARD AREAS**: Maximum available limits with National Flood Insurance Program (NFIP), whether purchased or not, plus N/A per **OCCURRENCE**.

**3. NAMED STORM:**

- a.      N/A per **OCCURRENCE**, OR N/A per **OCCURRENCE**, per **LOCATION**; except as follows in Subparagraphs H.3.b., OR H.3.c.
- b.      5% of the **TIV** at **LOCATION** involved in the loss arising out of a **NAMED STORM**, subject to minimum **DEDUCTIBLE** of \$100,000 any one **OCCURRENCE**, as respects **LOCATIONS** in All Locations as per **STATEMENT OF VALUES** on file with VRU.
- c.      N/A per **UNIT OF INSURANCE** involved in the loss arising out of a **NAMED STORM**, subject to minimum **DEDUCTIBLE** of N/A any one **OCCURRENCE**, as respects **LOCATIONS** in N/A, as per **STATEMENT OF VALUES** on file with VRU.

**4. ALL OTHER WINDSTORM OR HAIL:**



- a. \$100,000 per **OCCURRENCE**, N/A Per **OCCURRENCE**, Per **LOCATION**; except as follows in Subparagraphs H.4.b, OR H.4.c.
- b. N/A of the **TIV** at each **LOCATION/BUILDING** involved in the loss arising out of **WINDSTORM OR HAIL**, subject to minimum **DEDUCTIBLE** of N/A any one **OCCURRENCE**, as respects **LOCATIONS** in: N/A, as per **STATEMENT OF VALUES** on file with VRU.
- c. N/A per **UNIT OF INSURANCE** involved in the loss arising out of **WINDSTORM OR HAIL**, subject to a minimum **DEDUCTIBLE** of N/A any one **OCCURRENCE**, as respects **LOCATIONS** in: N/A, as per **STATEMENT OF VALUES** on file with VRU.

**5. WIND DRIVEN PRECIPITATION:**

- a. N/A per **OCCURRENCE**, OR N/A per **OCCURRENCE**, per **LOCATION**; except as follows in Subparagraphs H.5.b., OR H.5.c.
- b. 5% of the **TIV** at **LOCATION** involved in the loss arising out of **WIND DRIVEN PRECIPITATION**, subject to minimum **DEDUCTIBLE** of \$100,000 any one **OCCURRENCE**, as respects **LOCATIONS** in: All Locations, as per **STATEMENT OF VALUES** on file with VRU.
- c. N/A per **UNIT OF INSURANCE** involved in the loss arising out of **WIND DRIVEN PRECIPITATION**, subject to a **minimum DEDUCTIBLE** of N/A any one **OCCURRENCE**; as respects **LOCATION(S)** in: N/A as per **STATEMENT OF VALUES** on file with VRU.

The following two paragraphs apply to Subparagraphs H.1. through H.5., inclusive:

In each case of damage covered by this **POLICY**, there shall be no liability hereunder unless the **NAMED INSURED** sustains damage in a single **OCCURRENCE** greater than any applicable **DEDUCTIBLE** described herein. When this **POLICY** covers more than one **LOCATION**, the **DEDUCTIBLE** shall apply against the total damage covered by this **POLICY** in any one **OCCURRENCE**, unless otherwise stated in this Paragraph H.

If two or more peril **DEDUCTIBLE** amounts provided in this **POLICY** apply to a single **OCCURRENCE**, the total to be deducted from the total damage shall not exceed the largest **DEDUCTIBLE** applicable, unless otherwise stated in this **POLICY**. However, if a **TIME ELEMENT COVERAGE DEDUCTIBLE** and another **DEDUCTIBLE** apply to a single **OCCURRENCE**, then both **DEDUCTIBLES** shall be applied to the **OCCURRENCE**.

**SECTION II - COVERED CAUSES OF LOSS**

- A. **COVERED CAUSES OF LOSS:** This **POLICY** insures against all risks of sudden and accidental direct physical damage to **COVERED PROPERTY** and ensuing damage caused by a **DEFINED**

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**CAUSE OF LOSS**, except as excluded.

- B. **EXCLUSIONS:** There is no coverage under this **POLICY** for damage caused directly or indirectly by any of the following. Such damage is excluded regardless of any other cause or event contributing concurrently or in any sequence to the damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area:

1. **NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSIONS**

- a. This **POLICY** will not pay for any loss, damage, cost or expense, whether real or alleged, that is caused, results from, is exacerbated by or otherwise impacted by, either directly or indirectly, any of the following (including the threatened use of any of the following):
  - i. Nuclear Hazard - including, but not limited to, nuclear reaction, nuclear detonation, nuclear radiation, radioactive contamination and all agents, materials, products or substances, whether engineered or naturally occurring, involved therein or released thereby;
  - ii. Biological Hazard - including, but not limited to, any biological and/or poisonous or pathogenic agent, material, product or substance, whether engineered or naturally occurring, that induces or is capable of inducing physical distress, illness, or disease;
  - iii. Chemical Hazard - including, but not limited to, any chemical agent, material, product or substance;
  - iv. Radioactive Hazard - including, but not limited to, any electromagnetic, optical, or ionizing radiation or energy, including all generators and emitters thereof, whether engineered or naturally occurring.

2. **WAR OR WARLIKE ACTION EXCLUSIONS**

- a. War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating, or defending against an actual, impending, or expected attack:
  - i. By any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces; or
  - ii. By military, naval, or air forces; or
  - iii. By an agent of any such government, power, authority, or force;
- b. Any weapon of war employing atomic fission or radioactive force, whether in time of peace or war, whether or not its discharge was accidental; or
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such

**OCCURRENCE**, seizure or destruction;

Including any consequence of Subparagraphs 2.a., 2.b., 2.c., above.

3. **ANY FRAUDULENT OR DISHONEST ACT OR ACTS**, intended to result in financial gain, damage to **COVERED PROPERTY** committed alone or in collusion with others: by any proprietor, partner, director, trustee, officer or employee of the **NAMED INSURED** and/or **ADDITIONAL INSURED** (including leased employees), or by any party to whom the property may have been entrusted (other than a carrier for hire).

4. **ASBESTOS**

- a. Loss, damage or remediation expenses caused by or resulting from the presence of asbestos or asbestos-containing materials. As used in this exclusion, remediation expenses are expenses incurred for or in connection with the investigation, monitoring, removal, increased cost of reconstruction, disposal, treatment, abatement or neutralization of asbestos or asbestos-containing materials to the extent required by federal, state or local laws, regulations or statutes or any subsequent amendments thereof to address asbestos
- b. However, this **ASBESTOS** exclusion does not apply to the extent that coverage is provided under the following:
- i. This **POLICY** insures **ASBESTOS** located within an insured **BUILDING** or structure, and then only that part of the **ASBESTOS** which has been physically damaged during the **POLICY** period by a **DEFINED CAUSE OF LOSS**.
- ii. This coverage is subject to all limitations in the **POLICY** and, in addition, to each of the following specific conditions to coverage:
- a. The said **BUILDING** or structure must be insured under this **POLICY** for damage by this **COVERED CAUSE OF LOSS**.
- b. The **COVERED CAUSE OF LOSS** must be the immediate, sole cause of the damage to the **ASBESTOS**.
- c. Insurance under this **POLICY** in respect of **ASBESTOS** shall exclude any sum relating to:
- i. Any faults in the design, manufacture or installation of the **ASBESTOS**;
- ii. **ASBESTOS** not physically damaged by a **DEFINED CAUSE OF LOSS** including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged **ASBESTOS**.

5. **POLLUTION/CONTAMINATION EXCLUSION**

Except as otherwise specifically provided in Paragraph I of SECTION VI – **ADDITIONAL**

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**COVERAGES**, this **POLICY** does not insure:

- a. any loss, damage, cost or expense, or
- b. any increase in insured loss, damage, cost or expense, or
- c. any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a **COVERED CAUSE OF LOSS**, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this clause includes (but is not limited to):

- i seepage of, or pollution and/or contamination by, anything, actual, alleged or threatened release, discharge, escape or dispersal of **POLLUTANTS OR CONTAMINANTS** all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any sudden and direct physical damage insured by this **POLICY** including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
  - ii the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- 6. Delay, loss of market or loss of use, other than as expressly set forth in this **POLICY**.
  - 7. Remote or consequential damage, including but not limited to liquidated damages, performance penalties, penalties for non-completion, delay in completion, or noncompliance with contract conditions whether caused by an insured peril or otherwise. But this exclusion does not apply to **TIME ELEMENT COVERAGE** when it is covered under this **POLICY**.
  - 8. Mysterious disappearance or shortage disclosed on taking inventory or any unexplained loss.
  - 9. Voluntary parting with title or possession of any property, including voluntary parting which

is the result of any fraudulent scheme, trick, devise, false pretenses, or any other similar act.

10. Faulty or defective workmanship, material, construction, installation, or design from any cause; or faulty planning, zoning, development, surveying or siting.
11. Fault, defect, error, deficiency or omission in design, plan or specification.
12. Loss attributable to manufacturing or processing operations which result in damage to stock or materials while such stock or materials are being processed, manufactured, tested or otherwise being worked upon.
13. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not.
14. Subsidence, sinkhole, settling, cracking, shrinking, bulging, or expansion of pavements, foundations, walls, floors, or ceilings.
15. Infestation, disease, freeze, drought and hail, weight of ice or snow or any damage caused by insects, vermin, rodents or animals to **PLANTS, LAWNS, TREES, OR SHRUBS**.
16. Erosion of graded or planted finish or rough grades which results from normally expected or predictable precipitation and surface water runoff.
17. Lack of incoming electricity, fuel, water, gas, steam, refrigerant, or outgoing sewerage, or incoming or outgoing data or telecommunications, all of which are caused by an **OCCURRENCE** away from any **LOCATION** insured under this **POLICY**, unless specifically provided herein and only to the extent provided herein.
18. Costs, expenses, fines or penalties incurred or sustained by or imposed on the **NAMED INSURED** at the order of any government agency, court or other authority arising from any cause whatsoever.
19. Electronic Data Exclusion
  - a. This **POLICY** does not insure loss, damage, destruction, distortion, erasure, corruption, alteration, loss of use, reduction in functionality, cost, or expense resulting from "Computer Virus."  
  
"Computer Virus" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. "Computer Virus" includes, but is not limited to, "Trojan Horses," "worms" and "time or logic bombs."

20. Electronic Date Recognition Exclusion

This **POLICY** does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a. the calculations, comparison, differentiation, sequencing or processing of data involving any date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- b. any change, alteration or modification involving any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

21. Damage in the form of, caused by, arising out of, contributed to, or resulting from **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**; or any **SPORES** or toxins created or produced by or emanating from such **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**.

However, this exclusion shall not apply provided the **NAMED INSURED** establishes that the **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** is a direct result of a covered cause of loss and as a condition of coverage under this **POLICY** this loss is reported within twelve (12) months from the expiration date of the **POLICY**, and the **LIMIT OF LIABILITY** shall then be limited to the **SUBLIMIT** stated under SECTION I.F.

22. Damage caused by hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

23. Damage arising out of pre-existing damage as outlined below:

- a. Damages which occurred prior to **POLICY** inception regardless of whether such damages were apparent at the time of the inception of this **POLICY** or discovered at a later date, including any continuation, change or recommencement of such loss during the **POLICY** period, or
- b. Claims or damages arising out of workmanship, repairs or lack of repairs arising from damage which occurred prior to **POLICY** inception, or
- c. A **BUILDING** or any part of a **BUILDING** that is in danger of falling down or caving in, or
- d. Any part of a **BUILDING** that has separated from another part of the **BUILDING**, or
- e. A **BUILDING** or any part of a **BUILDING** that is standing which shows evidence of

cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

24. **COSMETIC DAMAGE to ROOF COVERINGS**, siding, windows, doors or guttering.

For the purposes of this exclusion **COSMETIC DAMAGE MEANS** only that damage that alters the physical appearance of property, but does not result in damage that allows penetration of water through the **ROOF COVERINGS**, siding, windows, doors or guttering or does not result in failure of the **ROOF COVERINGS**, siding, windows, doors or guttering to perform its intended function to keep out elements over an extended period of time.

**ROOF COVERINGS** means 1.) the roof material exposed to the weather; 2.) the underlayments applied for moisture protection; 3.) all flashings required in the replacement of a roof covering.

25. Damage caused by **EQUIPMENT BREAKDOWN** to vehicles (or any equipment on vehicles), draglines, cranes, excavation or construction equipment.

26. Terrorism Exclusion

This **POLICY** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **ACT OF TERRORISM** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion, an "**ACT OF TERRORISM**" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **ACT OF TERRORISM**. Such damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in sequence to the damage.

When coverage is denied by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance and it is agreed the burden of proving the contrary shall be upon the **NAMED INSURED**.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

27. Exclusion Of Loss Due To Virus Or Bacteria

- a. The exclusion set forth in subparagraph b. below, applies to all coverage under all forms and endorsements that comprise this **POLICY**, including but not limited to forms or endorsements that cover property damage to **BUILDINGS** or personal property and forms or endorsements relating to **TIME ELEMENT COVERAGES**.

- b. This **POLICY** will not pay for damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to damage caused by or resulting from **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**. Such damage is addressed in a separate exclusion in this **POLICY**.

- a. With respect to any damage subject to the exclusion in subparagraph b. above, such exclusion supersedes any exclusion relating to pollutants or contaminants.
  - b. The terms of the exclusion in subparagraph b. above, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded by this **POLICY**.
28. Damage from 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;
  - c. Doors, windows or other openings.
29. Damage from rain, snow, ice or sleet to personal property in the open.
30. Seizure or destruction of property by order of governmental authority. However, coverage is provided for 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 is a **COVERED CAUSE OF LOSS**.
31. **EQUIPMENT BREAKDOWN** (unless endorsed to this **POLICY**).
32. Hot Testing;
- a. which means:
    - i. Startup, commissioning or performance testing;
    - ii. Any testing involving the introduction of flammable or explosive feedstock or similar media beginning when such feedstock is first introduced; or
    - iii. The rotational operation of any turbine or generator, except for rotational operation by turning gear only when the turbine or generator is not energized.
  - b. Hot Testing does not mean the startup, commissioning or performance testing of:
    - i. Heating;



- ii. Cooling;
  - iii. Air handling; or
  - iv. Electrical systems that are part of **BUILDING** systems.
33. Loss, damage, cost, or expense covered under any express or implied guarantee or warranty from a manufacturer or supplier, whether or not such manufacturer or supplier is a **NAMED INSURED** under this **POLICY**.
34. **NAMED STORM** Restriction: This **POLICY** shall exclude all damage directly or indirectly caused by a **NAMED STORM** that is in existence at the time that written request to bind is given to the **INSURER**, until coverage for such **NAMED STORM** has been bound by written agreement between the **INSURER** and the **NAMED INSURED**. In addition, no increase in limits or additional coverages will be provided for any insured **LOCATION(S)** threatened by such **NAMED STORM**, until coverage for such **NAMED STORM** has been bound by written agreement between **INSURER** and the **NAMED INSURED**.
35. Damage to or resulting from the design, manufacture, installation, or use of any Exterior Insulation and Finish System (EIFS) or Dryvit construction, however this exclusion shall not apply to direct physical damage to EIFS or Dryvit as the direct result of a **DEFINED CAUSE OF LOSS**.
36. Damage resulting from **FLOOD**, unless a sublimit is shown in Section I. F. B
37. Damage resulting from **EARTHQUAKE** or **EARTH MOVEMENT**, unless a sublimit is shown in Section I. F. a. .
38. Damage caused by rain, snow, sleet, sand, or dust to the interior of a building or property contained in a building unless a **COVERED CAUSE OF LOSS** first damages the building causing an opening in a roof or outside wall, door or window and the rain, snow, sleet, sand or dust enters through this opening.
39. Damage or consequential loss directly or indirectly caused by, consisting of, or arising from:
- a. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
  - b. Any corruption, destruction, distortion, erasure or other damage to data, software, or any kind of programming or instruction set,
  - c. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.
- Such Damage or Consequential loss described in a, b, or c above is excluded regardless of any other cause that contributed concurrently or in any other sequence.
40. Damage caused by **DROUGHT** or any effects of **DROUGHT** are excluded for all coverages afforded under this **POLICY**, no matter how caused.

41. Damage caused by collision between astronomical objects, including but not limited to: asteroids, meteor and meteorites and satellites.
42. Electromagnetic/Geomagnetic Storm: This **POLICY** does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with Geomagnetic or Electromagnetic storm(s) or disturbances and/or any Space Weather phenomenon as classified by National Oceanic and Atmospheric Administration (NOAA).

### SECTION III – INSURED PROPERTY

A. **INSURED PROPERTY:** Unless otherwise excluded, this **POLICY** covers the following property while on any **LOCATION** and within 1,000 feet thereof:

1. Real property, including **BUILDINGS, HARD COSTS** and additions under construction or renovation at an insured **LOCATION**, personal property and equipment in which the **NAMED INSURED** has an insurable interest;
2. Improvements and betterments to **BUILDINGS** or structures in which the Insured has an insurable interest. Such improvements and betterments shall be considered real property;
3. At the option of the **NAMED INSURED**, personal property, other than motor vehicles, of officers and employees of the **NAMED INSURED**;
4. Personal property of others, other than motor vehicles, in the care, custody and control of the **NAMED INSURED**, which the **NAMED INSURED** is under obligation to keep insured for physical damage of the type insured against by this **POLICY**;
5. Contractor's and vendor's interests in property covered to the extent of the **NAMED INSURED'S** liability imposed by law or assumed by written contract prior to the date of direct physical damage. However, such interests will not extend to any **TIME ELEMENT COVERAGE** provided by this **POLICY**;
6. Real and personal property and related **TIME ELEMENT LOSS** at **MISCELLANEOUS UNNAMED LOCATION(S)** owned by the **NAMED INSURED** or for which the **NAMED INSURED** is legally responsible for, and within the **COVERAGE TERRITORY** of the **POLICY**. This shall also include personal property of the **NAMED INSURED** while temporarily at **MISCELLANEOUS UNNAMED LOCATION(S)**, including property in exhibitions and salesman's samples.

B. **PROPERTY EXCLUDED:** This **POLICY** does not insure against damage to:

1. Currency, cryptocurrency, money, notes, securities, stamps, furs, jewelry, precious metals, precious stones, and semi-precious stones. This exclusion does not apply to precious metals and precious stones used by the Insured for industrial purposes;
2. Air, **LAND**, land values, and any substance in or on **LAND**, or any alteration to the natural

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condition of the **LAND**. However, this exclusion does not apply to the cost of reclaiming, restoring or repairing land improvements, provided the loss is from a **DEFINED CAUSE OF LOSS**;

3. Water, except water which is normally contained within any type of tank, piping system or other process equipment;
4. Standing timber, growing crops, plants, lawns, trees, shrubs or animals. However, this exclusion does not apply to plants, lawns, trees or shrubs, provided the loss is from a **DEFINED CAUSE OF LOSS**;
5. Pavements, paved surfaces, walkways, drainage systems or roadways (unless a **SUBLIMIT** is shown in SECTION I.F)
6. Vehicles licensed for highway use, watercraft, aircraft and railroad rolling stock;
7. Property sold by the **NAMED INSURED** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers;
8. Property in transit, except expressly as provided elsewhere in this **POLICY**;
9. Underground mines or mining shafts and any related mining property and equipment while underground;
10. Underground pipes, flues or drains; or any property below the lowest basement floor (unless a **SUBLIMIT** is shown in SECTION I.F)
11. Offshore oil rigs, platforms and property contained therein or thereon;
12. Satellites and spacecraft while on the launch pad, or after time of a launch;
13. Dams, dikes, levees, bridges, tunnels, reservoirs, flood retaining walls and canals; except when scheduled as such on the **STATEMENT OF VALUES** on file with VRU;
14. Boardwalks, docks, piers and wharves, seawalls, bulkheads and revetments; except when scheduled as such on the **STATEMENT OF VALUES** on file with VRU;
15. Transmission and distribution lines, including support structures, of every type and description; except when located on the insured premises or within one-thousand (1,000) feet thereof;
16. Personal property in the care, custody, and control of the **NAMED INSURED** when the **NAMED INSURED** is acting as a Bailee, a warehouseman, or a carrier for hire;
17. Contraband, or property in the course of illegal transportation or trade.
18. Property of unit owners within individual condominium units, consisting of:
  - a. Personal property and improvements & betterments; and
  - b. Floor coverings, wall coverings and ceiling coverings which only serve that unit.

However, this exclusion shall not apply to:

- i. Appliances; refrigerators; air conditioning equipment (including air conditioning compressors); heating equipment; cooking ranges; dishwashers; clothes washers/dryers; and fixtures, installations or permanent additions initially installed in accordance with the original plans and specifications; all contained within the units; or
- ii. Any property within the individual unit (including the property excluded in a. and b., above) that the condominium association agreement requires be covered by the condominium association.

19. Solar Panels, solar panel systems, and/or any related equipment.

#### SECTION IV – VALUATION

We will pay no more than the ACTUAL CASH VALUE of covered damages until actual repair or replacement is complete. Once actual repair or replacement is complete, we will pay the applicable and supported replacement cost up to, but not in excess of, any applicable **POLICY** limits, subject to the following conditions: You must notify the insurers of your intent to repair, rebuild or replace the property within one hundred eighty (180) days of the date of loss to recover replacement cost. You must also complete the repairs, rebuilds, and/or replacements within two (2) years of the date of loss (unless such requirement is waived in writing) to recover replacement cost. If there is an applicable law that is shorter than the two-year requirement of completing repairs, rebuilds, and/or replacement noted above, the Insured must complete the repairs, rebuilds, and/or replacements within that specific time period in order to recover replacement cost.

We will pay for covered damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this **POLICY**, and (1) we have reached agreement with you on the amount of loss or (2) an arbitration award has been made.

Unless otherwise endorsed hereon, the property, as described below, will be valued as follows:

- A. Stock in process: the cost of raw materials and labor expended, plus the proper proportion of overhead charges.
- B. Finished goods manufactured by the **NAMED INSURED**: the regular cash selling price at the **LOCATION** where the loss occurs, less all discounts and charges to which the merchandise would have been subject had no loss occurred.
- C. Raw materials, not manufactured by the **NAMED INSURED**: the replacement cost.
- D. **VALUABLE PAPERS AND RECORDS**: the cost to replace or restore the property with like kind and quality including the cost to research, gather and assemble information. If not replaced, this **POLICY** will only pay the blank value of the **VALUABLE PAPERS AND RECORDS**.
- E. **ELECTRONIC DATA AND MEDIA**: the cost of the blank media, plus the costs of copying the **ELECTRONIC DATA AND MEDIA** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering

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or assembling such **ELECTRONIC DATA AND MEDIA**. If the **ELECTRONIC DATA AND MEDIA** is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank media. However, this **POLICY** does not insure any amount pertaining to the value of such **ELECTRONIC DATA AND MEDIA** to the **NAMED INSURED** or any other party, even if such **ELECTRONIC DATA AND MEDIA** cannot be recreated, gathered or assembled.

F. Jigs and fixtures, dies, small tools, patterns, employees' personal property and personal property of third parties: the replacement cost if replacement cost values have been reported and if actually replaced; otherwise the **ACTUAL CASH VALUE**, but not to exceed the cost to repair or replace the property with material of like kind and quality.

G. Leasehold improvements and betterments:

1. If repaired or replaced at the expense of the **NAMED INSURED** within two (2) years after the date of the loss, the cost to repair or replace the damaged improvements and betterments.
2. If not repaired or replaced within two (2) years after the date of the loss, a proportion of the **NAMED INSURED'S** original cost.

The proportionate value will be determined as follows:

- a. Multiply the original cost by the number of days from the damage to the expiration of the lease; and
  - b. Divide the amount determined in subparagraph a. above by the number of days from the installation of improvements to the expiration of the lease.
  - c. If the **NAMED INSURED'S** lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure; or
3. Nothing, if others pay for repairs or replacement.

H. **FINE ARTS:**

1. If there is no **STATEMENT OF VALUES** on file with VRU showing the agreed value of the **FINE ARTS**, then the lesser of:
  - a. The cost to repair or replace the **FINE ARTS**, or
  - b. The appraised value, which will be determined as of the time of the loss.
2. If there is a **STATEMENT OF VALUES** on file with VRU showing the agreed value then that amount only.
3. If a **FINE ARTS** article is part of a pair or set, and a physically damaged article cannot be replaced, or cannot be repaired or restored to the condition that existed immediately prior to the loss, then the lesser of the full value of such pair or set or the agreed value, as per the **STATEMENT OF VALUES** on file with VRU. The **NAMED INSURED** will surrender the damaged pair or set.

I. **ACCOUNTS RECEIVABLE:** the amount owed the **NAMED INSURED** which the **NAMED INSURED** is unable to collect from customers, only includes:

1. Any collection expenses over and above the normal collection costs;
2. Interest charges on any loan to offset impaired collections pending repayment of such sums that cannot be collected; and
3. Other reasonable and necessary expenses incurred by the **NAMED INSURED** to recreate **ACCOUNTS RECEIVABLE** records.

Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts shall be deducted in determining the recovery hereunder.

After payment of loss, all amounts recovered by the **NAMED INSURED** on **ACCOUNTS RECEIVABLE** for which the **NAMED INSURED** has been paid will belong to and will be paid to the **INSURER(S)** by the **NAMED INSURED** up to the total amount of loss paid. All recoveries in excess of such amounts will belong to the **NAMED INSURED**.

In the event it is possible to reconstruct the **NAMED INSURED'S ACCOUNTS RECEIVABLE** records after they have been physically lost or damaged, so that no shortage in collection of **ACCOUNTS RECEIVABLE** is sustained, the only recoverable loss will be the costs of the material and the time required to reconstruct such records, with the exercise of due diligence and dispatch, but only to the extent that such amounts are not covered by any other insurance.

J. **PROPERTY FOR SALE:** If, at the time of the loss, any real property is being offered for sale, the damage to such property will be valued at the lesser of:

1. The cost to repair or replace the damaged property, or
2. The price at which the real property is offered for sale less the market value of the **LAND**.

K. Contractor's tools, machinery (including spare parts and accessories), equipment and vehicles (if covered): **ACTUAL CASH VALUE**, unless an agreed value applies.

L. **PROPERTY IN TRANSIT:** In case of loss, the basis of adjustment shall be

1. Property shipped to or for the account of the **NAMED INSURED**: the actual invoice to the **NAMED INSURED**, together with such costs and charges as may have accrued and become legally due on such property;
2. Property which has been sold by the **NAMED INSURED** and has been shipped to or for account of the purchaser (if covered hereunder): the amount of the **NAMED INSURED'S** selling invoice, including prepaid or advanced freight;
3. Property of others not under invoice: the actual market value at the point of destination on the date of the **OCCURRENCE**, less any charges saved which would have become due and payable upon delivery at destination; or
4. Property of the **NAMED INSURED** not under invoice: valued in accordance with the

valuation provisions of this **POLICY** applying at the **LOCATION** from which such property is being transported, less any charges saved which would have become due and payable upon delivery at such destination

- M. For all other property: At replacement cost if actually replaced; otherwise, the **ACTUAL CASH VALUE**, but not to exceed the cost to repair or replace the property with material of like kind and quality.

With respect to Subparagraphs A. through M., inclusive, unless otherwise specifically stated, the valuations will be computed at the time and place of the loss.

## SECTION V - TIME ELEMENT COVERAGES

This **POLICY** is extended to cover the actual loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** directly resulting from a **COVERED CAUSE OF LOSS** to **COVERED PROPERTY**.

- A. **ACTUAL LOSS SUSTAINED:** In the event the **NAMED INSURED** is prevented from producing goods or from continuing its business operations or services and is unable:

1. To make up lost production within a reasonable period of time (not to be limited to the period during which production is interrupted), or
2. To continue business operations or services, all through the use of any property or service owned or controlled by the **NAMED INSURED**, or obtainable from other sources, whether the property or service is at an insured **LOCATION** or through working extra time or overtime at any other substitute **LOCATION(S)**, including any other **LOCATION(S)** acquired for the purpose, then, subject to all other conditions of this **POLICY** not inconsistent herewith, for the actual loss sustained of the following during the **PERIOD OF INTERRUPTION** shall be **COVERED PROPERTY**:

**GROSS EARNINGS** less all charges and expenses which do not necessarily continue during the interruption of production or suspension of business operations or services. For the purpose of this coverage, **GROSS EARNINGS** means:

- i. For manufacturing operations: The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production; or
- ii. For mercantile or non-manufacturing operations: The total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **NAMED INSURED**;
- iii. Plus all other earnings derived from the operation of the business.

In determining net sales, in the event of loss hereunder, for mercantile or non-manufacturing operations, any amount recovered under property damage policies for damage to or destruction

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of merchandise shall be included as though the merchandise had been sold to the **NAMED INSURED'S** regular customers.

In determining the amount of loss payable under this coverage, due consideration shall be given to the experience of the business before the **PERIOD OF INTERRUPTION** and the probable experience thereafter had no loss occurred, and to the continuation of only those normal charges and expenses that would have existed had no interruption of production or suspension of business operations or services occurred. The amount of loss payable shall not include any amounts that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the **COVERED CAUSE OF LOSS** on customers or on other businesses.

There is no coverage for any portion of the **NAMED INSURED'S ORDINARY PAYROLL** expense, unless a specified number of days for **ORDINARY PAYROLL** are shown in SECTION I.F. and values have been included in the **STATEMENT OF VALUES**. In such case, this **POLICY** will cover **ORDINARY PAYROLL** for that number of days only. The number of days need not be consecutive, but must fall within the interruption of production or suspension of business operations or services, or fall within the extension of that period, if an extension is provided. **ORDINARY PAYROLL** means the entire payroll expense for all employees of the **NAMED INSURED** except officers, executives, department managers, employees under contract.

B. **PERIOD OF INTERRUPTION:** In determining the amount payable under this coverage, the **PERIOD OF INTERRUPTION** shall be:

1. The period from the time of physical damage insured against by this **POLICY** to the time when, with the exercise of due diligence and dispatch, either:
  - a. normal operations resume; or
  - b. physically damaged **BUILDINGS** and equipment could be repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to such damage, whichever is less.
  - c. Such period of time shall not be cut short by the expiration or earlier termination date of the **POLICY**.
2. In addition, if applicable, such time as may be required with the exercise of due diligence and dispatch:
  - a. To restore stock in process to the same state of manufacture in which it stood at the time of the initial interruption of production or suspension of business operations or services; or
  - b. To replace physically damaged or destroyed mercantile stock necessary to resume operations; or
  - c. To replace raw materials and supplies in order to continue operations.

However, the inability to procure destroyed mercantile stock or suitable raw materials and supplies to replace similar stock or materials and supplies physically damaged or destroyed shall not increase the **PERIOD OF INTERRUPTION**.

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3. For Property under construction: The time period between the anticipated date of substantial completion had no covered loss occurred and the actual date of completion. In calculating the amount of loss, due consideration will be given to the actual experience of the business compiled after substantial completion and start-up.

The **PERIOD OF INTERRUPTION** does not include any additional time:

- a. Required for re-staffing or re-training employees; or
- b. Due to the Insured's inability to resume operations for reasons other than those enumerated in B.2.a. through B.2.c., inclusive, above; or
- c. Required for making change(s) to the **BUILDINGS**, structures, or equipment for any reason except as provided in the **ORDINANCE OR LAW** coverage, if such coverage is provided by this **POLICY**.

#### **C. ADDITIONAL TIME ELEMENT COVERAGES**

1. **BUILDER'S RISK SOFT COSTS:** For Property under Construction, this **POLICY** is extended to cover **BUILDER'S RISK SOFT COSTS** incurred by the **NAMED INSURED** (up to the **SUBLIMIT OF LIABILITY** shown in SECTION I.F.) arising out of delay of the completion of **BUILDINGS** or additions under construction during the **PERIOD OF INTERRUPTION** that are the result of direct damage from a **COVERED CAUSE OF LOSS**.

**BUILDER'S RISK SOFT COSTS** means reasonable and necessary costs over and above those that would have been incurred by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** at the **LOCATION** had no loss occurred, limited to the following:

- a. construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including, the cost to arrange financing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, and charges by the lenders for the extension or renewal of loans necessary to complete the construction;
- b. commitment fees, leasing and marketing expenses – the cost of returning any commitment fees received from any prospective tenant(s) or purchaser(s);
- c. additional fees for architects, engineers, consultants, attorneys and accountants for the completion of construction, repairs or reconstruction; and
- d. property taxes, building permits, additional interest on loans, realty taxes and insurance premiums.

2. **CONTINGENT TIME ELEMENT:** If direct physical damage to the real or personal property of a direct supplier or direct customer of the **NAMED INSURED** is damaged by a **COVERED CAUSE OF LOSS** under this **POLICY**, and such damage:
  - a. wholly or partially prevents any direct supplier to the **NAMED INSURED** from supplying their goods and/or services to the **NAMED INSURED**; or

- b. wholly or partially prevents any direct customer of the **NAMED INSURED** from accepting the **NAMED INSURED'S** goods and/or services;

then this **POLICY** is extended to cover the actual loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** with respect to such real or personal property, if the property of the supplier or customer which sustains damage is of the type of property which would be **COVERED PROPERTY** under this **POLICY**.

This coverage applies to the **NAMED INSURED'S** direct suppliers or direct customers located in the **COVERAGE TERRITORY**.

- 3. **EXTENDED PERIOD OF INDEMNITY:** Coverage is provided for such additional length of time as is required to restore the **NAMED INSURED'S** business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:

- a. the date on which the coverage for damage would otherwise terminate; or
- b. the earliest date on which either normal operations resume, or repair, replacement, or rebuilding of the property that has been damaged is actually completed; but in no event for a period of time exceeding the number of days specified in Section I.F.

However, **EXTENDED PERIOD OF INDEMNITY** does not apply to losses incurred as a result of unfavorable business conditions caused by the impact of the **COVERED CAUSE OF LOSS** in the area where the described premises are located. **TIME ELEMENT COVERAGE** loss must be caused by direct physical damage at the described premises caused by or resulting from a **COVERED CAUSE OF LOSS**.

**EXTENDED PERIOD OF INDEMNITY** does not apply to any **ADDITIONAL TIME ELEMENT COVERAGES** other than **RENTAL VALUE**.

- 4. **EXTRA EXPENSE:** This **POLICY** is extended to cover expenses, over and above normal operating expenses, necessarily incurred by the **NAMED INSURED** in making up lost production or in reducing loss otherwise payable under this coverage are covered hereunder, but not for amounts greater than would have been incurred had the **NAMED INSURED** been unable to make up any lost production or to continue any business operations or services (up to the **SUBLIMIT OF LIABILITY** shown in SECTION I.F.).

The **NAMED INSURED** agrees to use any suitable property or service owned or controlled by the **NAMED INSURED** or obtainable from other sources in reducing the **EXTRA EXPENSE** incurred under this **POLICY**.

- 5. **INGRESS & EGRESS:** This **POLICY** is extended to cover the actual loss sustained during the period of time when ingress to or egress from the **NAMED INSURED'S** covered **LOCATION** is prohibited as a direct result of a **COVERED CAUSE OF LOSS** to real property not insured hereunder. The insured physical damage must occur within five (5) statute miles from the **NAMED INSURED'S** covered **LOCATION** in order for coverage to apply. Such period of time begins following the **QUALIFYING PERIOD** after the date that ingress to or egress from real or personal property is prohibited and

ends when ingress or egress is no longer prohibited, but no later than the number of days shown in SECTION I.F.

6. **INTERRUPTION BY CIVIL OR MILITARY AUTHORITY:** This **POLICY** is extended to cover the actual loss sustained during the period of time when access to the **NAMED INSURED'S** covered **LOCATION** is prohibited by an order of civil or military authority, provided that, such order is a direct result of a **COVERED CAUSE OF LOSS** to real property not insured hereunder. The **NAMED INSURED** physical damage must occur within five (5) statute miles from the **NAMED INSURED'S** covered **LOCATION** in order for coverage to apply. Such period of time begins following the **QUALIFYING PERIOD** after the effective date of the order of civil or military authority and ends when the order expires, but no later than the number of days shown in SECTION I.F.
7. **RENTAL VALUE:** As respects **COVERED PROPERTY** held for rental to others, this **POLICY** is extended to cover the loss sustained during the **PERIOD OF INTERRUPTION** but not exceeding the reduction in **RENTAL VALUE** less charges and expenses which do not necessarily continue. **RENTAL VALUE** means the sum of:
  - a. The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the **NAMED INSURED** including taxes, rent based on percentage of sales, and other charges paid by tenants in respect of the leased premises; and
  - b. The amount of all charges which, by the terms of a written lease, are the legal obligation of the tenant(s) and which would otherwise be obligations of the **NAMED INSURED**; and
  - c. The fair **RENTAL VALUE** of any portion of such property which is occupied by the **NAMED INSURED**.

Due consideration will be given to the historic rental expenses prior to the loss and the probable expenses thereafter.
8. **ROYALTIES:** This **POLICY** is extended to cover loss of income sustained by the **NAMED INSURED** under a royalty, licensing fee, or commission agreement between the **NAMED INSURED** and another party during the **PERIOD OF INTERRUPTION** arising out of direct physical damage by a **COVERED CAUSE OF LOSS** during the term of this **POLICY** to real or personal property of such other party, only if such **ROYALTIES** are shown as such on the **STATEMENT OF VALUES**. When determining the amount payable, consideration will be given to the amount of income derived by the **NAMED INSURED** from such agreements before, and the probable amount of income after, the date of damage.
9. **SERVICE INTERRUPTION:** This **POLICY** is extended to cover the damage to **COVERED PROPERTY** and **TIME ELEMENT COVERAGE** (provided **TIME ELEMENT VALUES** are reported on the **STATEMENT OF VALUES**) resulting from direct physical damage from a **COVERED CAUSE OF LOSS** to: (1) incoming electrical, gas, water and telecommunication equipment and outgoing sewer; or (2) electrical, telecommunication, fuel, water, steam, refrigeration, or other service transmission lines; all situated outside the insured **LOCATIONS**.

a. However, this extension of coverage DOES NOT apply to any loss caused by damage to any utility service listed in (1) or (2) above, if located more than five (5) statute miles from the covered **LOCATION**.

b. There shall be no loss payable under this Additional Coverage unless the interruption exceeds the **QUALIFYING PERIOD** shown in Section I.F. In such case, the loss shall be measured from date and time of the loss. With respect to any **TIME ELEMENT COVERAGE** provided herein, the **PERIOD OF INTERRUPTION** ends when: (1) incoming electrical, gas, water, or telecommunication equipment or outgoing sewer or (2) electrical, telecommunication, fuel, water, steam, refrigeration, or other service transmission lines, is restored.

c. The **SUBLIMIT OF LIABILITY** shown in SECTION I.F. applies to all damage to **COVERED PROPERTY** and/or **TIME ELEMENT COVERAGE**, combined arising out of one **SERVICE INTERRUPTION**. None of the additional **TIME ELEMENT COVERAGES** set forth in Section V apply to the **TIME ELEMENT COVERAGE** provided herein, except **RENTAL VALUE**.

This additional coverage does not include coverage for any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.

With respect to additional **TIME ELEMENT COVERAGES** 6. & 7., if a **COVERED CAUSE OF LOSS** results in coverage under both additional **TIME ELEMENT COVERAGES**, this **POLICY** will only pay for loss under one of the two additional **TIME ELEMENT COVERAGES**, whichever the **NAMED INSURED** selects.

**D. ADDITIONAL EXCLUSIONS:** The following are excluded from all of the above described **TIME ELEMENT COVERAGES**:

1. Idle Periods: Any loss during any period in which goods would not have been produced, or business operations or services would not have been maintained, for any reason other than physical damage from a **COVERED CAUSE OF LOSS** to which this coverage applies.
2. Remote Loss:
  - a. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license or order; or
  - b. Any loss due to fines or damages for breach of contract or for late or non-completion of orders or penalties of whatever nature; or
  - c. Any increase in loss due to interference at the **NAMED INSURED'S LOCATION** by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of the premises.
  - d. Nor shall there be any liability under this **POLICY** for any other consequential or remote loss, other than as specifically provided in this SECTION V.

3. Finished Products - Any loss resulting from damage to finished products manufactured by the **NAMED INSURED** nor for the time required for their reproduction.
4. Transit - Any loss resulting from damage to property in transit.
5. Berth and/or Port Blockage - Any loss due to Blockage of a port or berth. Blockage means a blockage of any part of the port or berth arising from an occurrence which results in the sinking or stranding of a ship, or the inability of a ship to gain access to a berth

E. **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY:** There shall be no liability under this **POLICY** for more than the Monthly Limitation of Indemnity shown in SECTION I.F. for all **TIME ELEMENT COVERAGES**, except those that have a sublimit in SECTION I.F. excluding **ORDINARY PAYROLL**. **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** means the most that will be paid under this **POLICY** monthly for a **TIME ELEMENT COVERAGE** loss sustained by the **NAMED INSURED** during the **PERIOD OF INTERRUPTION** directly resulting from a **COVERED CAUSE OF LOSS** to **COVERED PROPERTY**. This **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** is payable for each period of thirty (30) consecutive days after the beginning of the Period of Interruption and is calculated by multiplying the **TIME ELEMENT VALUE** in the **STATEMENT OF VALUES** by the fraction shown in SECTION I.F.

When SECTION I.F. **EXTENDED PERIOD OF INDEMNITY** specifies a number of days and a fraction is shown in SECTION I.F. for **TIME ELEMENT MONTHLY LIMIT OF INDEMNITY**, the **TIME ELEMENT MONTHLY LIMITATION OF INDEMNITY** will also apply to each period of thirty (30) consecutive days provided under **EXTENDED PERIOD OF INDEMNITY** specified in SECTION I.F.

## **SECTION VI - ADDITIONAL COVERAGES**

The following additional coverages are subject to the terms and conditions of this **POLICY**, including the **DEDUCTIBLES** and **SUBLIMITS OF LIABILITY** corresponding to each such additional coverage shown in SECTION I.F. These additional coverage items are either included or excluded **SUBLIMITS OF LIABILITY** as shown in SECTION I.F. and are part of, and not in addition to **SUBLIMITS OF LIABILITY** in SECTION I.F.a-c. and **LIMITS OF LIABILITY** of this **POLICY**, for all insured **LOCATIONS**, combined, including, but not limited to, the **EARTHQUAKE**, **EARTH MOVEMENT**, **FLOOD**, or **NAMED STORM SUBLIMITS OF LIABILITY** provided herein, if applicable.

A. **ACCOUNTS RECEIVABLE:** This **POLICY** covers any shortage in the collection of **ACCOUNTS RECEIVABLE** directly resulting from a **COVERED CAUSE OF LOSS** to **ACCOUNTS RECEIVABLE** records.

This extension of coverage does not apply to loss due to:

1. Bookkeeping, accounting or billing errors and omissions; and
2. Alteration, falsification, manipulation, concealment, destruction, or disposal of **ACCOUNTS RECEIVABLE** records committed to conceal the wrongful giving, taking,

obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

- B. **BACKUP OF SEWERS AND DRAINS:** This **POLICY** is extended to cover water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION**. Cause of loss is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD**.
- C. **BUILDERS RISK:** Property in the course of construction or renovation, excluding Soft Costs.
- D. **DEBRIS REMOVAL:** This **POLICY** covers the necessary and reasonable expense of removal from the insured **LOCATIONS** of debris of **COVERED PROPERTY** or property of others remaining as a result of direct physical damage insured against under this **POLICY** that occurs during the **POLICY** period when the **NAMED INSURED** gives written notice of such direct physical damage, as a condition of coverage no later than 180 days after the loss. There is no liability for the expense of removing contaminated or polluted uninsured property, nor the **POLLUTANTS OR CONTAMINANTS** therein or thereon, whether or not the contamination results from an insured event.
- E. **ELECTRONIC DATA AND MEDIA:** This **POLICY** is extended to cover direct physical damage to **ELECTRONIC DATA AND MEDIA** caused by a **COVERED CAUSE OF LOSS**.
- F. **ERRORS OR OMISSIONS:** This **POLICY** is extended to cover direct physical damage caused by a **COVERED CAUSE OF LOSS** at **LOCATIONS** within the **COVERAGE TERRITORY** that are owned, leased or operated by the **NAMED INSURED**, if such damage is not payable under this **POLICY** solely due to:
  - 1. Any error or unintentional omission in the description of the address of the property whether made at the inception of the **POLICY** period or subsequent thereto; or
  - 2. Failure through any error or unintentional omission to:
    - a. Include any **LOCATION** of the **NAMED INSURED** at the inception of the **POLICY**; or
    - b. Report any newly acquired **LOCATION** before the period of automatic coverage provided under this **POLICY** for **NEWLY ACQUIRED LOCATIONS** expires.

With respect to Subparagraphs 1. and 2. above, this **ERRORS OR OMISSIONS** Additional Coverage does not allow the **NAMED INSURED** to correct any value shown in the **STATEMENT OF VALUES**.

This **POLICY** covers such direct physical damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

It is a condition of this additional coverage that any error or unintentional omission be reported by the **NAMED INSURED** when discovered and an additional premium be paid for any **LOCATION** added to the **POLICY**.

There is no coverage under this Paragraph for damage which is covered under **NEWLY ACQUIRED PROPERTY** or **MISCELLANEOUS UNNAMED LOCATIONS** provisions of this

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In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.

**POLICY.**

- G. **FINE ARTS:** This **POLICY** is extended to cover direct physical damage to **FINE ARTS** caused by a **DEFINED CAUSE OF LOSS**. However, no coverage is provided for:
1. Breakage, marring, scratching, chipping or denting of **FINE ARTS**, unless such breakage, marring, scratching, chipping or denting is caused by a **DEFINED CAUSE OF LOSS**; or
  2. Physical damage as a result of restoring, repairing or retouching processes.
- H. **FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES:** This **POLICY** covers the following expenses resulting from a **COVERED CAUSE OF LOSS**:
1. Fire brigade charges and any extinguishing expenses which the **NAMED INSURED** incurs;
  2. Loss and disposal of fire extinguishing materials expended.
- There is no coverage for any costs incurred as a result of a false alarm.
- I. **FUNGUS, MOLD(S), MILDEW, SPORES, YEAST:** Associated losses will be covered if the **NAMED INSURED** establishes that the **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** is a direct result of a **COVERED CAUSE OF LOSS** and as a condition of coverage under this **POLICY** this loss is reported within twelve (12) months from the expiration date of the **POLICY**.
- J. **LEASED OR RENTED EQUIPMENT:** This **POLICY** is extended to cover direct physical damage at insured **LOCATIONS** from a **COVERED CAUSE OF LOSS** to equipment that the **NAMED INSURED** has leased and/or rented for which the **NAMED INSURED** is legally liable.
- K. **LEASEHOLD IMPROVEMENTS & BETTERMENTS:** This **POLICY** is extended to cover the value of undamaged tenant improvements and betterments when the **NAMED INSURED'S** lease is cancelled by the lessor acting under a valid condition of the lease due to direct physical damage to **BUILDING** or personal property caused by or resulting from a **COVERED CAUSE OF LOSS** at an insured **LOCATION**. No **SUBLIMIT OF LIABILITY** applies to this additional coverage, but in no event will the **POLICY** cover loss in an amount in excess of the applicable **SUBLIMIT OF LIABILITY** specified for the **LOCATION**, if any.
- L. **LEASEHOLD INTEREST:** If **COVERED PROPERTY** is: (1) rendered wholly or partially untenantable by a **COVERED CAUSE OF LOSS** during the **POLICY** period and (2) the **NAMED INSURED'S** lease is canceled by a party, other than the **NAMED INSURED**, or an entity with any common ownership of the **NAMED INSURED**, in accordance with the conditions of the lease or as a result of a statutory requirement of the appropriate jurisdiction in which the damaged or destroyed **COVERED PROPERTY** is located, then this **POLICY** is extended to cover **THE INTEREST OF THE INSURED AS LESSEE** (as defined below) or **THE INTEREST OF THE INSURED AS LESSOR** (as defined below), whichever is applicable, but only for the first three (3) months succeeding the date of the loss and the **NET LEASE INTEREST** (as defined below) shall be paid for the remaining months of the unexpired lease.
1. Recovery under this additional coverage shall be the pro-rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the **NAMED**

**INSURED'S** interest in:

- a. The amount of bonus paid by the **NAMED INSURED** for the acquisition of the lease not recoverable under the terms of the lease;
- b. Improvements and betterments to real property which are not covered under any other section of this **POLICY**; and
- c. The amount of advance rental paid by the **NAMED INSURED** and not recoverable under the terms of the lease.

2. Definitions: The following terms, wherever used in this Paragraph H. shall mean:

- a. The **INTEREST OF THE INSURED AS LESSEE** is defined as:
  - i. the excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
  - ii. the rental income earned by the **NAMED INSURED** from sublease agreements, to the extent not covered under any other section of this **POLICY**, over and above the rental expenses specified in the lease between the **NAMED INSURED** and the lessor.
- b. The **INTEREST OF THE INSURED AS LESSOR** is defined as the difference between the rents payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this **POLICY**.
- c. **NET LEASE INTEREST** is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the **INTEREST OF THE INSURED LESSEE OR LESSOR**.

There shall be no liability under this **POLICY** for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the **NAMED INSURED** exercising any option to cancel the lease. Furthermore, the **NAMED INSURED** shall use due diligence, including all things reasonably practicable, to diminish loss under this additional coverage.

M. **LIMITED POLLUTION COVERAGE:** This **POLICY** is extended to cover the reasonable and necessary additional expense incurred to remove, dispose of, or clean-up the actual presence of **POLLUTANTS OR CONTAMINANTS** from **LAND** or water at an insured **LOCATION** when such **LAND** or water is contaminated or polluted due to a **COVERED CAUSE OF LOSS** that occurs during the **POLICY** period, provided that, as a condition of coverage, such expenses are reported within 180 days of the date of direct physical damage.

N. **LOCK REPLACEMENT:** This **POLICY** covers the necessary expense to repair or replace the exterior or interior door locks of a covered **BUILDING**:

- 1. If the door keys are stolen in a covered theft loss; or



2. When the **COVERED PROPERTY** is damaged and the door keys are stolen by burglars.

O. **MISCELLANEOUS UNNAMED LOCATION(S)**: If a sublimit is shown in SECTION I.F., this **POLICY** covers direct physical damage caused by a **COVERED CAUSE OF LOSS** at a **LOCATION** that has not been included in the **STATEMENT OF VALUES** on file with VRU and has not been reported to VRU as required by the **POLICY** provisions.

There is no coverage under this Paragraph for damage which is covered under the **ERRORS OR OMISSIONS** or **NEWLY ACQUIRED PROPERTY** provisions of this **POLICY**.

P. **NEWLY ACQUIRED PROPERTY**: This **POLICY** covers real or personal property of the type insured under this **POLICY** for a **COVERED CAUSE OF LOSS** that is rented, leased, or purchased by the **NAMED INSURED** after the inception date of this **POLICY**. Coverage under this additional coverage ceases at the earlier of the following dates:

1. Number of days shown in SECTION I.F. from the date of acquisition or lease of such property; or
2. When the newly acquired property is covered by this **POLICY**; or
3. When VRU notifies the **NAMED INSURED** that it will not bind the newly acquired property.

There is no coverage for any property that is partially or wholly insured under any other insurance.

There is no coverage under this Paragraph for damage which is covered under the **ERROR OR OMISSIONS** or **MISCELLANEOUS UNNAMED LOCATIONS** provisions of this **POLICY**.

Q. **ORDINANCE OR LAW**: In the event of direct physical damage covered under this **POLICY** that results in the enforcement of any **LAW, ORDINANCE**, governmental directive or standard in effect at the time of damage regulating the construction, repair or use and occupancy of the property, the following is covered under this **POLICY**:

1. Coverage A: For the loss in value of the undamaged portion of the **BUILDING** as a consequence of enforcement of an **ORDINANCE OR LAW** that requires demolition of undamaged parts of the same **BUILDING**.
2. Coverage B: For the cost to demolish and clear the site of undamaged parts of the same **BUILDING**, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
3. Coverage C: For the increased cost of repair or replacement of the damaged and undamaged **BUILDING** on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such **ORDINANCE OR LAW** regulating the repair or reconstruction of the damaged property on the same site. However, there is no coverage for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced.
4. Coverage D: For the additional loss in **TIME ELEMENT COVERAGES** (if covered), that the **NAMED INSURED** sustains during the increased period of suspension of operations caused by or resulting from a consequence of enforcement of an **ORDINANCE OR LAW**.

Excluded from this coverage are any costs of demolition or increased costs of reconstruction, repair, debris removal or loss of use (including any **TIME ELEMENT COVERAGES**) necessitated by the enforcement of any law or ordinance regulating any form of contamination or pollution.

- R. **OUTDOOR PROPERTY:** This **POLICY** is extended to cover direct physical damage caused by a **COVERED CAUSE OF LOSS** to signs, pools, pool equipment, outdoor fences, lights and light poles, and radio and radio and television antennas (including satellite dishes) not reported in the **STATEMENT OF VALUES** if a **SUBLIMIT OF LIABILITY** is shown in SECTION I. F. If a percentage deductible applies in the event of a loss to **OUTDOOR PROPERTY**, the percentage shall apply against the greater of the sublimit shown in SECTION I.F. or the replacement cost value of the affected property.
- S. **PAIRS OR SETS:** If two or more components or parts are necessary for a whole or complete product, then this **POLICY** covers the reduction in value of insured components or parts of products due to direct physical damage caused by a **COVERED CAUSE OF LOSS** to the other insured components or parts of such products.
- T. **PERSONAL PROPERTY OF OTHERS:** If not included in the **STATEMENT OF VALUES** or other documentation on file with VRU in order to be included as **INSURED PROPERTY** you must prove your obligation to protect or insure such property against a **COVERED CAUSE OF LOSS** in order for this additional coverage to apply as stated in SECTION I.F.
- U. **PLANTS, LAWNS, TREES OR SHRUBS:** If there is a sublimit shown in SECTION I.F., then this **POLICY** will cover damage caused by a **DEFINED CAUSE OF LOSS** to plants, lawns, trees, or shrubs.
- V. **PROFESSIONAL FEES:** This **POLICY** is extended to cover reasonable and necessary **CLAIM PREPARATION COSTS** (as defined below) incurred by the **NAMED INSURED** at the request of **INSURER** for the purpose of determining the extent or amount of insured damage as a result of a **COVERED CAUSE OF LOSS** under this **POLICY**, provided that, the **NAMED INSURED** obtains the prior written approval for the vendor to be engaged.
  - 1. **CLAIM PREPARATION COSTS** means:
    - a. The cost of taking inventory and the cost of gathering and preparing other data to substantiate the extent or amount of damage; and
    - b. The cost of services provided by accountants, contractors and engineers solely for the purpose of determining the extent or amount of loss.
  - 2. **CLAIM PREPARATION COSTS** does not mean and excludes:
    - a. Legal fees, charges and expenses;
    - b. Fees and costs of a public claims adjuster, claim consultant, insurance broker or agent (except forensic accounting services), or any person acting for or on behalf of a public claims adjuster, claim consultant, or insurance broker or agent;
    - c. Costs associated with negotiation or presentation of any claim or part of a claim that is disputed or denied;

- d. Costs associated with establishing that any claim or part of a claim is covered by the **POLICY**;
  - e. Costs which represent overhead or operating expense of any **NAMED INSURED**, including salaries of such **NAMED INSURED'S** employees.
- W. **PROPERTY REMOVED FROM INSURED LOCATIONS:** This **POLICY** will cover damage caused by a **COVERED CAUSE OF LOSS** to personal property of the **NAMED INSURED** at any **LOCATION** within the **COVERAGE TERRITORY** when such personal property is removed from the insured **LOCATIONS** for the purpose of being repaired or serviced, excluding:
  - 1. Personal property insured under another **POLICY** or floater;
  - 2. Personal property excluded under this **POLICY**;
  - 3. Personal property removed from the insured **LOCATIONS** for normal storage or processing or preparation for sale or delivery.
- X. **PROTECTION AND PRESERVATION OF PROPERTY:** In case of actual or imminent direct physical damage by a **COVERED CAUSE OF LOSS**, the expenses incurred by the **NAMED INSURED** in taking reasonable and necessary actions for the temporary protection and preservation of **COVERED PROPERTY** hereunder shall be added to the total physical damage otherwise recoverable under this **POLICY** and be subject to the applicable **DEDUCTIBLE** and **SUBLIMIT OF LIABILITY** shown in SECTION I.F. Reasonable and necessary actions do not include any expenses relating to inspection, testing, determining the cause of extent of damage, engineers, or any other expense that is not incurred solely to protect **COVERED PROPERTY**
- Y. **RECLAIMING, RESTORING, OR REPAIRING LAND IMPROVEMENTS:** This **POLICY** is extended to cover the cost of reclaiming, restoring or repairing land improvements, provided the loss is from a **DEFINED CAUSE OF LOSS** subject to the applicable **DEDUCTIBLE** and **SUBLIMIT OF LIABILITY** shown in SECTION I.F.
- Z. **REWARD REIMBURSEMENT:** This **POLICY** covers monetary rewards for information that leads to a criminal conviction in connection with damage to **COVERED PROPERTY** by a **COVERED CAUSE OF LOSS**, up to amounts agreed by the **INSURER(S)** and the **NAMED INSURED**.
- AA. **SIDEWALKS, PAVED SURFACES, ROADWAYS:** This **POLICY** is extended to cover sidewalks, paved surfaces and roadways, cost of excavation, grading, backfilling or filling directly caused by a **COVERED CAUSE OF LOSS** at insured **LOCATIONS**.
- BB. **SPOILAGE:** This **POLICY** is extended to cover **SPOILAGE** as a direct result of a **COVERED CAUSE OF LOSS** and the additional exclusions listed below. This **POLICY** will pay for direct physical damage to:
  - 1. **PERISHABLE GOODS** due to **SPOILAGE**;
  - 2. **PERISHABLE GOODS** due to contamination from the release of refrigerant, including but not limited to ammonia;

3. **PERISHABLE GOODS** due to **SPOILAGE** caused by a **COVERED CAUSE OF LOSS** to equipment that is owned by a utility, landlord, or other supplier of any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

If the **NAMED INSURED** is unable to replace the **PERISHABLE GOODS** before their anticipated sale, payment will be determined on the basis of the sales price of the **PERISHABLE GOODS** at the time of the loss, less discounts and expenses that otherwise would have been incurred. Otherwise, payment will be determined in accordance with the Valuation (Section IV) provision of this **POLICY**.

**PERISHABLE GOODS** means personal property:

- a. maintained under controlled conditions for its preservation, and
- b. susceptible to damage if the controlled conditions change.

Additional Exclusions: There shall be no liability under this **POLICY** for damage caused by or resulting from:

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.
2. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

CC. **TRANSIT:** This **POLICY** is extended to cover direct damage caused by a **COVERED CAUSE OF LOSS** to personal property, not otherwise excluded by this **POLICY**, while such property is in transit.

It is agreed that coverage under this extension shall include the following:

1. Personal property shipped to customers on F.O.B., C & F, or similar terms. The **NAMED INSURED'S** contingent interest in such shipments is admitted.
2. The interest of the **NAMED INSURED** in, and legal liability for, personal property of others in the actual or constructive custody of the **NAMED INSURED**.
3. Personal property of others sold by the **NAMED INSURED** which the **NAMED INSURED** has agreed prior to loss to insure during course of delivery.

It is agreed that the following additional exclusions apply to coverage as provided under this additional coverage:

1. Property insured under import or export ocean cargo policies.
2. Waterborne shipments to and from the **COVERAGE TERRITORY**.
3. Shipments made by air, unless via regularly scheduled airlines.
4. Property shipped by mail.

5. Property of others, including the Insured's legal liability therefor, hauled on vehicles owned, leased, or operated by the **NAMED INSURED** when acting as a common or contract carrier as defined by the Interstate Commerce Commission Regulations or other state regulatory agencies.

6. Any transporting vehicle or conveyance.

This additional coverage attaches from the time the property leaves the original point of shipment for the commencement of transit and covers thereafter continuously in the due course of transit within the **COVERAGE TERRITORY** until delivered at destination.

Coverage on export shipments not insured under ocean cargo policies does not extend beyond the time when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessels or aircraft.

This additional coverage does not cover or apply to delay, loss of market, or any **TIME ELEMENT COVERAGE**.

Permission is granted to the **NAMED INSURED** without prejudice to this insurance to accept the ordinary bills of lading used by carriers, including released and/or undervalued bills of lading and/or shipping or messenger receipts. The **NAMED INSURED** may waive subrogation against railroads under sidetrack agreements, but the **NAMED INSURED** shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

DD. **VALUABLE PAPERS AND RECORDS:** This **POLICY** is extended to cover **VALUABLE PAPERS AND RECORDS**.

EE. **WIND DRIVEN PRECIPITATION:** If **WINDSTORM OR HAIL** or **NAMED STORM** is a **COVERED CAUSE OF LOSS** under this **POLICY**, damage by rain, snow, sleet, sand, or dust to the interior of any **BUILDING** or structure, or the property inside the **BUILDING** or structure, without the **BUILDING** or structure first sustaining damage as a result of a **COVERED CAUSE OF LOSS** to its roof or outside walls through which the rain, snow, sleet, sand, or dust enters.

## SECTION VII - CONDITIONS

A. **ABANDONMENT:** There can be no abandonment to anyone of any insured property.

B. **ADJUSTMENT OF LOSSES** and **NAMED INSURED CLAUSE:** Damage shall be adjusted with and payable to the **NAMED INSURED**, subject to any Certificates of Insurance on file with VRU which require payment to a **MORTGAGEE** or **LOSS PAYEE**.

If this **POLICY** insures more than one entity, the **NAMED INSURED** is authorized to act on behalf of all other insureds with respect to their rights, obligations and duties under this **POLICY**. Payment of return premium under this **POLICY** to the **NAMED INSURED** shall constitute payment under this **POLICY** with respect to all insureds.

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In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.

C. **ARBITRATION CLAUSE:** Any and all matters in difference between and/or among the Parties, as defined in this provision, in relation to this insurance, including, but not limited to, its formation, validity, and the arbitrability of any dispute, and whether arising during or after the period of this insurance, shall be referred to an Arbitration Tribunal in the manner hereinafter set out. A party must give advanced written notice to the other party of their intent to request arbitration of a matter in difference. This Agreement contains a delegation provision requiring the Arbitration Tribunal to resolve all issues arising out of, relating to, involving, and/or resulting from this insurance, including, but not limited to, questions involving this Agreement. It is the Parties' intent to delegate all issues to the Arbitration Tribunal.

1. This is an agreement to arbitrate (the "Agreement"). The Parties to the Agreement include the Insurers listed on the **POLICY's** Declarations Pages (the "Insurers"), you, any insured, additional insureds, mortgagees, loss payees, assignees, lienholders, and/or any person and/or entity claiming rights and/or benefits related to the **POLICY**(the "Parties"). This Agreement shall be considered a separate agreement that is enforceable, irrespective of any other provision contained in this **POLICY**.
2. This Agreement governs the appointment of the Arbitration Tribunal. The Arbitration Tribunal shall consist of qualified and disinterested persons. The Arbitrators may not have any interest or claimed interest in the outcome of the arbitration, including any contingency interest or an assignment of any portion of the claim.

The Claimant (the party requesting arbitration) shall appoint his or her Arbitrator and give written notice thereof to the Respondent (the party receiving a request for arbitration). Within thirty (30) days of receiving such notice, the Respondent shall appoint his or her Arbitrator and give written notice of his or her selection to the Claimant. If the Respondent does not provide written notice of his or her Arbitrator within thirty (30) days of receiving the Claimant's notice, the Claimant may nominate an Arbitrator on behalf of the Respondent. The Arbitrators selected by the Parties must be currently or formerly employed in a senior position in insurance underwriting or claims at an insurer.

The two Arbitrators shall then select an Umpire. The Umpire must be currently or formerly employed at an insurer as one of the following or an equivalent position: president, vice-president, assistant vice-president, general counsel, assistant general counsel, chief operating officer, or chief risk officer. If the two Arbitrators fail to agree on the selection of the Umpire within thirty (30) days of the appointment of the second named Arbitrator, each Arbitrator shall submit to the other a list of three Umpire candidates. Each Arbitrator shall then select one name from the list submitted by the other. The Umpire shall be selected from the two names chosen by a lot drawing procedure to be agreed upon by the Arbitrators.

The Arbitration Tribunal consists of the Umpire, the Claimant's selected Arbitrator, and the Respondent's selected Arbitrator.

3. The Arbitration Tribunal shall have the power to fix all procedural rules for the Arbitration, including discretionary power to make orders as to any matter which it may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of documents, examination of witnesses, and any other matter whatsoever relating to the conduct of the Arbitration. The Arbitration Panel may receive and act upon such evidence in its discretion, regardless of whether that evidence is oral or written or strictly admissible or not. The

Arbitration Panel, in fixing the procedural rules for Arbitration, must ensure due process and that the Parties are able to fully present their claims and defenses at the arbitration hearing. The Arbitration Tribunal should initially meet with the Parties to discuss the procedural issues at an Organizational Meeting and should continue to meet with the Parties as needed to address procedural issues.

4. All aspects of the Arbitration shall be confidential, and the Parties and the Arbitrators, the Umpire, and the Arbitration Tribunal shall neither disclose nor permit the disclosure of any information related to the proceedings, including but not limited to, discovery, testimony, evidence, briefs, decisions, and any award, except as the Arbitration Tribunal may authorize in writing. The Arbitration Tribunal shall only authorize disclosure of information to the extent disclosure is necessary to further the proceeding and/or to comply with applicable law. Any such authorization shall be as limited in scope as the Arbitration Tribunal deems practicable.
5. The seat of the Arbitration shall be in New York, and the final arbitration hearing shall be held in New York, unless some other location is agreed to by the Parties and the Arbitration Tribunal. The Arbitration Tribunal shall apply the law of New York when resolving all matters in difference between the Parties, regardless of the location of the Arbitration.
6. The Parties shall each bear their own costs, expenses and attorney's fees in any Arbitration proceeding. The Parties will also bear the costs of their own Arbitrator and will bear, jointly and equally with each other, the costs of the Umpire.
7. The award of the Arbitration Tribunal shall be in writing and binding upon the Parties, who covenant to carry out the same. Any valid award shall be paid within forty-five days of receiving the Arbitration Tribunal's written decision. If either of the Parties should fail to carry out any award within forty-five days (45), the other may apply for its enforcement as permitted by law.
8. All Insurers shall be included and participate in any Arbitration proceeding, including sharing the Insurers' portion of the arbitration costs. Further, irrespective of whom is sued and/or any purported waiver of claims, all Insurers shall have the right to participate in any litigation that relates to and/or concerns this Agreement, this Policy and/or the enforceability of any award issued by the Arbitration Tribunal. Nothing in this paragraph shall affect the Insurers' several liability for losses covered under this Policy.
9. The provisions in this Arbitration Agreement are severable, and if any portion is found to be unenforceable, the other paragraphs, or parts thereof, shall remain full, valid, and enforceable.

D. **ASSIGNMENT:** The **NAMED INSURED** may not assign this **POLICY** without the **INSURER'S** prior written consent.

E. **BRANDS AND LABELS:** If branded or labeled merchandise covered by this **POLICY** is physically damaged and the **INSURER** elects to take all or any part of such merchandise at the value established by the terms of this **POLICY**, the **NAMED INSURED** may, at their own expense, stamp "SALVAGE" on the merchandise or its containers, or may remove or obliterate the brands or labels, if such stamp, removal or obliteration will not physically damage the merchandise, but the **NAMED INSURED** must re-label the merchandise or containers in compliance with the requirements of law.

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**F. CANCELLATION, NON-RENEWAL, AND ADDITIONS OR DELETIONS:**

1. This **POLICY** can be canceled by the **NAMED INSURED** by providing the **INSURER** with:
  - a. An advanced written request for cancellation stating when the cancellation shall be effective; and
  - b. A lost policyholder release signed by the **NAMED INSURED** or its legal representative.
2. This **POLICY** may be canceled by the **INSURER** by giving to the **NAMED INSURED** at least thirty (30) days written notice of cancellation or in the case of non-payment of premium or material misstatement, at least ten (10) days written notice of cancellation.
3. The cancellation will be effective even if a refund has not been made or offered. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. If this **POLICY** is canceled by the **NAMED INSURED**, the **INSURER** will send the **NAMED INSURED** any premium refund due per the cancellation provisions affixed to this **POLICY** in the **MINIMUM EARNED AND SPECIAL CATASTROPHE EARNED PREMIUM PROVISION ENDORSEMENT**
5. This **POLICY** may be non-renewed by the **INSURER**. The **INSURER** will comply with state statutes controlling non-renewal, if applicable, and will include the reason for non-renewal. If there is no controlling law or regulation, the **INSURER'S** written non-renewal notice will be mailed at least thirty (30) days prior to the end of the **POLICY** period, and proof of mailing will be sufficient proof of notice of the non-renewal. If the **INSURER** sends a notice conditioning renewal on changes to the offered limits, covered perils, premium, terms, conditions, and/or exclusions such notice shall not be deemed a non-renewal, unless that renewal is not accepted. If the conditional offer is not accepted, the **POLICY** will end, and all coverage cease at the expiration of the **POLICY** period.
6. This **POLICY** will automatically end, and all coverage cease at the expiration of the **POLICY** period if no offer to renew is extended or an offer to renew with changed, terms, coverage, premiums, or limits is not accepted.
7. Additions and Deletions:
  - a. For **LOCATIONS** exposed to **NAMED STORM**, if added (or coverage increased at an existing **LOCATION** which is "Exposed to Hurricanes") during the term of the **POLICY** and coverage exists at any time during the period of June 1st to November 30th, the premium will be calculated at 100% of the annual rate, less the Unearned Factor noted in the **MINIMUM EARNED AND SPECIAL CATASTROPHE EARNED PREMIUM PROVISION ENDORSEMENT**. Otherwise, it shall be pro-rata.

However, subject to receipt of closing documents for **NEWLY ACQUIRED PROPERTY** as to each **LOCATION**, this **POLICY** allows pro-rata additional premium for **LOCATIONS** purchased during the **POLICY** term.



- b. Coverage cannot be increased nor additional **LOCATIONS** added if they are exposed to **NAMED STORM** and a **NAMED STORM** is in existence, unless with the express written consent of **INSURER**.
  - c. Nothing herein will act to provide coverage for the **NEWLY ACQUIRED PROPERTY** (a) beyond the **SUBLIMIT** shown under SECTION I.F. or (b) when the **INSURER** notifies the **NAMED INSURED** that it will not bind the **NEWLY ACQUIRED POLICY**.
- 8. Non-payment of premium, material misstatement or non-compliance with underwriting requirements shall be considered a request by the **NAMED INSURED** to cancel the **POLICY**.
- 9. Proof of mailing will be sufficient proof of notice of cancellation.
- 10. Any additional premium or return premium under \$100 shall be waived, except additional premium for new perils or coverages added.
- G. **CURRENCY:** Any amount of money specified in the **POLICY**, including **LIMITS OF LIABILITY, DEDUCTIBLES** and **PREMIUMS** shall be considered to be in the currency of the United States of America.
- H. **DIVISIBLE CONTRACT:** Subject to Condition N. below, if the **LOCATIONS** described in this **POLICY** include two or more **BUILDINGS** or the contents of two or more **BUILDINGS**, the breach of any condition of this **POLICY** in respect to any one or more of the **BUILDINGS** insured or containing the **COVERED PROPERTY**, shall not prejudice the right to recover for physical damage occurring in any **BUILDING** insured or containing the **COVERED PROPERTY** where, at the time of such damage, a breach of condition does not exist.
- I. **INCREASE IN HAZARD:** If the circumstances in which this insurance was entered into shall be altered or if the risk shall be materially increased, the **NAMED INSURED** shall as soon as possible give notice in writing to **INSURER**
- J. **INSPECTION AND AUDIT:** The **NAMED INSURED** shall permit, at all reasonable times during this **POLICY** period, inspections of all **COVERED PROPERTY**. Neither this right to make inspections nor the making thereof nor any report thereon shall constitute any undertaking, on behalf of or for the benefit of the **NAMED INSURED** or others, to determine or warrant that such property is safe or healthful or that they comply with any law, rule, or regulation.

The **NAMED INSURED** shall also permit examination and audit of the **NAMED INSURED'S** books and records at any reasonable time during the **POLICY** period and within one year after the **POLICY** termination, as long as such examination and audit relate to the subject matter of this **POLICY**.
- K. **Action Against Us:**

No Person or organization may commence, cause to be commenced, or assert any action against us unless:

  - 1. There has been full compliance with all terms and conditions of this **POLICY**.

2. Any action is brought within one (1) year after the date of the **OCCURRENCE** or event which occasioned the sudden and accidental direct physical loss or damage from a **COVERED CAUSE OF LOSS**.
3. Any action asserted that relates to an arbitration award is not subject to Subsection (2) of this provision. Such an action must be brought within 180 days of the final award being entered, but no sooner than 45 days after the final award is entered.
4. In the event any part of this provision is considered unenforceable, invalid, or void, the action must be brought within the shortest limit of time permitted by the applicable statute of the state in which the loss occurred.

Nothing in this provision impacts your Duties in the Event of Damage, including, but not limited to, the duty to provide prompt notice of damage

**L. RECORDS AND INVENTORY:**

You will keep accurate records of your business and maintain them for three years after the policy ends. These records will consist of:

1. Itemized inventory of all your stock in trade;
2. Records of all purchases and sales whether cash or credit;
3. Records of the property in your care, custody or control;
4. A detailed listing of travelers stock; and
5. Records of all other property away from your premises.

You will also take a physical inventory of all your stock in trade at least every 12 months.

**M. SEVERAL LIABILITY CLAUSE:**

1. The **INSURER'S LIMIT OF LIABILITY** under this **POLICY** for covered losses is several and not joint with other insurers party to this contract. The **INSURER** is liable only for the proportion of liability it has underwritten. The **INSURER** is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the **INSURER** otherwise responsible for any liability of any other insurer that may underwrite this **POLICY**.
2. The **INSURER's** liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.
3. Damages outside the terms and conditions of this **POLICY** and more than the **POLICY** sublimits and limits will not be paid. Any settlements agreed to will be signed by all parties involved and will release us of all future liability.

**N. MORTGAGEES (OR TRUSTEES), LENDER'S LOSS PAYEES, AND LOSS PAYEES:**

1. Loss, or damage, if any, under this **POLICY** shall be payable to:

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- a. Any **LENDER'S LOSS PAYEE** or **LOSS PAYEE** as its interest may appear; and
  - b. Any **MORTGAGEE (OR TRUSTEE)** as its interest may appear under all present or future mortgages upon the insured property in which the aforesaid may have an interest as **MORTGAGEE (OR TRUSTEE)**, in order of precedence of said mortgages.
2. As to the interest of the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** only, this insurance shall not be invalidated by any act or neglect of the **NAMED INSURED** nor by any foreclosure or other proceedings or notice of sale relating to said property nor by any change in the title or ownership of said property, nor by the occupation of the insured **LOCATIONS** for purposes more hazardous than are permitted by this **POLICY**; provided, that in case the **NAMED INSURED** shall neglect to pay any premium due under this **POLICY**, the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** shall, on demand, pay the same.

The **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** must notify VRU of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** and, unless such use is permitted by this **POLICY** and the **MORTGAGEE (OR TRUSTEE) OR LENDER'S LOSS PAYEE** shall, on demand, pay the premium for such increased hazard; otherwise, this entire Clause 2. shall be null and void.

3. **COVERAGE** hereunder may be suspended [which shall include any **COVERAGE** applying to the interest of the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE**] on any machine, vessel or part thereof in accordance with the Suspension Clause of **EQUIPMENT BREAKDOWN** (if such coverage is provided by endorsement to this **POLICY**). VRU agrees to furnish the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE, OR LOSS PAYEE** with a copy of the suspension notice to the **MORTGAGEE'S (OR TRUSTEE'S), LENDER'S LOSS PAYEE'S OR LOSS PAYEE'S** address.
  4. Whenever the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE** is paid any sum for loss under this **POLICY** and the **INSURER(S)** shall claim that, as to the **NAMED INSURED**, no liability therefor existed, such **INSURER(S)** shall, to the extent of such payment, be subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the debt, or may, at their option pay to the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE OR LOSS PAYEE**, the whole principal due or to grow due on the debt with interest, and shall thereupon receive a full assignment and transfer of all rights and securities; but no subrogation shall impair the right of the **MORTGAGEE (OR TRUSTEE), LENDER'S LOSS PAYEE, OR LOSS PAYEE**, to recover the full amount of the **MORTGAGEE'S (OR TRUSTEE'S), LENDER'S LOSS PAYEE'S, OR LOSS PAYEE'S** claim.
- O. **MISREPRESENTATION AND FRAUD:** This entire **POLICY** shall be void if, whether before or after a loss, the **NAMED INSURED** has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the **NAMED INSURED** therein, or in case of any fraud, or false swearing by the **NAMED INSURED** relating thereto.

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- P. **OTHER INSURANCE/EXCESS INSURANCE/UNDERLYING INSURANCE:** In the event there is **OTHER INSURANCE** covering damage insured under this **POLICY**, then this **POLICY** shall apply only as excess and in no event as contributory insurance (unless this **POLICY** is specifically written to be contributory insurance), and then only after all other insurance has been exhausted, whether or not such insurance is collectible. Permission is granted for the **NAMED INSURED** to purchase **EXCESS INSURANCE** over the limits provided by this **POLICY**, and underlying insurance on all or any part of the **DEDUCTIBLES** of this **POLICY**.
- Q. **PROTECTION AND PRESERVATION OF PROPERTY:** In case of actual or imminent direct physical damage by a **COVERED CAUSE OF LOSS**, the expenses incurred by the **NAMED INSURED** in taking reasonable and necessary actions for the temporary protection and preservation of **COVERED PROPERTY** hereunder shall be added to the total physical damage otherwise recoverable under this **POLICY** and be subject to the applicable **DEDUCTIBLE**, sublimit of liability and the **POLICY LIMIT**. Reasonable and necessary actions do not include any expenses relating to inspection, testing, determining the cause of extent of damage, engineers, or any other expense that is not incurred solely to protect **COVERED PROPERTY**.
- R. **REINSTATEMENT OF LIMITS:** Except for any **COVERED CAUSE OF LOSS** which is subject to an annual aggregate limit or sublimit of liability, payment of a claim will not reduce the amount payable under this **POLICY** for any subsequent covered loss.
- S. **REQUIREMENTS IN CASE OF LOSS:**
1. The **NAMED INSURED** shall:
    - a. Give immediate written notice of any damage to the **INSURER**;
    - b. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
    - c. Protect the property from further damage;
    - d. Separate the damaged and undamaged personal property;
    - e. Maintain such property in the best possible order;
    - f. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed to the **INSURER**;
    - g. Furnish all other documents or insurance policies that may be reasonably required by the **INSURER**;
    - h. Allow access and inspection of any of the damaged or undamaged **COVERED PROPERTY** by the **INSURER**;
    - i. Cooperate with the Insurer(s) and any other person or persons designated by the Insurer(s) in the investigation, adjustment or settlement of any claim; and

- j. All claims, made under this policy, must be made within one-year of the date of the occurrence giving rise to a **COVERED CAUSE OF LOSS**.
- 2. The **NAMED INSURED, ADDITIONAL INSURED(S)**, and any officers, directors, or employees of the same, or any related members of the household and others shall:
  - a. Submit to examination under oath, as often as may be reasonably required, and while not in the presence of any other party or **NAMED INSURED** or **ADDITIONAL INSURED**. The **INSURER** may as often as may be reasonably required, request that you produce for examination all documents, photographs, computer records, writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the **INSURER** or our representatives and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of ours or any of our employees or representatives in connection with the investigation of any loss hereunder, shall be deemed a waiver of any policy provision, condition or defense we might otherwise have with respect to any loss, but all such examinations and acts shall be deemed to have been made or done without prejudice to our liability.
  - b. Within ninety (90) days after the loss, unless such time is extended in writing, the **NAMED INSURED** shall provide to the **INSURER** proof of loss, signed and sworn to by the **NAMED INSURED**, stating the knowledge and belief of the **NAMED INSURED** as to the following:
    - 1. The time and origin of the loss;
    - 2. The interest of the **NAMED INSURED** and of all others in the property;
    - 3. The value of each item thereof determined in accordance with the **VALUATION PROVISIONS** of this **POLICY** and the amount of loss thereto and all encumbrances thereon;
    - 4. All other contracts of insurance, whether collectible or not, covering any of said property; and
    - 5. Any changes in the title, use, occupation, **LOCATION**, possession or exposures of said property subsequent to the issuance of this **POLICY**, by whom and for what purpose any **BUILDING** herein described and the several parts thereof were occupied at the time of loss whether or not it then stood on leased ground.
- T. **STATEMENT OF VALUES:** The **NAMED INSURED** shall provide VRU, at **POLICY** inception and each subsequent anniversary date of this **POLICY**, a **STATEMENT OF VALUES** which consists of the current 100% **PROPERTY** and **TIME ELEMENT VALUES** for all insured **LOCATIONS**.

Such values shall be reported separately for each **LOCATION**, with separate figures shown for each type of coverage at each **LOCATION**. The property values shall be shown on a replacement cost basis for property which is covered on a replacement cost basis and on an **ACTUAL CASH VALUE** basis for other property. The value of stock and supplies to be included in the property values shall be in accordance with the **VALUATION** (Section IV) clause contained in this **POLICY**

and shall be based on the approximate average of the stock and supplies on hand during the twelve months immediately preceding the annual review of values. **TIME ELEMENT VALUES** (if covered) shall be provided in accordance with the terms of the applicable **TIME ELEMENT COVERAGES** provisions.

Upon inception and at each anniversary date of this **POLICY**, the Annual Premium shall be due and payable to VRU. Receipt of said **STATEMENT OF VALUES** by VRU shall be considered as authorization by the **NAMED INSURED** for premiums under this **POLICY** to be calculated.

The premium for this **POLICY** is based upon the **STATEMENT OF VALUES** on file with VRU or attached to this **POLICY**.

- U. **SALVAGE AND RECOVERIES:** All **TIME ELEMENT VALUES, SALVAGES, RECOVERIES** and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this **POLICY**, shall reduce the loss accordingly.
- V. **SETTLEMENT OF CLAIMS:** The amount of loss under this **POLICY** shall be payable within thirty (30) days after proof of loss, as herein required, is received and accepted by the **INSURER** and ascertainment of the amount of loss is made either by agreement with the **NAMED INSURED** or an amount is determined by binding Arbitration in accordance with the provisions of this **POLICY**.

The **INSURER** shall have the option to take all or any part of the property at the agreed or arbitrated value, or to repair, rebuild or replace the property physically lost or damaged with other of like kind and quality, within a reasonable time, on giving notice of its intention to do so within sixty (60) days after receipt of the proof of loss herein required.

- W. **SUBROGATION:** An assignment of all rights of recovery against any party for loss may be required from the **NAMED INSURED** to the extent that payment has been made. The **INSURER** shall not acquire any rights of recovery which the **NAMED INSURED** has expressly waived in writing prior to loss nor shall such waiver in writing affect the **NAMED INSURED'S** rights under this **POLICY** if the **NAMED INSURED** has prior written consent from the **INSURER** to enter into the written waiver of subrogation.

**INSURER** does waive rights of recovery against any unit-owner of a Condominium Association.

However, notwithstanding the foregoing, **INSURER** shall be subrogated to all the **NAMED INSURED'S** rights of recover against:

1. any Architect or Engineer, whether named as a **NAMED INSURED** or not, for any damage arising out of the performance of professional services in their capacity as such and caused by an error, omission, deficiency or act of the Architect or Engineer, by any person employed by them or by any others for whose acts they are legally liable, and
2. any manufacturer or supplier of machinery, equipment or other property, whether named as a **NAMED INSURED** or not, for the cost of making good any damage which said party has agreed to make good under a guarantee or warranty, whether expressed or implied.

Any recovery as a result of subrogation proceedings arising out of an **OCCURRENCE**, after expenses incurred in such subrogation proceedings are deducted, shall accrue to the **NAMED INSURED** in the proportion that the **DEDUCTIBLE** amount and/or any provable uninsured loss

amount bears to the entire provable loss amount.

The **NAMED INSURED** will cooperate with the **INSURER** and, upon their request, will:

1. Attend hearings and trials; and
  2. Assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and conducting suits.
- X. **TITLES OF PARAGRAPHS:** The titles of the various paragraphs of this **POLICY** (and of endorsements included in this **POLICY**) are solely for reference and shall not in any way affect the provisions to which they relate.
- Y. **VACANCY:** The **NAMED INSURED** has permission to cease business operations or to have any insured **BUILDING VACANT** or unoccupied, provided that during this time, fire protection, security and alarm services must be maintained as represented in the submission or, if included with this policy, in compliance with the protective safeguards endorsement. The **NAMED INSURED** must notify **INSURER** no later than sixty (60) days after the cessation of business operations or vacancy. If not so notified within sixty (60) days, the Company will not pay for any damage caused by any of the following even if they are Covered Causes of Loss:
1. Vandalism
  2. Sprinkler Leakage, unless the Insured has protected the system against freezing;
  3. Building Glass Breakage;
  4. Water Damage;
  5. Theft; or
  6. Attempted Theft

With respect to Covered Causes of Loss other than those listed in X.(1) through X.(6) above, the Company will reduce the amount that would otherwise be paid for the damage by 15%.

## SECTION VIII - POLICY DEFINITIONS

- A. **ACTUAL CASH VALUE:** means the amount it would cost to repair or replace **COVERED PROPERTY**, at the time of damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **ACTUAL CASH VALUE** applies to valuation of **COVERED PROPERTY** regardless of whether that property has sustained partial or total damage.
- The **ACTUAL CASH VALUE** of the lost or damaged property may be significantly less than its replacement cost.
- B. **AIRCRAFT OR VEHICLE IMPACT** means only physical contact by or from an aircraft, drone, spacecraft, self-propelled missile or vehicle, including objects falling from same.
- C. **AVERAGE DAILY VALUE (ADV): AVERAGE DAILY VALUE** means the total 100% **TIME**

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**ELEMENT VALUE** that would have been projected for the **PERIOD OF INTERRUPTION** for the **LOCATION(S)** where the physical damage occurs, had no physical damage occurred, divided by the number of working days in such **PERIOD OF INTERRUPTION**. The sum shall include all **TIME ELEMENT VALUES** to which the operations of the **LOCATION(S)** directly or indirectly contribute.

- D. **BUILDING** means a fully enclosed permanent structure with walls and a continuous roof.
- E. **BACKUP OF SEWERS AND DRAINS** means Water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION**. Cause of loss is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD** as defined in this **POLICY**.
- F. **CLOSING DOCUMENTS** means proof of sale and transfer of ownership documentation.
- G. **COLLAPSE** means an abrupt falling down or caving in of a **BUILDING** or any part of a **BUILDING** with the result that the **BUILDING** or part of the **BUILDING** cannot be occupied for its current intended purpose. The **COLLAPSE** must be caused by or resulting from one or more of the following:
1. **BUILDING** decay that is hidden from view; however, coverage will not be provided if the presence of such decay is known to the Insured prior to collapse;
  2. Insect or vermin damage that is hidden from view, however, coverage will not be provided if the presence of such damage is known to the **NAMED INSURED** prior to collapse;
  3. Use of defective material or methods in construction, remodeling or renovation, in the event that the abrupt collapse occurs during the course of construction, remodeling or renovation.
  4. Use of defective material or methods in construction, remodeling or renovation, in the event that the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - a. A cause of loss listed in I.F. as stated above;
    - b. One or more of the **DEFINED CAUSES OF LOSS**;
    - c. Breakage of **BUILDING** glass;
    - d. Weight of people or personal property; or
    - e. Weight of rain that collects on a roof.
- H. **COVERED CAUSE OF LOSS** means all risks of sudden and accidental direct physical damage to **COVERED PROPERTY**, except as excluded.
- I. **COVERED PROPERTY** means the **NAMED INSURED'S COVERED PROPERTY**, as listed in the **STATEMENT OF VALUES**, used on the **NAMED INSURED'S** business operations and provided coverage by this **POLICY**.
- J. **DEDUCTIBLE** means the amount payable by the **NAMED INSURED** on a per **OCCURRENCE**



basis or as otherwise described in SECTION I. H.

- K. **DEFINED CAUSE OF LOSS** means fire, lightning, **EXPLOSION**, **WINDSTORM OR HAIL**, **SMOKE**, **AIRCRAFT OR VEHICLE IMPACT**, **RIOT**, **STRIKE OR CIVIL COMMOTION**, **VANDALISM AND MALICIOUS MISCHIEF**, or **LEAKAGE FROM FIRE PROTECTION EQUIPMENT**.
- L. **DROUGHT** is an event of prolonged shortages in the water supply, whether atmospheric (below-average precipitation), surface water or ground water.
- M. **EARTHQUAKE** means:
1. Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by tectonic or underground volcanic forces or by breaking, shaking, trembling or shifting of rock beneath the earth's crust. The definition of **EARTHQUAKE** does not include subsidence, landslide, rock slide, mudflow, earth rising, earth sinking, earth shifting or settling, unless as a direct result of such **EARTHQUAKE**.
  2. **EARTHQUAKE SHOCK** means the sum total of all the **NAMED INSURED'S** losses attributable directly from the peril of **EARTHQUAKE** sustained during any period of one hundred sixty-eight (168) consecutive hours by reason of one **EARTHQUAKE SHOCK** or a series of **EARTHQUAKE SHOCKS**.
  3. Volcanic eruption, meaning the eruption, **EXPLOSION** or effusion of a volcano, excluding tsunami. All volcanic eruptions that occur within any one hundred sixty-eight (168) hour period will constitute a single occurrence.
  4. Sprinkler Leakage caused by or resulting from **EARTHQUAKE**.
  5. Tsunami flooding, whether caused by **EARTHQUAKE** or not, is not included in the **EARTHQUAKE** peril.
- N. **EARTH MOVEMENT** means:
1. Any natural or manmade landslide, mudslide, mudflow, rock falls, including any earth sinking, rising or shifting related to such event;
  2. Subsidence of a man-made mine, whether or not mining activity has ceased;
  3. Earth sinking (other than sinkhole loss if covered elsewhere), rising or shifting, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;
  4. Volcanic eruption, meaning the eruption, **EXPLOSION** or effusion of a volcano; or
  5. Tsunami flooding is not included in **EARTH MOVEMENT**.
  6. **EARTH MOVEMENT** does include **EARTHQUAKE**.

7. Coverage for **EARTH MOVEMENT** does not extend to provide coverage for sinkhole loss in Florida, absent an endorsement specifying that coverage for **sinkhole** loss is provided.
- O. **EARTHQUAKE COUNTIES:** As referenced in this **POLICY**, designated **EARTHQUAKE ZONES** shall be defined as all **LOCATIONS** situated within the States or Counties as specified below:
1. **ALASKA:** All Counties except Northslope
  2. **CALIFORNIA:** Entire State
  3. **HAWAII:** All Counties other than Honolulu and Kauai
  4. **PACIFIC NORTHWEST STATES:** Oregon and Washington
  5. **New Madrid Earthquake Zone Counties:**
    - A. Arkansas: Arkansas, Clay, Cleburne, Conway, Craighead, Crittenden, Cross, Desha, Faulkner, Fulton, Independence, Izard, Greene, Jackson, Jefferson, Lawrence, Lee, Lincoln, Lonoke, Mississippi, Monroe, Phillips, Prairie, Poinsett, Pulaski, Randolph, Sharp, St. Francis, Stone, Van Buren, White, and Woodruff.
    - B. Illinois: Alexander, Bond, Calhoun, Christian, Clark, Clay, Clinton, Coles, Crawford, Cumberland, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Jersey, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Moultrie, Perry, Pope, Pulaski, Randolph, Richland, Saline, Shelby, St. Clair, Union, Wabash, Washington, Wayne, White, and Williamson.
    - C. Indiana: Davies, Dubois, Gibson, Knox, Perry, Pike, Posey, Spencer, Sullivan, Vanderburgh, and Warrick.
    - D. Kentucky: Ballard, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hancock, Henderson, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, McLean, Muhlenberg, Ohio, Todd, Trigg, Union, and Webster.
    - E. Mississippi: Alcorn, Benton, Bolivar, Coahoma, De Soto, Lafayette, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, Tippah, Tunica, and Union.
    - F. Missouri: Bollinger, Butler, Cape Girardeau, Carter, Crawford, Dent, Dunklin, Franklin, Howell, Iron, Jefferson, Lincoln, Madison, Mississippi, New Madrid, Oregon, Pemiscot, Perry, Reynolds, Ripley, Scott, Shannon, St. Charles, St. Francois, St. Louis City, St. Louis, Ste. Genevieve, Stoddard, Warren, Washington, and Wayne.
    - G. Tennessee: Benton, Carroll, Chester, Crockett, Decatur, Dickson, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Lake, Lauderdale, Madison, McNairy, Montgomery, Obion, Perry, Shelby, Stewart, Tipton, and Weakley.
- P. **ELECTRONIC DATA AND MEDIA** means data, messages, information, coding, programs, instructions or any other software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment and distributed by means of a

computer network or produced in a format for use with a computer.

**Q. EQUIPMENT BREAKDOWN** means:

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. Electrical device, appliance or wire(s) disturbance by means of artificially generated electrical current, including electric arcing,
3. **EXPLOSION** of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Named Insured, or operated under the control of the **NAMED INSURED**;
4. Damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
5. Damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

**R. EXPLOSION** means a sudden, accidental and destructive shattering or eruption. **EXPLOSION** does not include damage occasioned by or incident to **EXPLOSION** in or relating to the following equipment owned, operated or controlled by the Insured:

1. Steam boiler, steam turbines, steam engines, and steam pipes interconnecting any of the foregoing;
2. Moving or rotating machinery or parts thereof when such direct damage is caused by centrifugal force or mechanical breakdown;
3. Combustion gas turbines;

To the extent of the loss to such products, any products manufactured by the **NAMED INSURED** or other property attached to these products or forming a part thereof, including those products and property undergoing pressure tests. **EXPLOSION** will include damage arising or resulting from:

1. The **EXPLOSION** of accumulated combustible gases or unconsumed fuel within the furnace of a boiler or pressure vessel, other than combustion gas turbines, or within the flues or passages which conduct the gases of combustion therefrom;
2. A combustion **EXPLOSION** occurring outside of any equipment excluded above, even though such combustion **EXPLOSION** may have been the direct result of the **EXPLOSION** or such excluded equipment.

The following are not **EXPLOSIONS** within the intent or meaning of this definition:

1. Electric arcing or any coincident rupture of electrical equipment due to such arcing;
2. Bursting or rupture caused by freezing;
3. Sonic shock waves, generally known as Sonic Boom;
4. Bursting, rupture or collapse of any safety disc, rupture diaphragm or fusible link.

- S. **FINE ARTS** means: paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, , porcelains, and similar property of rarity, historical value, or artistic merit; excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metal, watercraft, aircraft, money and securities.
- T. **FLOOD** means, whether natural or manmade, **FLOOD** waters, surface water, waves, tide or tidal water, overflow or rupture of a dam, levee, dike, floodgates, or other surface containment structure, storm surge, the rising, overflowing or breaking of boundaries of natural or manmade bodies of water, or the spray from any of the foregoing, all whether driven by wind or not. Tsunami induced flooding is considered a **FLOOD**.
- Water which backups or discharges from sewers, drains or sumps on the Insured's **LOCATION** is not considered **FLOOD**, unless such backup or discharge was due to **FLOOD** as defined above.
- U. **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** means:
1. **FUNGUS** includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including **MOLD(S)**, rusts, **MILDEW** smuts and mushrooms.
  2. **MOLD and MILDEW** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce **MOLD(S)**.
  3. **SPORE OR YEAST** means any dormant or reproductive body produced by or arising or emanating out of any **FUNGUS, MOLD(S), MILDEW**, plants, organisms or microorganisms.
- V. **HARD COSTS** means:
1. Building(s) or structure(s) as described in the schedule of values including foundations, machinery and fixtures and attachments and similar property that has become or intended to become a permanent part of the building(s) or structure(s); and
  2. Materials, supplies and similar property owned by others for which you are responsible for. This property must be used in the construction operations insured under this policy and be located at the premise(s) described in the schedule of values.
- W. **HURRICANE** means a storm system that has been declared to be a hurricane by the National Hurricane Center of the National Weather Service.
- X. **INSURER** means the company or companies shown on the Allocation Endorsement as their interests appear thereon.
- Y. **LAND** means land (except land for which values are reported and premiums are charged hereunder), such as dikes, levees, and other surface containment structures. Surface containment structures are not **LAND** to a depth of six inches below such surface containment structures.
- Z. **LEAKAGE FROM FIRE PROTECTION EQUIPMENT** means direct physical damage from:
1. Water or other substances discharged from within any part of the **FIRE PROTECTION EQUIPMENT** for the insured **LOCATION** or for any adjoining **LOCATIONS**;

2. Collapse or fall of tanks forming a part of the **FIRE PROTECTION EQUIPMENT** or the component parts or supports of such tanks.

The term **FIRE PROTECTION EQUIPMENT** includes tanks, water mains, hydrants or valves, and any other equipment whether used solely for fire protection or jointly for fire protection and for other purposes, but does not include:

1. Branch piping from a joint system where such branches are used entirely for purposes other than fire protection;
2. Any underground water mains or appurtenances located outside of the insured **LOCATION** and forming a part of the public water distribution system;
3. Any pond or reservoir in which the water is impounded by a dam.

AA. **LOCATION** is defined as specified in the **STATEMENT OF VALUES** on file with VRU; but if not so specified, **LOCATION** means any **BUILDING**, yard, dock, wharf, pier or bulkhead or any group of the foregoing bounded on all sides by public streets, clear **LAND** space or open waterways, each not less than two hundred feet wide. Any bridge or tunnel crossing such street, space or waterway shall render such separation inoperative for the purpose of this definition.

BB. **MISCELLANEOUS UNNAMED LOCATION(S)** means a **LOCATION** that has not been included in the **STATEMENT OF VALUES** on file with **INSURER** and has not been reported to **INSURER** as required by the **POLICY** provisions.

There is no coverage under this Paragraph for damage which is covered under the **ERRORS OR OMISSIONS** or **NEWLY ACQUIRED PROPERTY** provisions of this **POLICY**.

CC. **NAMED INSURED** means the **NAMED INSURED(S)** as well as any **ADDITIONAL INSURED(S)**, **MORTGAGEE(S)**, **LENDER'S LOSS PAYEE(S)**, **LOSS PAYEE(S)** set forth in the relevant Certificates of Insurance or contract as specified in Section I.

DD. **N/A** means Not Applicable.

EE. **NAMED STORM** a storm that has been declared by the National Weather Service to be a **HURRICANE**, Typhoon, Tropical Cyclone, Tropical Storm, or Tropical Depression.

FF. **OCCURRENCE** means any one loss, disaster, casualty, incident or series of losses, disasters, casualties or incidents, arising out of a single event, and includes all resultant or concomitant insured losses. The **OCCURRENCE** must occur during the **POLICY** period.

If more than one event for **WINDSTORM OR HAIL, NAMED STORM, RIOT, STRIKE OR CIVIL COMMOTION, VANDALISM & MALICIOUS MISCHIEF, EARTH MOVEMENT OR FLOOD** covered by this **POLICY** occurs within any period of seventy-two (72) hours during the term of this **POLICY**, such covered events shall be deemed to be a single **OCCURRENCE**. When filing proof of loss, the **NAMED INSURED** may elect the moment at which the seventy- two (72) hour period shall be deemed to have commenced, which shall not be earlier than the time when the first loss occurs to the **COVERED PROPERTY**.

Each loss by **EARTHQUAKE** occasioned by any one disaster, series of disasters or losses, arising out of any one event will constitute a single loss hereunder, provided, if more than one

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In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.

**"EARTHQUAKE"** shock arising out of any one event occurs within any period of one hundred sixty-eight (168) hours during the **POLICY** period, such "g" shocks will be deemed to be a single **"EARTHQUAKE"** within the meaning hereof. We will not be liable for any loss caused by any **"EARTHQUAKE"** shock occurring before the effective date and time of this **POLICY**, nor for any loss occurring after the expiration date and time of this **POLICY**.

- GG. **POLLUTANTS OR CONTAMINANTS** means any solid, liquid, gaseous or thermal irritant or contaminant, including smog, **SMOKE**, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.
- HH. **QUALIFYING PERIOD** means a specified period, as specified in the policy (e.g. 72 hours) that establishes that the **INSURER** is not responsible for loss suffered during the specified period. Coverage begins when the specified period is breached and reach back to the date of loss for coverage application. The applicable policy deductible still applies from the date of loss, once the specified qualifying period is breeched.
- II. **RIOT, STRIKE OR CIVIL COMMOTION** means violent public disturbances including:
1. Acts of striking employees while occupying the insured **LOCATION**; and
  2. Pilferage or looting occurring at the time and place of a **RIOT** or **CIVIL COMMOTION**.
- JJ. **REBATE** means remuneration, payment, gift, discount, or transfer of any item of value to the **NAMED INSURED** by or on behalf of a person or business performing the repairs as an incentive or inducement to obtain repairs performed by that person or business.
- KK. **SINKHOLE** means a land form created by subsidence of soil, sediment or rock as underlying strata are dissolved by ground water. A **SINKHOLE** forms by collapse into subterranean voids created by dissolution of limestone or dolostone, or by subsistence as these strata are dissolved.
- LL. **SMOKE** means damage ensuing from a sudden and accidental release of a visible suspension of carbon and other particles. The peril of **SMOKE** does not include damage caused by **SMOKE** from agricultural smudging or industrial operations.
- MM. **SPECIAL FLOOD HAZARD AREAS** means areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA) and shall only include those Flood Zones that are prefixed A or V.
- NN. **TIER 1** and **TIER 2**: Shall be defined as all **LOCATIONS** situated within Tier 1 or Tier 2 Counties, Parishes or Independent Cities as specified below:

State	Tier 1	Tier 2
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AL	Baldwin Mobile	Covington Escambia Geneva Houston
CT	Fairfield Middlesex New Haven New London	
DE	Sussex	Kent
FL	All FL counties	Not Applicable
GA	Bryan Camden Chatham Glynn Liberty McIntosh	Brantley Charlton Effingham Long Wayne
HI	All HI counties	
LA	Cameron Iberia Jefferson Lafourche Orleans Plaquemines St. Bernard St. Martin (South) St. Mary St. Tammany Terrebonne Vermilion	Acadia Ascension Assumption Calcasieu East Baton Rouge Iberville Jefferson Davis Lafayette St. Charles St. James St. John The Baptist St. Martin (North) Tangipahoa Washington West Baton Rouge
MA	Barnstable Bristol Dukes Essex Nantucket Norfolk Plymouth Suffolk	Middlesex

MD	Worcester	Calvert Dorchester St. Mary's Somerset Wicomico
ME	Cumberland Hancock Knox Lincoln Sagadahoc Waldo Washington York	
MS	Hancock Harrison Jackson	George Pearl River Stone
NC	Beaufort Bertie Brunswick Camden Carteret Chowan Currituck Dare Hyde New Hanover Onslow Pamlico Pasquotank Pender Perquimans Tyrrell Washington	Bladen Columbus Craven Duplin Gates Hertford Jones Lenoir Martin Pitt Sampson
NH	Rockingham Strafford	
NJ	Atlantic Cape May Monmouth Ocean	Burlington Cumberland Essex Hudson Middlesex Union



NY	Kings Nassau Queens Richmond Suffolk	Bronx New York Westchester
RI	Newport Washington	Bristol Kent
SC	Beaufort Charleston Colleton Georgetown Horry Jasper	Berkeley Dillon Dorchester Florence Hampton Marion Williamsburg
TX	Aransas Brazoria Calhoun Cameron Chambers Galveston Harris Jefferson Kennedy Kleberg Matagorda Nueces Refugio San Patricio Willacy	Bee Brooks Fort Bend Goliad Hardin Hidalgo Jackson Jim Wells Liberty Live Oak Orange Victoria Wharton

VA	Accomack Chesapeake Gloucester Hampton Isle of Wight James City Lancaster Mathews Middlesex Newport News Norfolk Northampton Northumberland Poquoson Portsmouth Suffolk Surry Virginia Beach City Westmoreland Williamsburg City York	
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- OO. **TIME ELEMENT VALUES** means the **GROSS EARNINGS, EXTRA EXPENSE, ROYALTIES, CONTINGENT TIME ELEMENT, RENTAL INCOME, DELAY IN COMPLETION and/or SOFT COSTS (as applicable) VALUES**, as reported on the **STATEMENT OF VALUES** on file with **INSURER**, for the **PERIOD OF INTERRUPTION** sustained by the **NAMED INSURED** identified in the **STATEMENT OF VALUES**.
- PP. **TOTAL INSURABLE VALUES (TIV)** means all **COVERED PROPERTY** reported on the **STATEMENT OF VALUES** on file with **INSURER**.
- QQ. **UNIT OF INSURANCE** is defined as: In the application of the **DEDUCTIBLES**, each of the following shall be considered a separate unit of insurance:
1. Each separate **BUILDING** or structure
  2. Contents in each separate **BUILDING** or structure
  3. Property in the yard of each separate **BUILDING** or structure
  4. Annual **TIME ELEMENT VALUE** applying to each separate **BUILDING** or structure
- RR. **VACANT** is defined as: The insured **BUILDING** is considered vacant or unoccupied when 70% or more of its square footage is not rented or does not contain adequate **COVERED PROPERTY** to conduct customary business operations, but this provision shall not apply to any time period when customary business operations are suspended due to circumstances that are usual to such business operations.
- SS. **VALUABLE PAPERS AND RECORDS** means documents that are written, printed or otherwise inscribed. These include:
1. Books, manuscripts, abstracts, maps and drawings; film and other photographically
- VRU-017-022025 Comprehensive Form  
In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.

produced records, such as slides and microfilm;

2. Legal and financial agreements, such as deeds and mortgages;
3. Addressograph plates; and
4. Any electrically produced data, such as printouts, punched cards, tapes or discs.

**VALUABLE PAPERS AND RECORDS** does not mean money and securities and converted data, programs or instructions used in data processing operations, including the materials on which the data is stored.

TT. **VANDALISM AND MALICIOUS MISCHIEF** means willful and malicious direct physical damage to, or destruction of, real **COVERED PROPERTY** as stated on the SOV. **VANDALISM AND MALICIOUS MISCHIEF** does not include damage caused by or resulting from theft, except for real property damage caused by the breaking or exiting of individuals committing burglary. **VANDALISM AND MALICIOUS MISCHIEF** does not include any loss caused by any cyber or electronic data or media cause or any related ensuing loss.

UU. **WAITING PERIOD** is a specified period, as specified in the policy (e.g. 72 hours) that establishes that the insurer is not responsible for loss suffered during the specified period immediately following a direct damage loss. Coverage begins only when and after the specified period is breached and does not reach back to the date of loss but begins following the specified period.

VV. **WARRANTY:**

1. means any provision of an insurance contract which has the effect of requiring, as a condition precedent of the taking effect of such contract or as a condition precedent of **INSURER'S** liability hereunder, the existence of fact which tends to diminish, or the non-existence of a fact which tends to increase, the risk of the occurrence of damage within the coverage of the contract.
2. A breach of warranty shall not void an insurance contract or defeat recovery hereunder unless such breach materially increases the risk of loss, damage or injury within the coverage of the contract. If the insurance contract specified two or more distinct kinds of loss, damage or injury which are within its coverage, a breach of warranty shall not void such contract or defeat recovery hereunder with respect to any kind of loss, damage or injury other than the kind or kinds to which such warranty relates and the risk of which is materially increased by the breach of such warranty.

WW. **WINDSTORM OR HAIL** means direct action of wind or the direct action of hail, accompanied by wind or not, which causes damage. **WINDSTORM OR HAIL** does not mean impacts or gradual changes which cause damage and which are brought about by frost, ice (other than hail), snow or sleet, whether driven by wind or not; or cold weather.

# SERVICE OF SUIT

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

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*This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

- A. This Service of Suit Clause should not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration Provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such Arbitration Provision or arbitral award, not as an alternative to arbitration for resolving disputes arising out of this contract of insurance.
- B. In the event a suit is filed, we agree to submit to the jurisdiction of any court of competent jurisdiction within the United States in which the suit may be brought. Nothing in this condition constitutes or should be understood to constitute a waiver of our right to enforce an Arbitration Provision, commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. We specifically reserve the right to remove any suit to a United States District Court to compel arbitration.
- C. It is further agreed that service of process in such suit may be made upon:

**Velocity Specialty Insurance Company**

Attn: Legal Department  
10 Burton Hills Blvd. Suite 300 B  
Nashville, TN 37215

**United Specialty Insurance Company**

Attn: Terry Ledbetter  
1900 L. Don Dodson Drive  
Bedford, TX 76021

**Certain Underwriters Lloyds of London –  
Syndicate 2357**

Lloyd's America, Inc  
Attention: Legal Department  
280 Park Avenue, East Tower, 25th Floor  
New York, NY 10017

**Certain Underwriters at Lloyd's and Other  
Insurers subscribing to Binding Authority  
UMR B604510568622025**

Lloyd's America, Inc  
Attention: Legal Department  
280 Park Avenue, East Tower, 25<sup>th</sup> Floor  
New York, NY 10017

**National Fire & Marine Insurance Company**

Attn: Raj R. Mehta  
1314 Douglas Street, Suite 1400  
Omaha, NE 68102

**Fortegra Specialty Insurance Company**

Attn: Corporate Creations Registered Agent  
Offices

For Address and Phone Number by State See:  
<https://www.corporatecreations.us/RAoffices/>

## SERVICE OF SUIT

**Emerald Bay Specialty Insurance Company**

Attn: General Counsel  
177 Madison Avenue, Suite 1004  
Morristown, NJ 07960

**Certain Underwriters at Lloyd's subscribing  
to Binding Authority UMR B1868HT2400625,**

**Satinwood Consortium 4635**

Lloyd's America, Inc  
Attention: Legal Department  
280 Park Avenue, East Tower, 25th Floor  
New York, NY 10017

or his or her representative, and that in any suit instituted against us with respect to this Policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

- D. Additionally, pursuant to any statute of any state, territory, or district of the United States which makes provisions, we designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as our true and lawful attorney upon whom service may be made of any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary arising out of this Policy of insurance, and we designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

# **NOTICE TO POLICYHOLDERS REGARDING THE U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL**

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. All other terms and conditions of this insurance policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown*

No coverage is provided by this notice. You should read your policy and review your declarations page for complete information on the coverages you are provided.

This notice provides information concerning your rights as a policyholder and payments to, from or with the Insured, additional insured, loss payee, or claimant, for insured loss or damage to covered property under this policy. Such payments may be affected by the administration and enforcement of U.S. economic embargoes, trade sanctions, or other directives issued by the Office of Foreign Assets Control ("OFAC") and/or possibly the U.S. Department of State.

OFAC is an office of the Department of the Treasury that administers and enforces sanctions policy under presidential wartime and national emergency powers, as well as authority granted by specific legislation, in order to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC has identified and listed numerous foreign countries, foreign organizations, foreign agents, terrorist organizations, terrorists, and international narcotics traffickers and other named individuals, group and entities as "Specially Designated Nationals and Blocked Persons." This list and more in-depth information on OFAC is available at the following website: <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, or any other applicable regulation promulgated by the U.S. Department of State, if it is determined that the Insured, additional insured, loss payee, or claimant has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, we must block or "freeze" property and payment of any funds transfers or transactions and report all blocks to OFAC with ten (10) days. We will not pay a claim, accept premium, or exchange monies or assets of any kind to, from or with individuals or entities, including but not limited to financial institutions, on the Specially Designated National and Blocked Person list. Additionally, we will not defend or provide any other benefits under your policy to, from or with individuals, groups or entities on the Specially Designated National and Blocked Person list. Other limitations on premiums and payments may also apply.

**MINIMUM EARNED AND SPECIAL  
CATASTROPHE MINIMUM EARNED PREMIUM**

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

1. In the event of cancellation of this Policy or reduction of coverage by the Insured, a minimum premium of 35% of the original Policy premium shall become earned; any conditions of the Policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Insurer(s) and/or Company(s) to cancel. In the event of such cancellation by the Insurer(s) and/or Company(s) for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if the Insured remits the full premium due within 10 days of receiving it.

2. In the event of any other cancellation by the Insurer(s) and/or Company(s), the earned premium shall be computed pro rata, subject to the minimum premium.
3. If this Policy is canceled by the Insured or if the amount of insurance on any Tier 1 and/or Tier 2 location is reduced, and no coverage existed from June 1 to November 30, the return premium is 90% of the pro-rata subject to any minimum earned premium stipulations in the Policy.
4. If coverage existed on any Tier 1 and/or Tier 2 location at any time during the period from June 1 to November 30, the amount of premium returned will be a percentage of the total premium determined as follows:

<b>Days Policy in Force</b>	<b>Unearned Factor</b>
1 – 180	20%
181 – 210	15%
211 – 240	10%
241 – 270	7.50%
271 – 300	5%
301 – 330	2.50%
331 – 365	0%

5. If Tier 1 and/or Tier 2 locations are added during the term of the Policy, the rate will be calculated as 100% of the annual rate, less the Unearned Factor in Item 4 above.
6. The provisions of this endorsement are in addition to and do not alter any minimum earned premium provisions in the Policy or its attachments.
7. All reference herein to "Tier 1", "Tier 1 Windstorm", "Tier 2", "Tier 2 Windstorm" or similar "Tier 1" and/or "Tier 2" references, shall be defined as within the Policy.

All other terms and conditions, insured coverage and exclusions of this insurance Policy

remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.



# CLAIMS REPORTING INFORMATION NOTICE

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT**

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**CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

To All Velocity Risk Underwriters, LLC ("VRU") Insured(s):

All claims shall be reported to VRU Claims (email is preferable for quickest response):

(1) **E-Mail:** [business.claims@velocityrisk.com](mailto:business.claims@velocityrisk.com)

Or

(2) Phone: 1-844-VRU-CLMS (1-844-878-2567)

and/or its adjusters assigned to the respective claim(s). The costs of such adjustments shall be borne by the Insurer(s) and/or Company(s) in proportion to its pro-rata participation in this Policy.

Many occurrences result in damages which require immediate attention in order to prevent further loss. Please contact VRU Claims at the e-mail address listed above as soon as possible to report the claim. Please try to have the following information available:

- Insured name and policy number
- Exact location of the occurrence
- Detailed description of the occurrence
- Type of loss
- A contact number for someone at the location of the occurrence

## ALLOCATION ENDORSEMENT

### THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

In consideration of the premium charged for this Policy as outlined by the Insurer(s) and/or Company(s) in the declarations, the applicable participation of each Insurer(s) and/or Company(s) as a percentage (%) of the limit of liability shown in the Policy is as follows:

Perils (As Per Policy)	Insurer	Contract	Contract ID	Participation (as a %)
ACC	Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025 RenaissanceRe	B604510568622025	VRN-CN-0007463-01	17.1000%
ACC	Certain Underwriters at Lloyd's, London - Syndicate 2357	B6121VEL2025	VNB-CN-0007463-01	8.8000%
ACC	Emerald Bay Specialty Insurance Company	EB24-09-24	VEB-CN-0007463-01	15.4000%
ACC	Fortegra Specialty Insurance Company	FS24-06-24	FSV-CN-0007463-01	5.6000%
ACC	National Fire & Marine Insurance Company	IC23-17-24	VNI-CN-0007463-01	18.1000%
ACC	United Specialty Insurance Company	USIC2025	VTX-CN-0007463-01	2.0000%
ACC	Velocity Specialty Insurance Company	VSIC2025	VSI-CN-0007463-01	33.0000%
DBB	Certain Underwriters at Lloyd's Subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635	B1868HT2400625	VDB-CN-0007463-01	100.0000%
EBD/CC	Velocity Specialty Insurance Company (Cyber)	VSIC2025	VSI-CN-0007463-01	100.0000%
EBD/CC	Velocity Specialty Insurance Company	VSIC2025	VSI-CN-0007463-01	100.0000%

	(EB)			
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The contracts herein cover mutually exclusive perils. The maximum limit of liability is not to exceed the per occurrence participation stated in the Policy, regardless of whether multiple perils and multiple contracts are involved. Recognition of liability by either of the contracts reduces the limit of liability of any corresponding contract.

The liability otherwise determined to exist under the terms and conditions of this Policy shall be borne by the contract covering the proximate cause of loss identified in the allocation of security. Covered perils shall be defined by the applicable forms attached to this Policy.

Symbols Used Herein:

<b><u>Peril</u></b>	<b><u>Symbol</u></b>	<b><u>Insurer</u></b>	<b><u>Symbol</u></b>
All Covered Causes of Loss (excludes Equipment Breakdown and Cyber Coverage)	ACC	United Specialty Insurance Company	USIC
		Certain Underwriters at Lloyd's - Syndicate 2357	2357
		Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 RenaissanceRe	RNR
		National Fire & Marine Insurance Company	VNI
		Fortegra Specialty Insurance Company	FSIC
		Velocity Specialty Insurance Company	VSIC
		Emerald Bay Specialty Insurance Company	EBSIC
Cyber Coverage	CC	Velocity Specialty Insurance Company	VSIC
Equipment Breakdown	EBD	Velocity Specialty Insurance Company	VSIC
Deductible Buyback Coverage	DBB	Certain Underwriters at Lloyd's subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635	SWD

The Insurer's and/or Company's liability under this Policy for covered losses is several and not joint with other insurers party to this contract. The Insurer and/or Company is liable only for the proportion of liability it has underwritten. The Insurer and/or Company is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the Insurer and/or Company otherwise responsible for any liability of any other insurer that may underwrite this Policy.

The Insurer's and/or Company's liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.

This contract shall be constructed as a separate contract between the Insured and each of the Insurers. This evidence of coverage consists of separate sections of a composite insurance for all Underwriters at Lloyd's combined and separate policies issued by the insurance company(ies), all as identified above. This evidence of coverage does not constitute in any manner or form a joint certificate of coverage by Underwriters at Lloyd's with any other insurance company(ies).

All other terms and conditions, insured coverage and exclusions of this insurance Policy including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this insurance Policy.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM (TRIA COVERAGE DECLINED)

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

This Endorsement is issued in accordance with the terms and conditions of the U.S. Terrorism Risk Insurance Program as provided for and created by the U.S. Terrorism Risk Insurance Act of 2002 as amended ("TRIA").

It is hereby noted that we have made available coverage for **insured losses** directly or indirectly resulting from a **certified act of terrorism** and you have declined this coverage. Accordingly, the following exclusion is added to the policy.

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

### **Exclusion of Certified Acts of Terrorism**

We will not pay for loss or damage caused directly or indirectly by a **certified act of terrorism**, including action in hindering or defending against an actual or expected incident of a **certified act of terrorism**.

All other terms, conditions, insured coverage(s), and exclusions of this policy, including applicable limits and deductibles, remain unchanged and apply in full force and effect to the coverage provided by this policy.

### **Definitions**

The following definitions are added:

**Certified act of terrorism** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism pursuant to TRIA. The criteria contained in TRIA for a **certified act of terrorism** include the following:

- a. The act resulted in **insured losses** in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**Insured loss(es)** has the meaning as provided for in TRIA.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

# PROTECTIVE SAFEGUARDS ENDORSEMENT

## THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

Schedule

Symbol(s)	Location(s) Applicable
AS AA NG	As indicated on the Schedule of Values on file with the Insurer/Company
OTHER	As indicated on the Schedule of Values on file with the Insurer/Company
Describe any "OTHER"	(a) Heating, Ventilation, and Air Conditioning – maintained and in operation at all times (b) Any aluminum wiring in buildings are properly pigtailed or retrofitted with CO/AL receptacles on all switches, outlets, and circuit break panels in accordance with local electrical codes

A. In consideration of the premium charged and based on the protection of the premises by the protective safeguard systems described in the Schedule above, it is a condition of this Policy that the Insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system which are under the control of the Named Insured, including maintenance and service requirements.

The protective safeguards to which this endorsement applies are identified by the following symbols:

1. "AS" Automatic Sprinkler System, including related supervisory services.
  - I. Automatic Sprinkler System means any automatic fire protective or extinguishing system, including connected:
    - i. Sprinklers and discharge nozzles;
    - ii. Ducts, pipes, valves and fittings;
    - iii. Tanks, their component parts and supports; and
    - iv. Pumps and private fire protection mains.
  - II. When supplied from an automatic fire protective system:
    - i. (1) Non-automatic fire protective systems; and
    - ii. (2) Hydrants, standpipes and outlets.
  - III. If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.
2. "AA" means Automatic Fire Alarm
  - I. Automatic Fire Alarm means an automatic fire alarm protecting the entire building that is:
    - a. Connected to a central station, or
    - b. Reporting to a public or private fire alarm station.

3. "SS" means Security Service

- I. Security Service means a security service with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

4. "SC" means Service Contract

- I. Service Contract means a written contract with a privately owned fire department providing fire protection service to the described premises.

5. "CS" means Central Station Burglar Alarm

Central Station Burglar Alarm means a central station burglar alarm that is protecting all entryways and windows that is:

- I. Activated and operational
- II. Reporting to a public or private burglar alarm station; and
- III. In the "on" position during all non-working hours or when the insured premises are unoccupied.

6. "CC" means Automatic Commercial Cooking Exhaust And Extinguishing System

Automatic Commercial Cooking Exhaust And Extinguishing System means automatic commercial cooking exhaust and extinguishing system installed on cooking appliances having the following components:

- I. Hood;
- II. Grease removal device;
- III. Duct system; and
- IV. Wet or dry chemical fire extinguishing equipment
- V. If part of an Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

7. "NG" means No Grill or Fryer usage on balconies, porches or within 20 feet of any structure

Grills and/or Fryers consisting of any of the following items :

- I. Charcoal, Wood, Oil and/or Liquified Petroleum Gas (LPG);
- II. Open Flame

8. Other

- I. Other means the protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of the Policy referenced above:

The Insurer(s) and/or Company(s) will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

It is also a condition of this Policy that the Insured shall give immediate notice to the Insurer(s) and/or Company(s) of any impairment in or suspension of any equipment or service pertaining to the system within the knowledge of the Named Insured.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.



# ROOF VALUATION ENDORSEMENT

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

Any damage to an existing Roof Surface that has been in place, at the time of loss, on an insured building or structure for a period of years greater than the years listed in the table below will be subject to *actual cash valuation*, as defined by the policy. Repairs to portions of the Roof Surface are not equivalent to replacement, and the age of the portion of the Roof Surface which has undergone repair shall be determined by the age of that portion of the Roof Surface had no repairs taken place.

<b>Primary Roof Surface Material Type</b>	<b>Years</b>
Clay, concrete tile, or slate	<b>30</b>
Light metal panels, standing seam metal	<b>25</b>
All Other Roof Coverings	<b>12</b>

Roof Surface means the roof surface material type (slate, composition, wood, tile, metal, all other roof surface material types) of the building or other structures covered under this policy and all other roof components, including, but not limited to:

- a. Flashing, caps, vents, drips edges, and ice shields;
- b. Sheathing, decking, underlayment, felt and membranes;
- c. Modified bitumen, bitumen, rubber, built-up and sprayed polyurethane foam or applied silicone roofing;
- d. Foam inserts and elastomeric coating;
- e. Finials, eave, and gable trim and snow guards;
- f. Battens, counter battens, bird stops, gravel stops; and
- g. Coatings, adhesives, adherents and other finishing materials for roof surface materials and all other roof components.

We will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair, or demolition of Roof Surfaces, except as provided in Section I – Coverage and Limits of Liability, Item F. Sublimits of Liability, Sub-item e. Additional Coverage Sublimits, Letter p. Ordinance or Law of the Policy Form.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# EQUIPMENT BREAKDOWN ENDORSEMENT

## THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

### I. SCHEDULE

Except as specifically shown below, Equipment Breakdown is subject to the Limits of Liability shown in **SECTION I – COVERAGES AND LIMITS OF LIABILITY** of the **VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM**, not to exceed \$100,000,000 per occurrence.

These coverages apply to all locations covered on the Policy, unless otherwise specified.

Coverages	Limits
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Spoilage	\$5,000
Data Restoration	\$100,000
Service Interruption	\$100,000
Fungus, Mold(s), Mildew, Spores or Yeast	\$15,000 annual aggregate

### Deductibles

\*\*\*\*\*

Combined, All Coverages	\$10,000
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### Other Conditions

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### II. COVERAGE

This endorsement modifies insurance provided under the following:

**VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM**

- A. The following is added as an Additional Coverage to **SECTION II – COVERED CAUSES OF LOSS**.

Additional Coverage-- EQUIPMENT BREAKDOWN

The term **COVERED CAUSES OF LOSS** includes the Additional Coverage **EQUIPMENT BREAKDOWN** as described and limited below.

1. This **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers direct physical damage to **COVERED PROPERTY** that is the direct result of an **ACCIDENT**. As used in this Additional Coverage, **ACCIDENT** means a fortuitous event that causes direct physical damage to **COVERED EQUIPMENT**. The event must be one of the following:
  - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the **NAMED INSURED(S)**, or operated under the **NAMED INSURED'S** control;
  - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a **SCHEDULE**, the following coverages also apply to the direct result of an **ACCIDENT**. These coverages do not provide additional amounts of insurance.
  - a. **EXPEDITING EXPENSES**

With respect to the **NAMED INSURED'S** damaged **COVERED PROPERTY**, this **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers the reasonable extra cost to:

    - (1) Make temporary repairs; and
    - (2) Expedite permanent repairs or permanent replacement.

The most the **INSURER(S)** will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in a **SCHEDULE**.
  - b. **HAZARDOUS SUBSTANCES**

This **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers the **NAMED INSURED'S** additional cost to repair or replace **COVERED PROPERTY** because of contamination by a **HAZARDOUS SUBSTANCE**. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of **PERISHABLE GOODS** by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this **EQUIPMENT BREAKDOWN COVERAGE** had no **HAZARDOUS SUBSTANCE** been involved.

The most the **INSURER(S)** will pay for loss, damage or expense under this coverage, including actual **TIME ELEMENT** loss the **NAMED INSURED(S)** sustain and necessary **EXTRA EXPENSE** the **NAMED INSURED(S)** incur, if shown as covered, is \$100,000 unless otherwise shown in a **SCHEDULE**.

c. **SPOILAGE**

(1) This **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers:

- (a) Physical damage to **PERISHABLE GOODS** due to **SPOILAGE**;
- (b) Physical damage to **PERISHABLE GOODS** due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses the **NAMED INSURED(S)** incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If the **NAMED INSURED(S)** are unable to replace the **PERISHABLE GOODS** before its anticipated sale, the amount of the **INSURER'S** payment will be determined on the basis of the sales price of the **PERISHABLE GOODS** at the time of the **ACCIDENT**, less discounts and expenses the **NAMED INSURED(S)** otherwise would have had. Otherwise the **INSURER'S** payment will be determined in accordance with the **VALUATION** provision.

The most the **INSURER(S)** will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in a **SCHEDULE**.

d. **DATA RESTORATION**

This **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers the **NAMED INSURED'S** reasonable and necessary cost to research, replace and restore lost **DATA**.

The most the **INSURER(S)** will pay for loss or expense under this coverage, including actual **TIME ELEMENT** loss the **NAMED INSURED(S)** sustain and necessary **EXTRA EXPENSE** the **NAMED INSURED(S)** incur, if shown as covered, is \$100,000 unless otherwise shown in a **SCHEDULE**.

e. **SERVICE INTERRUPTION**

- (1) Any insurance provided for **TIME ELEMENT**, **EXTRA EXPENSE** or **SPOILAGE** is extended to apply to the **NAMED INSURED'S** loss, damage or expense caused by the interruption of utility services. The interruption must result from an **ACCIDENT** to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides the **NAMED INSURED(S)** with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of **COVERED EQUIPMENT** except that it is not **COVERED PROPERTY**.
- (2) Unless otherwise shown in a **SCHEDULE**, coverage for any **TIME ELEMENT** loss the **NAMED INSURED(S)** sustain resulting from the interruption of utility services will not apply unless the failure or disruption

of service exceeds 24 hours immediately following the **ACCIDENT**. If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the deductible applicable to **TIME ELEMENT** will apply.

- (3) The most the **INSURER(S)** will pay in any **ONE ACCIDENT** for loss, damage or expense under this coverage is the applicable limit for **TIME ELEMENT**, **EXTRA EXPENSE** or **SPOILAGE**, except that if a limit is shown in a **SCHEDULE** for **SERVICE INTERRUPTION**, that limit will apply to **TIME ELEMENT** and **EXTRA EXPENSE** loss under this coverage.

f. **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**

- (1) This **EQUIPMENT BREAKDOWN COVERAGE** endorsement covers the **NAMED INSURED'S** additional cost to repair or replace **COVERED PROPERTY** because of contamination by **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** resulting from an **ACCIDENT**. This includes the additional costs to clean up or dispose of such property. This does not include **SPOILAGE** of personal property that is **PERISHABLE GOODS** to the extent that such **SPOILAGE** is covered under **SPOILAGE** coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this **EQUIPMENT BREAKDOWN COVERAGE** had no **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** been involved.
- (3) This **EQUIPMENT BREAKDOWN COVERAGE** endorsement also covers the cost of testing performed after repair or replacement of the damaged **COVERED PROPERTY** is completed only to the extent that there is reason to believe there is the presence of **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most the **INSURER(S)** will pay in any **ONE ACCIDENT** for loss, damage or expense under this coverage, including actual **TIME ELEMENT** loss the **NAMED INSURED(S)** sustain and necessary **EXTRA EXPENSE** the **NAMED INSURED(S)** incur, if shown as covered, is \$15,000 unless otherwise shown in a **SCHEDULE** even if the **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST** continues to be present or active or recurs in a later policy period.

g. **TIME ELEMENT and EXTRA EXPENSE**

Any insurance provided under the **POLICY** for **TIME ELEMENT** or **EXTRA EXPENSE** is extended to the coverage provided by this **EQUIPMENT BREAKDOWN COVERAGE** endorsement. However, if a **DEDUCTIBLE** is shown in a **SCHEDULE**, then as respects **EQUIPMENT BREAKDOWN COVERAGE**, the **PERIOD OF INTERRUPTION** will begin immediately after the **ACCIDENT**, and the **DEDUCTIBLE** shown in the **SCHEDULE** will apply. The most the **INSURER(S)** will pay for loss or expense under this coverage is the

applicable limit for **TIME ELEMENT** and **EXTRA EXPENSE**, unless otherwise shown in a **SCHEDULE**.

### 3. **EXCLUSIONS**

All exclusions in the **VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM** apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

a. The following exclusions are added:

- (1) This **EQUIPMENT BREAKDOWN COVERAGE** endorsement will not cover loss, damage or expense caused by or resulting from:
  - (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (b) Any of the following:
    - (i) Defect, programming error, programming limitation, computer virus, malicious code, loss of **DATA**, loss of access, loss of use, loss of functionality or other condition within or involving **DATA** or **MEDIA** of any kind; or
    - (ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an **ACCIDENT** results, this **EQUIPMENT BREAKDOWN COVERAGE** endorsement will cover the resulting loss, damage or expense caused by that **ACCIDENT**.
- (2) With respect to **SERVICE INTERRUPTION** coverage, this **EQUIPMENT BREAKDOWN COVERAGE** endorsement will also not cover an **ACCIDENT** caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to **TIME ELEMENT**, **EXTRA EXPENSE** and **SERVICE INTERRUPTION** coverages, this **EQUIPMENT BREAKDOWN COVERAGE** endorsement will also not cover:
  - (a) Loss caused by the **NAMED INSURED'S** failure to use due diligence and dispatch and all reasonable means to resume business; or
  - (b) Any increase in loss resulting from an agreement between the **NAMED INSURED(S)** and the **NAMED INSURED'S** customer or supplier.

- (4) Except as specifically provided under A.2.f. **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**, this **EQUIPMENT BREAKDOWN COVERAGE** endorsement will not cover loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an **ACCIDENT**: Any **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**, including any presence, growth, proliferation, spread or any activity of **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such **FUNGUS, MOLD(S), MILDEW, SPORES OR YEAST**. However, this exclusion does not apply to **SPOILAGE** of personal property that is **PERISHABLE GOODS**, to the extent that such **SPOILAGE** is covered under **SPOILAGE** coverage.
- (5) This **EQUIPMENT BREAKDOWN COVERAGE** endorsement will not cover any loss or damage to animals.

#### 4. DEFINITIONS

The following definitions are added:

a. **BOILERS AND VESSELS** means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this **EQUIPMENT BREAKDOWN COVERAGE** endorsement, but may appear in a **SCHEDULE**.

b. **COVERED EQUIPMENT**

- (1) **COVERED EQUIPMENT** means, unless otherwise specified in a **SCHEDULE, COVERED PROPERTY**:

- (a) That generates, transmits or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

**COVERED EQUIPMENT** may utilize conventional design and technology or new or newly commercialized design and technology.

- (2) None of the following is **COVERED EQUIPMENT**:

- (a) Structure, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) **VEHICLE** or any equipment mounted on a **VEHICLE**;

- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  - (g) Dragline, excavation or construction equipment; or
  - (h) Equipment manufactured by the **NAMED INSURED(S)** for sale.
- c. **DATA** means information or instructions stored in digital code capable of being processed by machinery.
- d. **HAZARDOUS SUBSTANCE** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- e. **MEDIA** means material on which **DATA** is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- f. **ONE ACCIDENT** means: If an initial **ACCIDENT** causes other **ACCIDENTS**, all will be considered **ONE ACCIDENT**. All **ACCIDENTS** that are the result of the same event will be considered **ONE ACCIDENT**.
- g. **PERISHABLE GOODS** means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- h. **PRODUCTION MACHINERY** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, **PRODUCTION MACHINERY** does not mean any boiler, or fired or unfired pressure vessel.  
This term does not appear elsewhere in this endorsement, but may appear in a **SCHEDULE**.
- i. **SCHEDULE** means the **EQUIPMENT BREAKDOWN COVERAGE SCHEDULE**.
- j. **VEHICLE** means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. **VEHICLE** includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.  
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a **VEHICLE**.

## B. ADDITIONAL TERMS AND CONDITIONS

### 1. DEDUCTIBLE

The deductible(s) in **SECTION I – COVERAGES AND LIMITS OF LIABILITY**, provision **G.** apply unless a separate **EQUIPMENT BREAKDOWN COVERAGE** deductible is shown in a **SCHEDULE**. If a separate **EQUIPMENT BREAKDOWN COVERAGE** deductible is shown, the following applies.

Only as regards **EQUIPMENT BREAKDOWN COVERAGE**, provision **G. DEDUCTIBLE** is deleted and replaced with the following:

- a. Deductibles for Each Coverage
  - (1) Unless the **SCHEDULE** indicates that the deductible is combined for all coverages, multiple deductibles may apply to any **ONE ACCIDENT**.



- (2) The **INSURER(S)** will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the **SCHEDULE**. The **INSURER(S)** will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of **COVERED EQUIPMENT** and more than one type of **COVERED EQUIPMENT** is involved in any **ONE ACCIDENT**, only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the **SCHEDULE**.
- (2) Unless more specifically indicated in the **SCHEDULE**:
  - (a) Indirect Coverages Deductibles apply to **TIME ELEMENT** and **EXTRA EXPENSE** loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this **EQUIPMENT BREAKDOWN COVERAGE** endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

The **INSURER(S)** will not pay for loss, damage or expense resulting from any **ONE ACCIDENT** until the amount of loss, damage or expense exceeds the applicable Deductible shown in the **SCHEDULE**. The **INSURER(S)** will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable **LIMIT OF LIABILITY**.

(2) Time Deductible

If a time deductible is shown in the **SCHEDULE**, the **INSURER(S)** will not be liable for any loss occurring during the specified number of hours or days immediately following the **ACCIDENT**. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any **TIME ELEMENT** coverage that is part of this **POLICY**) that would have been earned during the **PERIOD OF INTERRUPTION** of business had no **ACCIDENT** occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the **ACCIDENT** or any other scheduled or unscheduled shutdowns during the **PERIOD OF INTERRUPTION**. The ADV applies to the Business

Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the **PERIOD OF INTERRUPTION** may not be extended.

The number indicated in the **SCHEDULE** will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, the **INSURER(S)** will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. **CONDITIONS**

a. **SUSPENSION**

Whenever **COVERED EQUIPMENT** is found to be in, or exposed to, a dangerous condition, any of the **INSURER(S)** representatives may immediately suspend the insurance against loss from an **ACCIDENT** to that **COVERED EQUIPMENT**. This can be done by mailing or delivering a written notice of suspension to:

- (1) The **NAMED INSURED(S)** last known address; or
- (2) The address where the **COVERED EQUIPMENT** is located.

Once suspended in this way, insurance can be reinstated only by an endorsement for that **COVERED EQUIPMENT**. If the **INSURER(S)** suspend the insurance, the **NAMED INSURED(S)** will get a pro rata refund of premium for that **COVERED EQUIPMENT** for the period of suspension. But the suspension will be effective even if the **INSURER(S)** have not yet made or offered a refund.

b. **JURISDICTIONAL INSPECTIONS**

If any property that is **COVERED EQUIPMENT** under this **EQUIPMENT BREAKDOWN COVERAGE** endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, the **INSURER(S)** agree to perform such inspection on the **NAMED INSURED(S)** behalf. The **INSURER(S)** do not warrant that conditions are safe or healthful.

c. **ENVIRONMENTAL, SAFETY AND EFFICIENCY IMPROVEMENTS**

If **COVERED EQUIPMENT** requires replacement due to an **ACCIDENT**, the **INSURER(S)** will pay the additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, the **INSURER(S)** will not pay to increase the size or capacity of the equipment and the **INSURER(S)** will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not

apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. **COINSURANCE**

If a coinsurance percentage is shown in a **SCHEDULE** for specified coverages, the following condition applies.

The **INSURER(S)** will not pay for the full amount of the loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, the **INSURER(S)** will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. The **INSURER(S)** will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most the **INSURER(S)** will pay. The **INSURER(S)** will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most the **INSURER(S)** will pay for loss, damage or expense under this endorsement arising from any **ONE ACCIDENT** is the applicable **LIMIT OF LIABILITY** in **SECTION I – COVERAGES AND LIMITS OF LIABILITY** unless otherwise shown in a **SCHEDULE**. Coverage provided under this **EQUIPMENT BREAKDOWN COVERAGE** endorsement does not provide an additional amount of insurance.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# FLORIDA CATASTROPHIC GROUND COVER COLLAPSE AND SINKHOLE LOSS ENDORSEMENT

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

## **THIS ENDORSEMENT ONLY APPLIES TO LOCATIONS IN THE STATE OF FLORIDA**

### **CATASTROPHIC GROUND COVER COLLAPSE**

We will pay for direct physical loss or damage to Covered Property at insured locations within the state of Florida caused by or resulting from **CATASTROPHIC GROUND COVER COLLAPSE** meaning geological activity that results in all of the following:

- (i) The abrupt collapse of the ground cover;
- (ii) A depression in the ground cover clearly visible to the naked eye;
- (iii) Structural damage to the building, including the foundation; and
- (iv) The insured building being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a **CATASTROPHIC GROUND COVER COLLAPSE**. The **EARTH MOVEMENT** exclusion does not apply to coverage for **CATASTROPHIC GROUND COVER COLLAPSE**.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to Catastrophic Ground Cover Collapse also qualifies as **SINKHOLE LOSS** or **EARTH MOVEMENT** (if either or both of those causes of loss are covered under this Policy), only one Limit of Insurance will apply to such loss or damage.

### **SINKHOLE LOSS:**

The terms of this Endorsement provide specified **SINKHOLE** coverage.

The **SUBLIMIT OF LIABILITY** for **SINKHOLE** coverage hereunder shall not exceed \$50,000 in any one **OCCURRENCE**. This amount is a **SUBLIMIT OF LIABILITY** and is part of and not in addition to the **POLICY LIMIT OF LIABILITY** or **EARTHQUAKE SUBLIMIT** elsewhere in the **POLICY**.

As respects this extension of coverage, the following deductible shall apply in any one **OCCURRENCE** \$10,000.

**As respects LOCATIONS in Florida:**

- a. Coverage for direct physical loss caused by **SINKHOLE LOSS** that occurs during the **POLICY** period is limited to the **PRINCIPAL BUILDING**, including the costs incurred to:

- i. Stabilize the **PRINCIPAL BUILDING's** land and **PRINCIPAL BUILDING**; and
- ii. Repair the foundation of the **PRINCIPAL BUILDING**.

Such work must be in accordance with the requirements of Florida law; and in accordance with the recommendations of the **INSURER(S)**' professional engineer or professional geologist and with notice to the **NAMED INSURED**.

The professional engineer or professional geologist must be selected or approved by the **INSURER(S)**.

- b. Upon receipt of a claim for a **SINKHOLE LOSS** to a **PRINCIPAL BUILDING**, an inspection of the property will be undertaken to determine if there is **STRUCTURAL DAMAGE** that may be a result of **SINKHOLE ACTIVITY**. The claim may be denied on the basis of this inspection.
- c. If requested, the **INSURER(S)**' professional engineer or professional geologist may also conduct testing, as described in Section 627.7072, Florida Statutes, and, in that event, shall issue a written report and certification to both the **INSURER(S)** and **NAMED INSURED** upon completion of said testing in order to certify **SINKHOLE LOSS**.
- d. **SINKHOLE LOSS** is verified, if based on the testing, the professional engineer's or professional geologist's written report and certification states that (1) structural damage to the **PRINCIPAL BUILDING** has been identified within a reasonable professional probability; (2) the cause of the **STRUCTURAL DAMAGE** is **SINKHOLE ACTIVITY** within a reasonable professional probability; (3) that the analyses concluded were of sufficient scope to identify **SINKHOLE ACTIVITY** as the cause of damage within a reasonable professional probability; (4) a description of the tests performed and (5) recommendations for methods of stabilizing the; **LAND** and **PRINCIPAL BUILDING** and for making repairs to the foundation.
- e. The **INSURER(S)** may deny the claim if the written report and certification does not confirm **SINKHOLE LOSS**.
- f. If the **INSURER(S)** request that the testing be performed and that the written report and written certification be issued, the costs of the above-referenced testing and issuance of the above-referenced written report and certification by the professional engineer or professional geologist shall be paid for by the **INSURER(S)**.

In the event of a **SINKHOLE LOSS** to a **PRINCIPAL BUILDING**, the **NAMED INSURED** must repair the damage or loss in accordance with the recommendations of the professional engineer or professional geologist selected or approved by the **INSURER(S)**.

Prior to the **NAMED INSURED** entering into a contract for performance of **BUILDING** stabilization or foundation repair, if the professional engineer or professional geologist selected or approved by the **INSURER(S)** determines that the repairs cannot be completed within the applicable **LIMIT OF LIABILITY**, the **INSURER(S)** at their option; either:

- i. Pay to complete the professional engineer's recommended repairs; or
- ii. Pay the **POLICY** limits of the applicable **BUILDING**.

However, until the **NAMED INSURED** enters into a contract for performance of **BUILDING** stabilization or foundation repair:

- i. This **POLICY** will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the affected **PRINCIPAL BUILDING**; and
- ii. Payment for **SINKHOLE LOSS** to the **PRINCIPAL BUILDING** may be limited to the actual cash value of the loss to such property.

After the **NAMED INSURED** has entered into a contract for performance of **BUILDING** stabilization or foundation repair, this **POLICY** will pay the amounts necessary to begin and perform such repairs:

- i. As the work is performed; and
- ii. As the expenses are incurred.

The **INSURER(S)** may not require the **NAMED INSURED** to advance payment for such repairs.

If repair has begun and the professional engineer determines that the repairs will exceed the applicable **LIMIT OF LIABILITY**, this **POLICY** will pay only the remaining portion of the applicable **LIMIT OF LIABILITY** upon such determination.

The most that will be paid under this **POLICY** for the total of all **SINKHOLE LOSS**, including:

- i. **PRINCIPAL BUILDING** and the **PRINCIPAL BUILDING's** land stabilization; and
- ii. Foundation repair of the **PRINCIPAL BUILDING**

is the applicable **SUBLIMIT OF LIABILITY** as shown in this **POLICY** for the affected **BUILDING**.

This **POLICY** will pay for direct physical loss or damage to **BUSINESS PERSONAL PROPERTY** shown in the **STATEMENT OF VALUES**, when the following apply:

- i. The **BUSINESS PERSONAL PROPERTY** is located within a **PRINCIPAL BUILDING**; and
- ii. The direct physical loss or damage results from or is caused by direct **SINKHOLE LOSS** that occurs during the **POLICY** period.

They will not pay for loss or damage to **BUSINESS PERSONAL PROPERTY** if the loss or damage is excluded elsewhere in this **POLICY**.

Coverage for **BUSINESS PERSONAL PROPERTY** caused by **SINKHOLE LOSS** does not include **BUILDING** repair, loss or damage to the **BUILDING**, stabilization of the **BUILDING** or land, foundation repair or other property not covered, excluded, or limited elsewhere in this **POLICY**.

- g. **SINKHOLE LOSS** does not include:
  - i. Sinking or collapse of land into man-made underground cavities; or
  - ii. **EARTHQUAKE**; or
  - iii. **LAND** or the replacement, rebuilding, restoration, or value of **LAND** except as provided under a.1. above and in accordance with the recommendations of the **INSURER(S)** professional engineer.
- h. In order to prevent additional damage to the **PRINCIPAL BUILDING**, the **NAMED INSURED** must enter into a contract for the performance of **BUILDING** stabilization and foundation repairs in accordance with the recommendations of the **INSURER (S)**' professional engineer or professional geologist within 90 days after coverage is confirmed for **SINKHOLE LOSS** and the **NAMED INSURED** is notified of such coverage.

This time period tolls if either party invokes the neutral evaluation process, and begins again 10 days after the conclusion of the neutral evaluation process.

The stabilization and all other repairs to the **PRINCIPAL BUILDING** and **BUSINESS PERSONAL PROPERTY** must be completed within 12 months after entering into the contract for repairs unless:

- i. There is mutual agreement between the **NAMED INSURED** and the **INSURER(S)** to the contrary;
- ii. The claim has been referred to the Neutral Evaluation Process;
- iii. The claim is in litigation; or

- iv. The claim is under appraisal or is undergoing mediation.

This Coverage Part applies when the **STATEMENT OF VALUES** shows a **LIMIT OF LIABILITY** for the affected **PRINCIPAL BUILDING**.

- i. As described on page 1 of this Endorsement, after the **INSURER(S)** inspect the property, the claim may be denied by the **INSURER(S)** with or without the performance of testing, as described in Section 627.7072, Florida Statutes, .
  - i. The **NAMED INSURED** may demand testing, which must be communicated to VRU in writing, within 60 days after the **NAMED INSURED'S** receipt of a denial of the claim.
  - ii. If the **NAMED INSURED** demands testing, the **NAMED INSURED** shall pay 50% of the actual costs of the analyses and services or \$2,500, whichever is less.
  - iii. The **NAMED INSURED** shall be reimbursed for costs in ii. above if the **INSURER(S)** engineer or its geologist provides a written report and written certification that there is **SINKHOLE LOSS**.
- j. If the **NAMED INSURED** has submitted a **SINKHOLE** claim without good faith grounds for submitting such claim and such claim is not withdrawn prior to the commencement of **SINKHOLE** analysis and services to investigate the claim, the **NAMED INSURED** is required, after written certification that there is no **SINKHOLE ACTIVITY**, to reimburse the **INSURER(S)** for 50% of the actual costs, up to \$2,500, of the **SINKHOLE** analysis and services provided by a professional engineer or professional geologist to conduct testing to determine the cause of loss; pursuant to Sections 627.7072 and 627.7073, Florida Statutes.
- k. Once the **INSURER(S)** has paid a claim for a **SINKHOLE LOSS**, the **INSURER(S)** will file with the county clerk of court a copy of any **SINKHOLE** report and certification which was prepared on the **NAMED INSURED'S** behalf or at their request. There shall be no cause of action or liability against an **INSURER(S)** for failure to file the **SINKHOLE** report or certification.

The **INSURER(S)** will bear the costs of filing and recording the **SINKHOLE** report and certification.

- l. The **NAMED INSURED** may not accept a **REBATE** from any person performing repairs, pursuant to Section 627.707, Florida Statutes.

If the **NAMED INSURED** receives a **REBATE**, coverage is void and the **NAMED INSURED** must refund the amount of the **REBATE** to the **INSURER(S)**.

- m. With respect to coverage provided by this clause, the **EARTH MOVEMENT** and/or Settlement exclusions do not apply.
- n. Neutral Evaluation Program - With respect to a claim for alleged **SINKHOLE LOSS**, a neutral evaluation program is available to either party if a **SINKHOLE** report has been issued pursuant to Section 627.7073, Florida Statutes.
  - i. Following receipt of a report from a professional engineer or professional geologist on the cause of loss and recommendations for **LAND** stabilization and repair of property, or if the claim is denied, the **NAMED INSURED** will be notified of the right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department).
  - ii. For alleged **SINKHOLE LOSS** to commercial residential properties, this program applies instead of any mediation procedure (if any) set forth elsewhere in this **POLICY**.
  - iii. Either the **NAMED INSURED** or the **INSURER(S)** may file a request with the Department for neutral evaluation. When such a request is filed, the other party must comply with such request.
  - iv. The **INSURER(S)** will pay the reasonable costs associated with the neutral evaluation, regardless of which party makes the request, with the exception of a court reporter's or

stenographer's services In the event that a party chooses to hire a court reporter or stenographer to contemporaneously record and document the neutral evaluation, the party requesting the court reporter or stenographer shall bear such costs.

- v. The neutral evaluator will be selected from a list maintained by the Department.

The neutral evaluator must be allowed reasonable access to the interior and exterior of the **PRINCIPAL BUILDING** to be evaluated or for which a claim has been made.

- vi. The recommendation of the neutral evaluator will not be binding on any party.

- vii. Participation in the neutral evaluation program does not change the **NAMED INSURED'S** right to file suit in accordance with any Service of Suit Endorsement to this **POLICY**; except that the time for filing suit is extended for a period of:

- i. 60 days following the conclusion of the neutral evaluation process; or
- ii. five years from the date of loss, whichever is later.

- o. Coverage for **SINKHOLE LOSS** under this clause does not increase the applicable **LIMIT OF LIABILITY**.

Even if loss or damage qualifies under, or includes, both:

- i. **CATASTROPHIC GROUND COVER COLLAPSE** (addressed elsewhere in the **POLICY**); and
- ii. **SINKHOLE LOSS**, only the lower **LIMIT OF LIABILITY** of either subsections i. or ii. will apply to such damage

- p. Coverage for **SINKHOLE LOSS** under this clause does not include visible physical damage or **STRUCTURAL DAMAGE** to **COVERED PROPERTY** or to the **PRINCIPAL BUILDING** including the foundation caused by **SINKHOLE**, **SINKHOLE LOSS**, or **SINKHOLE ACTIVITY** occurring prior to the inception of this **POLICY**.

- q. With respect to coverage provided by this clause, the following is added:

Any claim, including, but not limited to, initial, supplemental, and reopened claims under this **POLICY** is barred unless notice of the claim is given in accordance with the terms of the **POLICY** within 2 years after the **NAMED INSURED** knew or reasonably should have known about the **SINKHOLE LOSS**.

The following **DEFINITIONS** are added as respects to Florida **LOSS**:

**BUSINESS PERSONAL PROPERTY** means the **NAMED INSURED(S)**'personal property that constitutes **COVERED PROPERTY** under the **POLICY** and as set forth in the **STATEMENT OF VALUES**, subject to the exclusions contained in the **POLICY**.

**CATASTROPHIC GROUND COVER COLLAPSE** means direct physical loss or damage to **COVERED PROPERTY** caused by or resulting from geological activity that results in all of the following:

1. The abrupt collapse of the ground cover;
2. A depression in the ground cover clearly visible to the naked eye;
3. Structural damage to the **BUILDING**, including the foundation; and
4. The insured **BUILDING** or structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, structural damage consisting merely of the settling or cracking of a foundation, structure or **BUILDING** does not constitute loss or damage resulting from a **CATASTROPHIC GROUND COVER COLLAPSE**.

The **EARTH MOVEMENT** exclusion does not apply to coverage for **CATASTROPHIC GROUND COVER COLLAPSE**.



**COVERAGE FOR CATASTROPHIC GROUND COVER COLLAPSE** does not increase the applicable Limit of Insurance. Regardless of whether loss or damage attributable to **CATASTROPHIC GROUND COVER COLLAPSE** also qualifies as **SINKHOLE LOSS** or **EARTH MOVEMENT** (if either or both of these causes of loss are covered), only one Limit of Insurance will apply to such loss or damage.

**SINKHOLE** means a landform created by the subsidence of soil, sediment, or rock as underlying strata are dissolved by ground water. A **SINKHOLE** forms by collapse into subterranean voids created by dissolution of limestone or dolostone or by subsidence as these strata are dissolved.

**SINKHOLE LOSS** means structural damage to the **PRINCIPAL BUILDING**, (as defined herein) including the foundation, caused by **SINKHOLE ACTIVITY** that occurs during the **POLICY** period.

**SINKHOLE ACTIVITY** means settlement or systematic weakening of the earth supporting the **PRINCIPAL BUILDING**, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

- (a) If there is coverage for **BUSINESS PERSONAL PROPERTY** located within a **BUILDING** that is not insured under this **POLICY**, **PRINCIPAL BUILDING** means:

The **BUILDING** including any attached garage located at the **BUSINESS PERSONAL PROPERTY'S** insured **LOCATION**.

**PRINCIPAL BUILDING** does not include property described in paragraphs c.1) through c.7) below.

- (b) If there is coverage under this **POLICY** for a **BUILDING**, **PRINCIPAL BUILDING** means each such **BUILDING**.

- (c) **PRINCIPAL BUILDING** does not include:

1. Appurtenant structures connected to the **PRINCIPAL BUILDING** by a fence, utility line, open space, or breezeway;
2. Structures whose foundation is not part of or connected to the applicable **PRINCIPAL BUILDING** foundation; such as, but not limited to:
  - (a). Screen enclosures, porches, lanais, carports, pools, pool decks, spas, gazebos, structures that are not fully enclosed, structures constructed to be open to the weather, and other open sided or ancillary structures;
3. Driveways, sidewalks, decks or patios; including, but not limited to, walkways, pavement, fences and other similar property;
4. Structures and other property excluded or not covered elsewhere in the **POLICY**;
5. Materials, equipment, supplies and temporary structures on or within 100 feet of the insured **LOCATIONS** used for making additions, alterations or repairs to property other than the **PRINCIPAL BUILDING**;
6. Temporary structures on or within 100 feet of the insured **LOCATIONS** used for making additions, alterations or repairs to the **PRINCIPAL BUILDING**; or
7. Other **BUILDINGS** or garages whose foundation is not part of or connected to the applicable **PRINCIPAL BUILDING** foundation.

- i. **PRIMARY STRUCTURAL MEMBER** means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

- ii. **PRIMARY STRUCTURAL SYSTEM** means an assemblage of **PRIMARY STRUCTURAL MEMBERS**.

- iii. **STRUCTURAL DAMAGE** means when a **PRINCIPAL BUILDING**, regardless of the date of its construction, has experienced the following:

- (a) Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 of the Florida Building Code, which results in settlement related damage to the interior such that the interior **BUILDING** structure or members become unfit for service or represents a safety hazard as defined within the Florida Building Code;
- (b) Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the **PRIMARY STRUCTURAL MEMBERS** or **PRIMARY STRUCTURAL**

**SYSTEMS** that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those **PRIMARY STRUCTURAL MEMBERS** or **PRIMARY STRUCTURAL SYSTEMS** exceeds one and one-third the nominal strength allowed under the Florida Building Code for new **BUILDINGS** of similar structure, purpose, or **LOCATION**;

- (c) Damage that results in listing, leaning or buckling of the exterior load bearing walls or other vertical **PRIMARY STRUCTURAL MEMBERS** to an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- (d) Damage that results in the **BUILDING**, or any portion of the **BUILDING** containing **PRIMARY STRUCTURAL MEMBERS** or **PRIMARY STRUCTURAL SYSTEMS**, being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the shear plane necessary for the purpose of supporting such **BUILDING** as defined within the Florida Building Code; or
- (e) Damage occurring on or after October 15, 2005, that qualifies as **SUBSTANTIAL STRUCTURAL DAMAGE** as defined in the Florida Building Code

(i) **SUBSTANTIAL STRUCTURAL DAMAGE** means, with respect to (a) any story of the **PRINCIPAL**

**BUILDING** the vertical elements of the lateral force resisting system have suffered damage such that the lateral load-carrying capacity of the structure in any horizontal direction has been reduced by more than 33 percent from its predamage condition or (b) the capacity of any vertical load-carrying component, or any group of such components, that supports more than 30 percent of the total area of the structure's floors and roofs has been reduced more than 20 percent from its predamage condition and the remaining capacity of such affected elements, with respect to all dead and live loads, is less than 75 percent of that required by the Florida Building Code for new structures of similar structure, purpose and locations.

All other terms and conditions, insured coverage and exclusions of this **POLICY** remain unchanged, including applicable **LIMITS**, **SUBLIMITS** and **DEDUCTIBLES**, and apply in full force and effect to the coverage provided by this **POLICY**.

# CYBER SUITE COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

## CYBER SUITE SUPPLEMENTAL DECLARATIONS

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### CYBER SUITE

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Annual Aggregate Limit:	\$100,000
Deductible Per Occurrence:	\$1,000

DATA COMPROMISE RESPONSE EXPENSES	Included
Sublimits Per Occurrence:	
Public Relations	\$10,000
Reputational Harm	\$10,000

COMPUTER ATTACK	Included
Sublimit Per Occurrence:	
Public Relations	\$10,000

Sublimited Coverages Per Occurrence:	
Cyber Extortion	\$10,000
Misdirected Payment Fraud	\$10,000
Computer Fraud	\$10,000
Telecommunications Fraud	\$10,000

REWARD PAYMENTS	Included
Sublimit Per Policy Period:	\$25,000

PRIVACY INCIDENT LIABILITY	Included
Privacy Incident Defense	
Privacy Incident Liability	

NETWORK SECURITY LIABILITY	Included
Network Security Defense	
Network Security Liability	

ELECTRONIC MEDIA LIABILITY	Included
Electronic Media Defense	
Electronic Media Liability	

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## IDENTITY RECOVERY

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Annual Aggregate Limit Per "Identity Recovery Insured":	\$25,000
Deductible Per Occurrence:	None
Sublimits Per Occurrence:	
Lost Wages and Child and Elder Care Expenses	\$5,000
Mental Health Counseling	\$1,000
Miscellaneous Unnamed Costs	\$1,000

## CYBER SUITE COVERAGE

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Throughout this Coverage Endorsement (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Cyber Suite Supplemental Declarations of this Cyber Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Cyber Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotations have special meaning. Refer to DEFINITIONS.

The terms and conditions of any cancellation and/or nonrenewal provisions in the policy and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

### A. COVERAGE

This section lists the coverages that apply if indicated in the Cyber Suite Supplemental Declarations.

#### 1. Data Compromise Response Expenses

- a. Data Compromise Response Expenses applies only if all of the following conditions are met:
  - (1) There has been a "personal data compromise"; and
  - (2) Such "personal data compromise" took place in the "coverage territory"; and
  - (3) Such "personal data compromise" is first discovered by you during the "policy period"; and
  - (4) Such "personal data compromise" is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.
- b. If the conditions listed in a. above have been met, then we will provide coverage for the following expenses when they arise directly from such "personal data compromise" and are necessary and reasonable. Items (4) and (5) below apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under item (3) below.

#### (1) Forensic IT Review

We will pay for a professional information technologies review if needed to determine,

within the constraints of what is possible and reasonable, the nature and extent of the “personal data compromise” and the number and identities of the “affected individuals”. This includes, when necessary, the cost of a qualified Payment Card Forensic Investigator.

This does not include costs to analyze, research or determine any of the following:

- (a) Vulnerabilities in systems, procedures or physical security; or
- (b) The nature or extent of “loss” or damage to data that is not “personally identifying information” or “personally sensitive information”.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

## **(2) Legal Review**

We will pay for a professional legal counsel review of the “personal data compromise” and how you should best respond to it.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

## **(3) Notification to Affected Individuals**

We will pay your necessary and reasonable costs to provide notification of the “personal data compromise” to “affected individuals”.

## **(4) Services to Affected Individuals**

We will pay your necessary and reasonable costs to provide the following services to “affected individuals”. Services (c) and (d) below apply only to “affected individuals” from “personal data compromise” events involving “personally identifying information”.

### **(a) Informational Materials**

A packet of loss prevention and customer support information.

### **(b) Help Line**

A toll-free telephone line for “affected individuals” with questions about the “personal data compromise”. Where applicable, the line can also be used to request additional services as listed in (c) and (d) below.

### **(c) Credit Report and Monitoring**

A credit report and an electronic service automatically monitoring for activities affecting an individual’s credit records. This service is subject to the “affected individual” enrolling for this service with the designated service provider.

### **(d) Identity Restoration Case Management**

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

**(5) Public Relations**

We will pay for a professional public relations firm review of, and response to, the potential impact of the “personal data compromise” on your business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”. However, we will not pay for:

- (a)** Promotions provided to any of your “executives” or “employees”; or
- (b)** Promotion costs exceeding \$25 per “affected individual”.

**(6) Regulatory Fines and Penalties**

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction. This includes, but is not limited to, fines and penalties imposed for the violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act and similar laws.

**(7) PCI Assessments, Fines and Penalties**

We will pay for any Payment Card Industry assessments, fines and penalties imposed on you under a contract to which you are a party.

This does not include any:

- (a)** Increased transaction costs;
- (b)** Any assessments, fines and penalties not arising from a covered “personal data compromise”;
- (c)** Interchange fees;
- (d)** Chargebacks;
- (e)** Subsequent assessments, fines and penalties imposed due to continued PCI non-compliance; or
- (f)** Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

**(8) Reputational Harm**

- (a)** This Reputational Harm coverage applies only if there has been a “personal data compromise” for which you provided notifications and services to “affected individuals” in consultation with us pursuant to **b.(3) and b.(4)** above.

- (b) If the conditions listed in (a) above have been met, then we will pay your necessary and reasonable “reputational harm costs” incurred during the “period of indemnification” and arising directly from the “personal data compromise”.

**(9) Reward Payments**

We will pay for any necessary and reasonable “reward payments” offered and made by you in response to a “personal data compromise”.

**2. Computer Attack**

- a. Computer Attack applies only if all of the following conditions are met:

- (1) There has been a “computer attack”; and
- (2) Such “computer attack” occurred in the “coverage territory”; and
- (3) Such “computer attack” is first discovered by you during the “policy period”; and
- (4) Such “computer attack” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you.

- b. If the conditions listed in a. above have been met, then we will provide you the following coverages for “loss” directly arising from such “computer attack”.

**(1) Data Restoration**

We will pay your necessary and reasonable “data restoration costs”.

**(2) Data Re-creation**

We will pay your necessary and reasonable “data re-creation costs”.

**(3) System Restoration**

We will pay your necessary and reasonable “system restoration costs”.

**(4) Loss of Business**

We will pay your actual “business income and extra expense loss” incurred during the “period of restoration”. This includes your actual “business income and extra expense loss” caused by a voluntary shutdown of your “computer system” in connection with your reasonable efforts to stop, mitigate the effects of, or recover from, such a “computer attack”.

**(5) Extended Income Recovery**

If you suffer a covered “business income and extra expense loss” resulting from a “computer attack” on a “computer system” owned or leased by you and operated under your control, we will pay your actual “extended income loss”.

**(6) Public Relations**

If you suffer a covered “business income and extra expense loss”, we will pay for the services of a professional public relations firm to assist you in communicating your response to the “computer attack” to the media, the public and your customers, clients or members.

**(7) Future Loss Avoidance**

If you received a loss payment from us under **Coverage 2. Computer Attack**, we will pay your necessary and reasonable “future loss avoidance costs”.

### **(8) Reward Payments**

We will pay for any necessary and reasonable “reward payments” offered and made by you in response to a “computer attack.”

## **3. Cyber Extortion**

- a. Cyber Extortion applies only if all of the following conditions are met:
  - (1) There has been a “cyber extortion threat”; and
  - (2) Such “cyber extortion threat” is first made against you during the “policy period”; and
  - (3) Such “cyber extortion threat” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first made against you.
- b. If the conditions listed in **a.** above have been met, then we will pay for your necessary and reasonable “cyber extortion expenses” arising directly from such “cyber extortion threat” and any necessary and reasonable “reward payments” offered and made by you in response to a “cyber extortion threat”. The payment of “cyber extortion expenses” must be approved in advance by us. We will not pay for “cyber extortion expenses” that have not been approved in advance by us. We will not unreasonably withhold our approval.
- c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

## **4. Misdirected Payment Fraud**

- a. Misdirected Payment Fraud applies only if all of the following conditions are met:
  - (1) There has been a “wrongful transfer event” against you; and
  - (2) Such “wrongful transfer event” took place in the “coverage territory”; and
  - (3) Such “wrongful transfer event” is first discovered by you during the “policy period”; and
  - (4) Such “wrongful transfer event” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first discovered by you; and
  - (5) Such “wrongful transfer event” is reported in writing by you to the police.
- b. If the conditions listed above in **a.** above have been met, then we will pay your necessary and reasonable “wrongful transfer costs” arising directly from the “wrongful transfer event” and any necessary and reasonable “reward payments” offered and made by you in response to a “wrongful transfer event”.

## **5. Computer Fraud**

- a. Computer Fraud applies only if all of the following conditions are met:
  - (1) There has been a “computer fraud event” against you; and
  - (2) Such “computer fraud event” took place in the “coverage territory”; and
  - (3) Such “computer fraud event” is first discovered by you during the “policy period”; and
  - (4) Such “computer fraud event” is reported to us within 60 days after the date it is first discovered by you; and



(5) Such “computer fraud event” is reported in writing by you to the police.

- b. If the conditions listed in a. above have been met, then we will pay your necessary and reasonable “computer fraud costs” arising directly from the “computer fraud event” and any necessary and reasonable “reward payments” offered and made by you in response to a “computer fraud event.”

## **6. Telecommunications Fraud**

- a. Telecommunications Fraud applies only if all of the following conditions are met:

- (1) There has been a “computer attack” on a “telecommunications system” that is owned or leased by you and operated under your control; and
- (2) Such “computer attack” took place in the “coverage territory”; and
- (3) Such “computer attack” is first discovered by you during the “policy period”; and
- (4) Such “computer attack” is reported to us within 60 days after the date it is first discovered by you; and
- (5) Such “computer attack” is reported in writing by you to the police; and
- (6) As a result of such “computer attack”, there have been “telecommunications fraud costs”.

- b. If the conditions listed in a. above have been met, then we will pay your necessary and reasonable “telecommunications fraud costs” arising directly from the “computer attack”.

## **7. Privacy Incident Liability**

- a. Privacy Incident Liability applies only if all of the following conditions are met:

- (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of one of the following:

- (a) A “claim”; or
- (b) A “regulatory proceeding”.

- (2) Such “claim” or “regulatory proceeding” must arise from a “privacy incident” that:

- (a) Took place during the “coverage term”; and
- (b) Took place in the “coverage territory”; and
- (c) Was submitted to us and insured under Data Compromise Response Expenses.

- (3) Such “claim” or “regulatory proceeding” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered:

- (1) “Loss” directly arising from the “claim”; or
- (2) “Defense costs” directly arising from a “regulatory proceeding”.

- c. All “claims” and “regulatory proceedings” arising from a single “privacy incident” or interrelated “privacy incidents” will be deemed to have been made at the time that notice of the first of those “claims” or “regulatory proceedings” is received by you.

## **8. Network Security Liability**

- a. Network Security Liability applies only if all of the following conditions are met:
  - (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from a “network security incident” that:
    - (a) Took place during the “coverage term”; and
    - (b) Took place in the “coverage territory”; and
  - (2) Such “claim” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
- c. All “claims” arising from a single “network security incident” or interrelated “network security incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

## **9. Electronic Media Liability**

- a. Electronic Media Liability applies only if all of the following conditions are met:
  - (1) During the “policy period” or any applicable Extended Reporting Period, you first receive notice of a “claim” which arises from an “electronic media incident” that:
    - (a) Took place during the “coverage term”; and
    - (b) Took place in the “coverage territory”; and
  - (2) Such “claim” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.
- b. If the conditions listed in a. above have been met, then we will pay on your behalf any covered “loss” directly arising from the “claim”.
- c. All “claims” arising from a single “electronic media incident” or interrelated “electronic media incidents” will be deemed to have been made at the time that notice of the first of those “claims” is received by you.

## **10. Identity Recovery**

- a. Identity Recovery applies only if all of the following conditions are met:
  - (1) There has been an “identity theft” involving the personal identity of an “identity recovery insured” under this Cyber Coverage; and
  - (2) Such “identity theft” took place in the “coverage territory”; and
  - (3) Such “identity theft” is first discovered by the “identity recovery insured” during the “policy period”; and
  - (4) Such “identity theft” is reported to us within 60 days after it is first discovered by the “identity recovery insured”.
- b. If the conditions listed in a. above have been met, then we will provide the following to the “identity recovery insured”:
  - (1) **Case Management Service**

We will pay for the services of an “identity recovery case manager” as needed to respond to the “identity theft”; and

**(2) Expense Reimbursement**

We will pay for reimbursement of necessary and reasonable “identity recovery expenses” incurred as a direct result of the “identity theft”.

**B. EXCLUSIONS**

If any cyber incident exclusion is made a part of this policy, such exclusion will not apply to the coverage afforded by this Cyber Coverage.

The following additional exclusions apply to this coverage:

We will not pay for costs or “loss” arising from the following:

1. Nuclear reaction or radiation or radioactive contamination, howsoever caused.
2. War and hostile action including any of the following and any consequence of any of the following:
  - a. Cyber warfare, whether or not occurring in combination with physical combat;
  - b. Undeclared war;
  - c. Civil war;
  - d. Hostile action by military force or cyber measures, including action in hindering or defending against an actual or expected attack, by any Combatant; or
  - e. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these, including cyber action in connection with any of the foregoing.

For purposes of this exclusion, cyber warfare, cyber measures and cyber action include, but are not limited to, the use of disruptive digital activities against a computer network or system with the intention to cause harm in order to further political or similar objectives, or to intimidate any person(s) in furtherance of such objectives, committed by a Combatant.

The attribution of an action to a Combatant will be determined by relying on reasonable evidence such as:

- a. Statements by an impacted government, sovereign or other authority;
- b. Statements by widely recognized international bodies (such as the United Nations) or alliances (such as the North Atlantic Treaty Organization); or
- c. Consensus opinion within relevant expert communities such as the cyber security industry.

Decisions about the presence or absence of war, hostile action, and other terms used in this exclusion will take into consideration the full range of available tactics, weapons and technologies at the time of the event giving rise to the “loss”.

Combatant means, for purposes of this exclusion, a government, sovereign or other authority, or agents acting on their behalf.

3. Total or partial failure or interruption of, reduction in performance of, or damage to, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, satellites, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.
4. Any attack on, incident involving, or loss to any computer or system of computers that is not a "computer system".
5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Compromise Response Expenses.
7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered "loss" event.
9. Your reckless disregard for the security of your "computer system" or data, including confidential or sensitive information of others in your care, custody or control.
10. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
11. Any "personal data compromise", "computer attack", "cyber extortion threat", "wrongful transfer event", "computer fraud event" or "wrongful act" occurring before the "coverage term".
12. That part of any "claim" seeking any non-monetary relief. However, this exclusion does not apply to "defense costs" arising from an otherwise insured "wrongful act".
13. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers in connection with hardware or software created, produced or modified by you for sale, lease or license to third parties.
14. Any "claim" or "loss" alleging, arising out of, based upon or attributable to, or brought by or on behalf of any federal, state, or legal government agency or professional or trade licensing organizations or the enforcement of any governmental law, ordinance, regulation or rule; however, this exclusion shall not apply to:
  - a. Actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as your customer;
  - b. "Regulatory proceedings" insured under Coverage 7. **Privacy Incident Liability**; or
  - c. Any fine or penalty imposed by law which arises from a covered "personal data compromise".
15. Any "loss" or liability arising out of "pollutants or contaminants" or the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of "pollutants or contaminants", or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "pollutants or contaminants", or in any way respond to or assess the effects of "pollutants or contaminants".
16. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.
17. "Property damage" or "bodily injury" other than mental anguish or mental injury alleged in a

“claim” covered under Privacy Incident Liability, Network Security Liability or Electronic Media Liability.

18. The theft of a professional or business identity.
19. Any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured”, or by any “authorized representative” of an “identity recovery insured”, whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an “identity recovery insured” who has no knowledge of or involvement in such fraud, dishonesty or criminal act.
20. An “identity theft” that is not reported in writing to the police.
21. The following exclusions are applicable to Future Loss Avoidance only:
  - a. Any “future loss avoidance costs” incurred after this policy has been cancelled or non-renewed by either you or us.
  - b. The salaries or wages of your “employees” or “executives”, or your loss of earnings.
22. Any amount not insurable under applicable law.
23. Any provision of coverage under this Cyber Coverage to the extent that such provision would expose us or you to a violation of economic or trade sanctions, laws or regulations of the United States of America or any other jurisdiction with whose laws we are legally obligated to comply.

## **C. LIMITS OF INSURANCE**

### **1. Aggregate Limits**

Except for post-judgment interest, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations is the most we will pay for all “loss” under all applicable coverage sections, except Identity Recovery, in any one “policy period” or any applicable Extended Reporting Period. The Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations applies regardless of the number of insured events first discovered or “claims” or “regulatory proceedings” first received during the “policy period” or any applicable Extended Reporting Period.

The Identity Recovery Coverage is subject to the Identity Recovery Limit as shown in the Cyber Suite Supplemental Declarations.

### **2. Coverage Sublimits**

#### **a. Data Compromise Sublimits**

The most we will pay under Data Compromise Response Expenses for Public Relations and Reputational Harm coverages for “loss” arising from any one “personal data compromise” is the applicable sublimit for each of those coverages shown in the Cyber Suite Supplemental Declarations.

These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations. Public Relations coverage is also subject to a limit per “affected individual” as described in **A.1.b.(5)**.

#### **b. Computer Attack Sublimit**

The most we will pay under Computer Attack for Public Relations coverage for “loss” arising from any one “computer attack” is the applicable Public Relations sublimit shown in the Cyber

Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**c. Cyber Extortion Sublimit**

The most we will pay under Cyber Extortion coverage for “loss” arising from one “cyber extortion threat” is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**d. Misdirected Payment Fraud Sublimit**

The most we will pay under Misdirected Payment Fraud coverage for “loss” arising from one “wrongful transfer event” is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**e. Computer Fraud Sublimit**

The most we will pay under Computer Fraud coverage for “loss” arising from one “computer fraud event” is the applicable sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**f. Telecommunications Fraud Sublimit**

The most we will pay under Telecommunications Fraud coverage for “loss” arising from one “computer attack” on a “telecommunications system” is the applicable limit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**g. Reward Payments Sublimit**

The Reward Payment sublimit shown in the Cyber Suite Supplemental Declarations is the most we will pay for all “reward payments” resulting from a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event” or “computer fraud event” in any one “policy period”.

This sublimit is a part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Cyber Suite Supplemental Declarations.

**h. Identity Recovery Sublimits**

The following provisions are applicable only to the Identity Recovery Coverage.

- (1)** Case Management Service is available as needed for any one “identity theft” for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Services do not reduce the Annual Aggregate Limit for Identity Recovery.
- (2)** Costs covered under item **d.** (Legal Costs) of the definition of “identity recovery expenses” are part of, and not in addition to, the annual aggregate limit for Identity Recovery.
- (3)** Costs covered under item **e.** (Lost Wages) and item **f.** (Child and Elder Care Expenses) of the definition of “identity recovery expenses” are jointly subject to the Lost Wages and Child and Elder Care sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery.

Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.

- (4) Costs covered under item **g.** (Mental Health Counseling) of the definition of “identity recovery expenses” is subject to the Mental Health Counseling sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to counseling that takes place within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.
- (5) Costs covered under item **h.** (Miscellaneous Unnamed Costs) of the definition of “identity recovery expenses” is subject to the Miscellaneous Unnamed Costs sublimit shown in the Cyber Suite Supplemental Declarations. This sublimit is part of, and not in addition to, the annual aggregate limit for Identity Recovery. Coverage is limited to costs incurred within 12 months after the first discovery of the “identity theft” by the “identity recovery insured”.

### **3. Application of Limits**

- a. A “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” may be first discovered by you in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” will be subject to the limit of insurance applicable to the “policy period” when the “computer attack”, “cyber extortion threat”, “personal data compromise”, “wrongful transfer event”, “computer fraud event” or “identity theft” was first discovered by you.
- b. You may first receive notice of a “claim” or “regulatory proceeding” in one “policy period” but it may cause insured “loss” in one or more subsequent “policy periods”. If so, all insured “loss” arising from such “claim” or “regulatory proceeding” will be subject to the limit of insurance applicable to the “policy period” when notice of the “claim” or “regulatory proceeding” was first received by you.
- c. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding “policy period”.
- d. Coverage for Services to Affected Individuals under Data Compromise Response Expenses is limited to costs to provide such services for a period of up to one year from the date of the notification to the “affected individuals”. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

### **D. DEDUCTIBLES**

- 1. We will not pay for “loss” until the amount of the insured “loss” exceeds the deductible amount shown in the Cyber Suite Supplemental Declarations. We will then pay the amount of “loss” in excess of the applicable deductible amount, subject to the applicable limits shown in the Cyber Suite Supplemental Declarations. You will be responsible for the applicable deductible amount.
- 2. The deductible will apply to all:

- a. "Loss" arising from the same insured event or interrelated insured events under Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud or Telecommunications Fraud coverage.
  - b. "Loss" resulting from the same "wrongful act" or interrelated "wrongful acts" insured under Privacy Incident Liability, Network Security Liability or Electronic Media Liability.
3. In the event that "loss" is insured under more than one coverage section, only the single highest deductible applies.
4. Insurance coverage under Identity Recovery is not subject to a deductible.

## **E. ADDITIONAL CONDITIONS**

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

### **1. Additional Policy Protection**

We may, from time to time, offer or arrange to provide benefits specific to one of our risk management benefits which include but are not limited to devices, equipment, services or benefits provided by either us or a third party vendor selected by us. These services or products are designed to mitigate loss, provide loss control, assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk. The benefits are intended to enhance the safety, value, usability, life or protection of you or your insurable assets. Such products or services must be provided by us or by a third party vendor that has an agreement or contract with us. We do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

### **2. Bankruptcy**

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

### **3. Defense And Settlement**

- a. We shall have the right and the duty to assume the defense of any applicable "claim" or "regulatory proceeding" against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any "claim" or "regulatory proceeding" or incur any defense costs without our prior written consent.
- c. At the time a "claim" or "regulatory proceeding" is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- d. We will not be obligated to pay any "loss" or "defense costs", or to defend or continue to defend any "claim" or "regulatory proceeding" after the applicable limit of insurance has been exhausted.
- e. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:
  - (1) After entry of judgment; and
  - (2) Before we pay, offer to pay or deposit in court that part of the judgment within the



applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

- f. We may, with your written consent, make any settlement of a “claim” or “regulatory proceeding” which we deem reasonable. If you refuse to consent to any settlement recommended by us and acceptable to the claimant or plaintiff, our liability for all “settlement costs” and “defense costs” resulting from such “claim” or “regulatory proceeding” will not exceed the following:

(1) The amount for which we could have settled such “claim” or “regulatory proceeding” plus “defense costs” incurred as of the date we proposed such settlement in writing to you; plus

(2) 80% of any “settlement costs” and “defense costs” incurred after the date of such proposed settlement;

subject to the applicable limits.

#### **4. Due Diligence**

You agree to use due diligence to prevent and mitigate “loss” insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, “computer systems” and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing “personally identifying information”, “personally sensitive information” or “third party corporate data”, including shredding hard copy files and destroying physical media used to store electronic data.

#### **5. Duties in the Event of a Claim, Regulatory Proceeding or Loss**

- a. If, during the “policy period”, incidents or events occur which you reasonably believe may give rise to a “claim” or “regulatory proceeding” for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant’s representative; or notice of a complaint filed with a federal, state or local agency; or upon an oral “claim”, allegation or threat, you shall give written notice to us as soon as practicable and either:

(1) Anytime during the “policy period”; or

(2) Anytime during the extended reporting periods (if applicable).

- b. If a “claim” or “regulatory proceeding” is brought against you, you must:

(1) Immediately record the specifics of the “claim” or “regulatory proceeding” and the date received;

(2) Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the “claim” or “regulatory proceeding” is first received by you;

- (3)** Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “regulatory proceeding”;
  - (4)** Authorize us to obtain records and other information;
  - (5)** Cooperate with us in the investigation, settlement or defense of the “claim” or “regulatory proceeding”;
  - (6)** Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of “loss” or “defense costs” to which this insurance may also apply; and
  - (7)** Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “claim” or “regulatory proceeding”.
- c.** In the event of a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”, insured under this Cyber Coverage, you and any involved “identity recovery insured” must see that the following are done:
- (1)** Notify the police if a law may have been broken.
  - (2)** Notify us as soon as practicable, but in no event more than 60 days after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. Include a description of any property involved.
  - (3)** As soon as possible, give us a description of how, when and where the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft” occurred.
  - (4)** As often as may be reasonably required, permit us to:
    - (a)** Inspect the property proving the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”;
    - (b)** Examine your books, records, electronic media and records and hardware;
    - (c)** Take samples of damaged and undamaged property for inspection, testing and analysis; and
    - (d)** Make copies from your books, records, electronic media and records and hardware.
  - (5)** Send us signed, sworn proof of “loss” containing the information we request to investigate the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (6)** Cooperate with us in the investigation or settlement of the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, “computer fraud event” or “identity theft”.
  - (7)** If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
  - (8)** Make no statement that will assume any obligation or admit any liability, for any “loss”

for which we may be liable, without our prior written consent.

(9) Promptly send us any legal papers or notices received concerning the “loss”.

- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the “claim”, “regulatory proceeding” or “loss”, including your books and records. In the event of an examination, your answers must be signed.
- e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

## 6. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a “termination of coverage”.
- b. If a “termination of coverage” has occurred, you will have the right to the following:
  - (1) At no additional premium, an Automatic Extended Reporting Period of 30 days immediately following the effective date of the “termination of coverage” during which you may first receive notice of a “claim” or “regulatory proceeding” arising directly from a “wrongful act” occurring before the end of the “policy period” and which is otherwise insured by this Cyber Coverage; and
  - (2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the “termination of coverage” during which you may first receive notice of a “claim” or “regulatory proceeding” arising directly from a “wrongful act” occurring before the end of the “policy period” and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within 30 days after the effective date of “termination of coverage”. The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

## 7. Identity Recovery Help Line

For assistance, if Identity Recovery applies, the “identity recovery insured” should call the **Identity Recovery Help Line** at **1-833-220-0321**.

The **Identity Recovery Help Line** can provide the “identity recovery insured” with:

- a. Information and advice for how to respond to a possible “identity theft”; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an “identity

recovery insured” prior to a determination that a covered “identity theft” has occurred. Our provision of such services is not an admission of liability under the Cyber Coverage. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered “identity theft” has not occurred.

As respects Expense Reimbursement Coverage, the “identity recovery insured” must send to us, within 60 days after our request, receipts, bills or other records that support his or her “claim” for “identity recovery expenses”.

## **8. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date the “loss” or “identity theft” is first discovered by you, or the date on which you first receive notice of a “claim” or “regulatory proceeding”.

## **9. Legal Advice**

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

## **10. Other Insurance**

If there is other insurance that applies to the same “loss”, this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

## **11. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to “affected individuals”. We assume no responsibility under Data Compromise Response Expenses for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “affected individuals” to be notified, including contact information.
- b. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”.
- c. The scope of services that you desire for the “affected individuals”. For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Data Compromise Response Expenses limit of insurance.

## **12. Service Providers**

- a. We will only pay under this Cyber Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Cyber Coverage. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation

Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:

- (1) Such alternate service provider must be approved by us;
- (2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
- (3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

### **13. Services**

The following conditions apply as respects any services provided to you or any “affected individual” or “identity recovery insured” by us, our designees or any service firm paid for in whole or in part under this Cyber Coverage:

- a. The effectiveness of such services depends on the cooperation and assistance of you, “affected individuals” and “identity recovery insureds”.
- b. All services may not be available or applicable to all individuals. For example, “affected individuals” and “identity recovery insureds” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. Except for the services of an “identity recovery case manager” under Identity Recovery, which we will provide directly, you will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for you.

### **14. Valuation**

We will determine the value of “money”, “securities”, cryptocurrency and tangible property as follows:

- a. Our payment for loss of “money” or loss payable in “money” will be, at your option, in the “money” of the country in which the “computer fraud event”, “cyber extortion threat”, “reward payments”, or “wrongful transfer event” took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such “loss”.
- b. Our payment for loss of “securities” will be their value at the close of business on the day the “computer fraud event” or the “wrongful transfer event” was discovered, or the day the “securities” were transferred by you in response to the “cyber extortion threat”. At our option, we may:
  - (1) Pay the value of such “securities” to you or replace them in kind, in which event you must assign to us all of your rights, title and interest in those “securities”; or
  - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the “securities”; provided that we will be liable only for the cost of the Lost Securities

Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the "computer fraud event", "cyber extortion threat" or "wrongful transfer event" was discovered.

- c. Our payment of cryptocurrency will be its value at the close of business on the day the cryptocurrency was transferred by you in response to the covered "cyber extortion threat".
- d. Our payment for the loss of tangible property will be the smallest of:
  - (1) The cost to replace the tangible property; or
  - (2) The amount you actually spend that is necessary to replace the tangible property.We will not pay you on a replacement costs basis for any loss of tangible property until such property is actually replaced and unless the replacement is made as soon as reasonably possible after the "loss". If the lost property is not replaced as soon as reasonably possible after the "loss", we will pay you the actual cash value of the tangible property on the day the "computer fraud event", "cyber extortion threat" or "wrongful transfer event" was discovered.

## F. DEFINITIONS

- 1. **"Affected Individual"** means any person whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released or accidentally published by a "personal data compromise" covered under this Cyber Coverage. This definition is subject to the following provisions:
  - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
  - b. An "affected individual" may reside anywhere in the world.
- 2. **"Authorized Representative"** means a person or entity authorized by law or contract to act on behalf of an "identity recovery insured".
- 3. **"Authorized Third Party User"** means a party who is not an "employee" or an "executive" of yours who is authorized by contract or other agreement to access the "computer system" for the receipt or delivery of services.
- 4. **"Bodily Injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 5. **"Business Income and Extra Expense Loss"** means loss of Business Income and Extra Expense.
  - a. As used in this definition, Business Income means the sum of:
    - (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
    - (2) Continuing normal and necessary operating expenses incurred, including "employee" and "executive" payroll.
  - b. As used in this definition, Extra Expense means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.
- 6. **"Claim"**

- a. "Claim" means:
  - (1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
  - (2) A civil proceeding commenced by the filing of a complaint;
  - (3) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
  - (4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to;

arising from a "wrongful act" or a series of interrelated "wrongful acts" including any resulting appeal.
- b. "Claim" does not mean or include:
  - (1) Any demand or action brought by or on behalf of someone who is:
    - (a) Your director;
    - (b) Your owner or part-owner; or
    - (c) A holder of your securities;

in their capacity as such, whether directly, derivatively, or by class action. "Claim" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual"; or
  - (2) A "regulatory proceeding".
- c. Includes a demand or proceeding arising from a "wrongful act" that is a "personal data compromise" only when the "personal data compromise" giving rise to the proceeding was covered under the Data Compromise Response Expenses section of this Cyber Coverage, and you submitted a "claim" to us and provided notifications and services to "affected individuals" in consultation with us pursuant to Data Compromise Response Expenses in connection with such "personal data compromise".

## 7. "Computer Attack"

- a. "Computer attack" means one of the following involving the "computer system":
  - (1) An "unauthorized access incident";
  - (2) A "malware attack"; or
  - (3) A "denial of service attack" against a "computer system".
- b. A "computer attack" ends at the earlier of:
  - (1) The time that the active attacking behavior ceases, the time that you have regained control over the "computer system" or the time that all unauthorized creation, destruction or movement of data associated with the "computer attack" has ceased, whichever happens latest; or
  - (2) 30 days after your discovery of the "computer attack".

## 8. "Computer Fraud Costs" means:

- a. The amount of "money" fraudulently obtained from you. "Computer fraud costs" include the

direct financial loss only.

- b. "Computer fraud costs" do not include any of the following:
  - (1) Other expenses that arise from the "computer fraud event";
  - (2) Indirect loss, such as "bodily injury", lost time, lost wages, identity recovery expenses or damaged reputation;
  - (3) Any interest, time value or potential investment gain on the amount of financial loss; or
  - (4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

**9. "Computer Fraud Event" means:**

- a. An "unauthorized access incident" that leads to the intentional, unauthorized and fraudulent entry of or change to data or instructions within a "computer system" owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an "employee", "executive" or "independent contractor". Such fraudulent entry or change must cause "money" to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
- b. "Computer fraud event" does not mean or include any occurrence:
  - (1) In which you are threatened or coerced to send money or divert a payment; or
  - (2) Arising from a dispute or a disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

**10. "Computer System" means a computer or other electronic hardware that:**

- a. Is owned or leased by you and operated under your control; or
- b. Is operated by a third party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a "computer system" with respect to the specific services provided by such third party to you under such contract.

**11. "Coverage Term" means the increment of time:**

- a. Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber coverage; and
- b. Ending upon the "termination of coverage".

**12. "Coverage Territory" means:**

- a. With respect to Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, Telecommunications Fraud and Identity Recovery, "coverage territory" means anywhere in the world.
- b. With respect to Privacy Incident Liability, Network Security Liability and Electronic Media Liability, "coverage territory" means anywhere in the world, however "claims" must be brought within the United States (including its territories and possessions) or Puerto Rico.



**13. “Cyber Extortion Expenses” means:**

- a. The cost of a negotiator or investigator retained by you in connection with a “cyber extortion threat”; and
- b. Any amount paid by you in response to a “cyber extortion threat” to the party that made the “cyber extortion threat” for the purposes of eliminating the “cyber extortion threat” when such expenses are necessary and reasonable and arise directly from a “cyber extortion threat”. This includes any payment made in the form of “money”, “securities”, cryptocurrency (including, but not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency) or tangible goods. The payment of “cyber extortion expenses” must be approved in advance by us. We will not unreasonably withhold our approval. However we may pay for “cyber extortion expenses” that were not approved in advance by us if we determine the following:
  - (1) It was not practical for you to obtain our prior approval; and
  - (2) If consulted at the time, we would have approved the payment.

At our sole discretion, we may choose to pay “cyber extortion expenses” in excess of the limit shown in the Supplemental Declarations if doing so reduces the total amount of “loss” payable under this Cyber Risk Coverage.

**14. “Cyber Extortion Threat” means:**

- a. “Cyber extortion threat” means a demand for money from you based on a credible threat, or series of related credible threats, to:
  - (1) Launch a “denial of service attack” against the “computer system” for the purpose of denying “authorized third party users” access to your services provided through the “computer system” via the Internet;
  - (2) Gain access to a “computer system” and use that access to steal, release or publish “personally identifying information”, “personally sensitive information” or “third party corporate data”;
  - (3) Alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”;
  - (4) Launch a “computer attack” against a “computer system” in order to alter, damage or destroy electronic data or software while such electronic data or software is stored within a “computer system”; or
  - (5) Transfer, pay or deliver any funds or property using a “computer system” without your authorization.
- b. “Cyber extortion threat” does not mean or include any threat made in connection with a legitimate commercial dispute.

**15. “Data Re-creation Costs”**

- a. “Data re-creation costs” means the costs of an outside professional firm hired by you to research, re- create and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.

- b. "Data re-creation costs" does not mean or include costs to research, re-create or replace:
  - (1) Software programs or operating systems that are not commercially available; or
  - (2) Data that is obsolete, unnecessary or useless to you.

**16. "Data Restoration Costs"**

- a. "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs", such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
- b. "Data restoration costs" does not mean or include costs to research, re-create or replace:
  - (1) Software programs or operating systems that are not commercially available; or
  - (2) Data that is obsolete, unnecessary or useless to you.

**17. "Defense Costs"**

- a. "Defense costs" means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense and appeal of any "claim" or "regulatory proceeding" against you. Such expenses may include premiums for any appeal bond, attachment bond or similar bond. However, we have no obligation to apply for or furnish such bond.
- b. "Defense costs" does not mean or include the salaries or wages of your "employees" or "executives", or your loss of earnings.

**18. "Denial of Service Attack"** means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.

**19. "Electronic Media Incident"** means an allegation that the display of information in electronic form by you on a website resulted in:

- a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark or service name;
- b. Defamation against a person or organization that is unintended; or
- c. A violation of a person's right of privacy, including false light and public disclosure of private facts.

**20. "Employee"** means any natural person, other than an "executive", who was, now is or will be:

- a. Employed on a full-time or part-time basis by you;
- b. Furnished temporarily to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions;
- c. 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, but does not mean a temporary "employee" as defined in paragraph **b.**;
- d. Your volunteer worker, which includes unpaid interns; or
- e. An "independent contractor".

**21. "Executive"** means any natural person who was, now is or will be:

- a. The owner of your sole proprietorship; or
- b. A duly elected or appointed:
  - (1) Director;
  - (2) Officer;
  - (3) Managing Partner;
  - (4) General Partner;
  - (5) Member (if a limited liability company);
  - (6) Manager (if a limited liability company); or
  - (7) Trustee;of your business.

22. **“Extended Income Loss”** means your actual “business income and extra expense loss” incurred during the “extended recovery period”.

23. **“Extended Recovery Period”** means a fixed period of 180 days immediately following the end of the “period of restoration”.

24. **“Future Loss Avoidance Costs”**

- a. “Future loss avoidance costs” means the amount you spend to make improvements to a “computer system” owned or leased by you and operated under your control, provided:
  - (1) Such “future loss avoidance costs” are incurred within 30 days after your discovery of the “computer attack”; and
  - (2) We agree in writing that improvements to which “future loss avoidance costs” relate would reasonably reduce the likelihood of a future “computer attack” similar to the one for which you have received payment under Coverage **2. Computer Attack** paragraphs **b.(1)** through **b.(4)**. We will not unreasonably withhold such agreement; and
  - (3) We receive your invoices for the “future loss avoidance costs” no later than 60 days after the date you received the payment for the loss under Coverage **2. Computer Attack** paragraphs **b.(1)** through **b.(4)**.
- b. The most we will pay for all “future loss avoidance costs” with respect to any one “computer attack” is 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage. Any portion of the payment made for hardware replacement or hardware upgrades reduces the amount we will pay.
- c. The improvements described in paragraph **a.(2)** may include, but are not limited to, hardware and software upgrades. Improvements involving services subject to lease, license or subscription may have costs that are ongoing. In such case, the most we will pay are costs associated with the first 12 months of any such service, subject to the amount described in paragraph **b.** above.
- d. As used in this coverage, Eligible Payment means our total payment to you under Coverage **2. Computer Attack** paragraphs **b.(1)** through **b.(4)**, not including any deductible amount.

25. **“Identity Recovery Case Manager”** means one or more individuals assigned by us to assist an “identity recovery insured” with communications we deem necessary for re-establishing the integrity of the personal identity of the “identity recovery insured”. This includes, with the

permission and cooperation of the “identity recovery insured”, written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.

**26. “Identity Recovery Expenses”** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an “identity theft” suffered by an “identity recovery insured”:

**a. Re-Filing Costs**

Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft”.

**b. Notarization, Telephone and Postage Costs**

Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the “identity recovery insured’s” efforts to report an “identity theft” or amend or rectify records as to the “identity recovery insured’s” true name or identity as a result of an “identity theft”.

**c. Credit Reports**

Costs for credit reports from established credit bureaus.

**d. Legal Costs**

Fees and expenses for an attorney approved by us for the following:

- (1)** The defense of any civil suit brought against an “identity recovery insured”.
- (2)** The removal of any civil judgment wrongfully entered against an “identity recovery insured”.
- (3)** Legal assistance for an “identity recovery insured” at an audit or hearing by a governmental agency.
- (4)** Legal assistance in challenging the accuracy of the “identity recovery insured’s” consumer credit report.
- (5)** The defense of any criminal charges brought against an “identity recovery insured” arising from the actions of a third party using the personal identity of the “identity recovery insured”.

**e. Lost Wages**

Actual lost wages of the “identity recovery insured” for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self-employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

**f. Child and Elder Care Expenses**

Actual costs for supervision of children or elderly or infirm relatives or dependents of the “identity recovery insured” during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured”.

**g. Mental Health Counseling**

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured”.

**h. Miscellaneous Unnamed Costs**

Any other reasonable costs necessarily incurred by an “identity recovery insured” as a direct result of the “identity theft”.

**(1) Such costs include:**

**(a)** Costs by the “identity recovery insured” to recover control over his or her personal identity.

**(b)** Deductibles or service fees from financial institutions.

**(2) Such costs do not include:**

**(a)** Costs to avoid, prevent or detect “identity theft” or other loss.

**(b)** Money lost or stolen.

**(c)** Costs that are restricted or excluded elsewhere in this Cyber Coverage or policy.

**27. “Identity Recovery Insured” means the following:**

**a.** When the entity insured under this Cyber Coverage is a sole proprietorship, the “identity recovery insured” is the individual person who is the sole proprietor of the insured identity.

**b.** When the entity insured under this Cyber Coverage is a partnership, the “identity recovery insureds” are the current partners.

**c.** When the entity insured under this Cyber Coverage is a corporation or other form of organization, other than those described in a. or b. above, the “identity recovery insureds” are all individuals having an ownership position of 20% or more of the insured entity. However, if, and only if, there is no one who has such an ownership position, then the “identity recovery insured” will be:

**(1)** The chief executive of the insured entity; or

**(2)** As respects a religious institution, the senior ministerial “employee”.

An “identity recovery insured” must always be an individual person. If the entity insured under this Cyber Coverage is a legal entity, that legal entity is not an “identity recovery insured”.

**28. “Identity Theft”**

**a.** “Identity theft” means the fraudulent use of “personally identifying information”. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

**b.** “Identity theft” does not mean or include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

**29. “Independent Contractor”** means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

**30. "Loss"**

- a. With respect to Data Compromise Response Expenses, "loss" means those expenses enumerated in Data Compromise Response Expenses, paragraph **b**.
- b. With respect to Computer Attack, "loss" means those expenses enumerated in Computer Attack, paragraph **b**.
- c. With respect to Cyber Extortion, "loss" means "cyber extortion expenses".
- d. With respect to Misdirected Payment Fraud, "loss" means "wrongful transfer costs".
- e. With respect to Computer Fraud, "loss" means "computer fraud costs".
- f. With respect to Telecommunications Fraud, "loss" means "telecommunications fraud costs".
- g. With respect to Privacy Incident Liability, Network Security Liability and Electronic Media Liability, "loss" means "defense costs" and "settlement costs".
- h. With respect to Identity Recovery, "loss" means those expenses enumerated in Identity Recovery, paragraph **b**.

**31. "Malware Attack"**

- a. "Malware attack" means an attack that damages a "computer system" or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware and keyloggers.
- b. "Malware attack" does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your "computer system" during the manufacturing process or normal maintenance.

**32. "Money" means:**

- a. "Money" means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers' checks, registered checks and money orders held for sale to the public.
- b. "Money" does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency.

**33. "Network Security Incident"** means a negligent security failure or weakness with respect to a "computer system" which allowed one or more of the following to happen:

- a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
- b. The unintended abetting of a "denial of service attack" against one or more other systems; or
- c. The unintended loss, release or disclosure of "third party corporate data".

**34. "Period of Indemnification"** means the period of time that begins on the date you first provided notification to "affected individuals" pursuant to Coverage **1. Data Compromise Response Expenses** and ends after 30 days.

**35. "Period of Restoration"** means the period of time that begins 8 hours after the time that a

“computer attack” is discovered by you and continues until the earliest of:

- a. The date that all data restoration, data re-creation and system restoration directly related to the “computer attack” has been completed;
- b. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and dispatch;
- c. If no data restoration, data re-creation or system restoration is required, the end of the “computer attack”; or
- d. 180 days after the “computer attack” is discovered by you.

**36. “Personal Data Compromise”** means the loss, theft, accidental release or accidental publication of “personally identifying information” or “personally sensitive information” as respects one or more “affected individuals”. If the loss, theft, accidental release or accidental publication involves “personally identifying information”, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release or accidental publication, the “personally identifying information” or “personally sensitive information” need not be at the insured premises but must be in the direct care, custody or control of:
  - (1) You; or
  - (2) A professional entity with which you have a direct relationship and to which you (or an “affected individual” at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- b. “Personal data compromise” includes disposal or abandonment of “personally identifying information” or “personally sensitive information” without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.
- c. “Personal data compromise” includes situations where there is a reasonable cause to suspect that such “personally identifying information” or “personally sensitive information” has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- d. All incidents of “personal data compromise” that are discovered at the same time or arise from the same cause will be considered one “personal data compromise”.

**37. “Personally Identifying Information”**

- a. “Personally identifying information” means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an “affected individual” or “identity recovery insured”. This includes, but is not limited to, Social Security numbers or account numbers.
- b. “Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses.

**38. “Personally Sensitive Information”**

- a. "Personally sensitive information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
  - b. "Personally sensitive information" does not mean or include "personally identifying information".
- 39. "Policy Period"** means the period commencing on the effective date shown in the Cyber Suite Supplemental Declarations. The "policy period" ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.
- 40. "Pollutants or Contaminants"** include, but are not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, bacterium, microorganism, virus or other pathogen, diseases, germs, soot, fumes, asbestos, acids, alkalis, chemicals, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.
- 41. "Privacy Incident"** means:
- a. A "personal data compromise";
  - b. Your failure to comply with a Privacy Policy;
  - c. Your unauthorized, unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful collection of "personally identifying information"; or
  - d. Your unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful failure to amend, correct or delete "personally identifying information".
- For the purpose of this definition, Privacy Policy means a publicly available written policy formally adopted by you which addresses the collection, handling and management of "personally identifying information".
- 42. "Property Damage"** means:
- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
  - b. Loss of use of tangible property that is not physically injured.
- 43. "Regulatory Proceeding"** means an investigation, demand or proceeding alleging a violation of law or regulation arising from a "personal data compromise" brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.
- 44. "Reputational Harm Costs"**
- a. "Reputational harm costs" means the loss of Business Income during the "period of indemnification" arising directly from damage to your reputation caused by a "personal data compromise".
- As used in this definition, Business Income means the sum of:
- (1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and



- (2) Continuing normal and necessary operating expenses incurred, including “employee” and “executive” payroll.
- b. “Reputational harm costs” does not mean or include Business Income you lose due to:
  - (1) Unfavorable or deteriorated business conditions;
  - (2) Decreased market share;
  - (3) Any other consequential damages or losses;
  - (4) Legal costs or expenses;
  - (5) Investment income;
  - (6) Bank interest;
  - (7) Seasonal fluctuations;
  - (8) Additional costs you incur to operate your business over and above the costs that you normally would have incurred to operate your business during the same period had no “personal data compromise” occurred.

**45. “Reward Payments” means:**

An amount of “money” paid by you to any individual(s) for information leading to the arrest and conviction of any perpetrator(s) of a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event” that:

- a. We agree to in writing prior to the “reward payments” being offered or paid; and
  - b. Are offered and paid prior to the earlier of:
    - (1) Six months after the “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event”. or
    - (2) Expiration of the policy term.
- Such individual may not be:
- (1) You;
  - (2) Your “employee”;
  - (3) Anyone hired by you to investigate a “personal data compromise”, “computer attack”, “cyber extortion threat”, “wrongful transfer event”, or “computer fraud event”. or
  - (4) A member of law enforcement.

**46. “Securities”**

**a. “Securities” means:**

- (1) Written negotiable and non-negotiable instruments or contracts representing “money” or tangible property; or
- (2) Uncertified securities.

**b. “Securities” does not mean or include “money”.**

**47. “Settlement Costs”**

**a. “Settlement costs” means the following, when they arise from a “claim”:**

- (1) Damages, judgments or settlements; and
  - (2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
  - (3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Settlement costs" does not mean or include:
  - (1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Compromise Response Expenses;
  - (2) Punitive and exemplary damages;
  - (3) The multiple portion of any multiplied damages;
  - (4) Taxes; or
  - (5) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Cyber Coverage, provided that such jurisdiction:
  - (1) Is where those fines, or penalties were awarded or imposed;
  - (2) Is where any "wrongful act" took place for which such fines, or penalties were awarded or imposed;
  - (3) Is where you are incorporated or you have your principal place of business; or
  - (4) Is where we are incorporated or have our principal place of business.

**48. "System Restoration Costs"**

- a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your "computer system" to its pre-"computer attack" level of functionality:
  - (1) Replace or reinstall computer software programs;
  - (2) Remove any malicious code; and
  - (3) Configure or correct the configuration of your "computer system".
- b. "System restoration costs" does not mean or include:
  - (1) Costs to increase the speed, capacity or utility of a "computer system" beyond what existed immediately prior to the "computer attack";
  - (2) Labor costs of your "employees" or "executives";
  - (3) Any costs in excess of the actual cash value of your "computer system"; or
  - (4) Costs to repair or replace hardware. However, at our sole discretion, we may choose to pay to repair or replace hardware if doing so reduces the amount of "loss" payable under this Cyber Coverage.

**49. "Telecommunications Fraud Costs"** means any payment that you are responsible for making to your Telephone Service Provider as a result of a "computer attack" on a "telecommunications

system” that is owned or leased by you and operated under your control. As used in this definition, Telephone Service Provider means a business with which you have a written contract to provide you with telephone services.

**50. “Telecommunications System”** means any telephone or fax system including but not limited to, Voice over Internet Protocol (VoIP) or other internet based telephone system that is owned or leased by you and operated under your control.

**51. “Termination of Coverage”** means:

- a. You or we cancel this coverage;
- b. You or we refuse to renew this coverage; or
- c. We renew this coverage on an other than claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.

**52. “Third Party Corporate Data”**

- a. “Third party corporate data” means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not an insured under this Cyber Coverage which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
- b. “Third party corporate data” does not mean or include “personally identifying information” or “personally sensitive information”.

**53. “Unauthorized Access Incident”** means the gaining of access to a “computer system” by:

- a. An unauthorized person or persons; or
- b. An authorized person or persons for unauthorized purposes.

**54. “Wrongful Act”**

- a. With respect to Privacy Incident Liability, “wrongful act” means a “privacy incident”.
- b. With respect to Network Security Liability, “wrongful act” means a “network security incident”.
- c. With respect to Electronic Media Liability, “wrongful act” means an “electronic media incident”.

**55. “Wrongful Transfer Costs”** means the amount of “money” fraudulently obtained from you. “Wrongful transfer costs” include the direct financial loss only. “Wrongful transfer costs” do not include any of the following:

- a. Other expenses that arise from the “wrongful transfer event”;
- b. Indirect loss, such as “bodily injury”, lost time, lost wages, identity recovery expenses or damaged reputation;
- c. Any interest, time value or potential investment gain on the amount of financial loss; or
- d. Any portion of such amount that has been or can reasonably be expected to be reimbursed by

a third party, such as a financial institution.

**56. "Wrongful Transfer Event"**

- a.** "Wrongful transfer event" means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an "employee", "executive" or "independent contractor" using email, facsimile or telephone communications to induce you or the financial institution to send or divert "money", "securities" or tangible property. The deception must result in direct financial loss to you.
- b.** "Wrongful transfer event" does not mean or include any occurrence:
  - (1)** In which you are threatened or coerced to send money or divert a payment; or
  - (2)** Arising from a dispute or disagreement over the completeness, authenticity or value of a product, a service or a financial instrument.

ALL OTHER PROVISIONS OF THIS POLICY APPLY.

# TOTAL OR CONSTRUCTIVE LOSS EARNED PREMIUM CONDITION

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

- A.) It is hereby understood and agreed that in the event of a covered Actual Total Loss or Constructive Total Loss of any item of property insured during the Period of Insurance specified in the Statement of Values on File with this Company, the total premium for this Policy shall be considered to be fully earned at the time of the loss and no return premium will be due.
- B.) This endorsement shall not apply where State Law or any Premium Finance Agreement would be violated.

Definition: "Constructive Total Loss" shall be defined as a property damage loss that is treated as an Actual Total Loss where the cost of repair would exceed the Limit of Liability shown in the Schedule on File with this Company or the actual cash value (whichever is the lesser amount).

"Actual Total Loss" shall mean a loss that occurs when the insured property is totally destroyed or damaged in such a way that it can be neither recovered nor repaired for further use.

# COSMETIC DAMAGE EXCLUSION

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

We will not pay for **COSMETIC LOSS** or damage to **ROOF COVERINGS**, siding, windows, doors or guttering caused by the peril of Hail.

### **DEFINITION(S):**

**COSMETIC LOSS** – Means only that damage that alters the physical appearance of property, but does not result in damage that allows penetration of water through the roof covering, siding, windows, doors or guttering OR does not result in failure of the roof covering, siding, windows, doors or guttering to perform its intended function to keep out elements over an extended period of time.

**ROOF COVERINGS** – Means: 1.) the roof material exposed to the weather; 2.) the underlayment's applied for moisture protection; 3.) all flashings required in the replacement of a roof covering.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# WATER DAMAGE DEDUCTIBLE ENDORSEMENT

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

**This Endorsement applies to the location(s) in the schedule below:**

<b>ADDRESS:</b>	<b>BUILDING OCCUPANCY/DESCRIPTION:</b>
<b>All Locations</b>	

**Section I – Coverages and Limits of Liability; Item H. Deductible** section of the **VRU Commercial Property Comprehensive Form (Form # VRU-017-022025)** is hereby amended to include the following deductible:

### **WATER DAMAGE Deductible: \$25,000**

Each claim for **WATER DAMAGE** that is insured by this policy, except claims for **FLOOD/STORM SURGE, BACKUP OF SEWERS AND DRAINS** or **WIND-DRIVEN PRECIPITATION** shall be adjusted separately based on the **WATER DAMAGE** Deductible shown above.

**Water damage** means sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, boiler, appliance or other piping. This peril does not include loss:

- a. To the system or appliance from which the water or steam escaped; water damage may not be covered if the damage resulted from the insured's negligence or failure to maintain proper repairs;
- b. Caused by or resulting from freezing except as provided in the peril of freezing; or
- c. On the insured location caused by accidental discharge or overflow which occurs off the insured location.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.



# SEVERAL LIABILITY CLAUSE

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# PROPERTY CYBER AND DATA EXCLUSION MODIFIED FOR THE PURCHASE OF CYBER SUITE

## **THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY**

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

- 1 Cyber Suite coverage is provided under this policy via VRU-054-0122 Cyber Suite Endorsement.
- 2 Except as specified in the VRU-054-0122 Cyber Suite Endorsement, this Policy excludes any:
  - 2.1 Cyber Loss;
  - 2.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;  
regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 3 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

### Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat

or hoax thereof involving access to, processing of, use of or operation of any Computer System.

6 Cyber Incident means:

6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or

6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

7 Computer System means:

7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# SANCTION LIMITATION AND EXCLUSION CLAUSE

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# **CERTAIN UNDERWRITERS AT LLOYD’S AND OTHER INSURERS SUBSCRIBING TO BINDING AUTHORITY UMR B604510568622025 LIST**

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

If Certain Underwriters at Lloyd's and Other Insurers Subscribing to Binding Authority UMR B604510568622025 LIST are listed as security on the Allocation Endorsement attached to the policy, the list of participants is shown below:

Account Number: 2025-9007463-01  
UMR: B604510568622025  
Policy Number: VRN-CN-0007463-01

Syndicate / Carrier	Participation
Certain Underwriters at Lloyd’s – Syndicate 1458 18 <sup>th</sup> Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom	100%
RenaissanceRe Specialty U.S. LTD	0%

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sub-limits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# WINDOW/DOOR WITH GLASS/SLIDING DOOR WITH GLASS SETTLEMENT ENDORSEMENT

## THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

Any sudden and direct physical damage to an existing **WINDOW/DOOR/SLIDING DOOR** that was in place on an insured building or structure for a period greater than 20 years at the time of loss will be subject to **ACTUAL CASH VALUE (ACV)**.

We will not pay for cosmetic damage to a **WINDOW/DOOR/SLIDING DOOR** caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail has caused marring, pitting, or other superficial damage that altered the appearance of the Window/Door/Sliding Door but which does not prevent the Window/Door/Sliding Door from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

### Definitions:

**WINDOW/DOOR/SLIDING DOOR** means any window(s), door(s), or sliding door(s) that cover an opening in the wall or roof of a building or structure, which is fitted with glass or other transparent materials in order to: admit light, air, or allow people to see out, or allow ingress or egress from the building or structure. This definition includes all components of the window(s), door(s), or sliding door(s), and applicable installation materials. These include but are not limited to the following:

- a. Complete window, door, or sliding door assembly;
- b. Flashing, glazing, seals, frames, sashes, jambs, slabs, screens, thresholds;
- c. Hardware, including: Lock, key, bolt or dead latch, knob, strike plate, mortice;
- d. And/or any related installation cost in any interior or exterior surface, including but not limited to: drywall, stucco, EIFS (if not excluded elsewhere), wood, brick, roofing, trim, etc.

**ACTUAL CASH VALUE:** means the amount it would cost to repair or replace **COVERED PROPERTY**, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. **ACTUAL CASH VALUE** applies to valuation of **COVERED PROPERTY** regardless of whether that property has sustained partial or total loss or damage.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

# ANTI-PUBLIC ADJUSTER ENDORSEMENT

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

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*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

It is understood and agreed that a condition of this **POLICY** is that the **NAMED INSURED** shall not hire, engage, retain, contract with, or otherwise utilize the services of a public adjuster, whether or not licensed in the state where the property is located or any other jurisdiction to inspect, evaluate, or adjust any loss covered by the **POLICY**.

To the extent this Endorsement conflicts with Texas law, this Endorsement would not be applicable.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.



# RESTRICTED ASSIGNMENT OF POST-LOSS BENEFITS

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

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

This Endorsement modifies insurance provided under the following:

## **VRU COMMERCIAL PROPERTY COMPREHENSIVE FORM**

THIS **POLICY** DOES NOT ALLOW THE ASSIGNMENT OF POST-LOSS INSURANCE BENEFITS. BY

SELECTING THIS **POLICY**, YOU WAIVE YOUR RIGHT TO FREELY ASSIGN OR TRANSFER THE POST-LOSS PROPERTY INSURANCE BENEFITS AVAILABLE UNDER THIS **POLICY** TO A THIRD PARTY OR TO OTHERWISE FREELY ENTER INTO AN ASSIGNMENT AGREEMENT.

Your **POLICY** is endorsed to restrict the assignment of post-loss benefits.

**SECTION VII – CONDITIONS, D. ASSIGNMENT** is replaced with the following:

**D. ASSIGNMENT:** The **NAMED INSURED** may not assign this **POLICY** without the **INSURER'S**

prior written consent. Post-loss assignment of rights, benefits or claims arising under this **POLICY** are prohibited.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

## DEDUCTIBLE BUYBACK ENDORSEMENT

Account Number:		2025-9007463-01		Named Insured:	Bridgewater at Bonita Beach Condominium Association, Inc
Carrier	Participation	Policy Number		Policy Term:	4/1/2025 to 4/1/2026
Certain Underwriters at Lloyd's Subscribing to Binding Authority UMR B1868HT2400625 , Satinwood Consortium 4635	100%	VDB-CN-0007463-01			

### THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*This Endorsement does not change any other provision of the insurance policy/ies, other than as modified below, to which it is affixed. This Endorsement is a part of this insurance policy/ies and takes effect on the effective date of this insurance policy/ies unless another effective date is shown.*

- PROPERTY LOCATED OR CONTAINED AT:** As Per Statement of Values on File with the Insurers. Property not eligible for coverage is stated in **Section 6. Schedule of Ineligible Locations** below.
- LIMIT OF THIS ENDORSEMENT:** This **Deductible Buyback Endorsement** (the "Endorsement") shall pay the difference between the Deductibles shown for the **Overlying Policy/ies Details** as stated in **3.** below, and the **Insured's Retention** set forth in **4.** below, subject to the Maximum Amount Payable in **5.**
- OVERLYING POLICY/IES DETAILS:**

The participating Insurers for the Overlying Policy/ies is/are shown below:

**a. INSURER(S)**

**POLICY NUMBER(S):**

Fortegra Specialty Insurance Company	FSV-CN-0007463-01
Emerald Bay Specialty Insurance Company	VEB-CN-0007463-01
Certain Underwriters at Lloyd's, London - Syndicate 2357	VNB-CN-0007463-01
National Fire & Marine Insurance Company	VNI-CN-0007463-01

Certain Underwriters at Lloyd's and Other Insurers subscribing to Binding Authority B604510568622025	VRN-CN-0007463-01
Velocity Specialty Insurance Company	VSI-CN-0007463-01
United Specialty Insurance Company	VTX-CN-0007463-01

**b. DEDUCTIBLE(S) FOR THE PERILS INSURED BY THIS POLICY:**

5.0% of the TIV at each **LOCATION** involved in the loss arising out of a **NAMED STORM**, subject to a minimum **DEDUCTIBLE** of \$100,000 for any one **OCCURRENCE**, as respects **LOCATIONS** in: All Locations, as per **STATEMENT OF VALUES** on file with Insurer.

N/A of the TIV at each **LOCATION/BUILDING** involved in the loss arising out of a **WINDSTORM OR HAIL**, subject to a minimum **DEDUCTIBLE** of N/A for any one **OCCURRENCE**, as respects **LOCATIONS** in N/A, as per **STATEMENT OF VALUES** on file with Insurer.

**4. INSURED'S RETENTION:**

3.0% of the TIV at each **LOCATION** involved in the loss arising out of a **NAMED STORM**, subject to a minimum **DEDUCTIBLE** of \$100,000 for any one **OCCURRENCE**, as respects **LOCATIONS** in: All Locations, as per **STATEMENT OF VALUES** on file with Insurer.

N/A of the TIV at **LOCATION/BUILDING** involved in the loss arising out of a **WINDSTORM OR HAIL**, subject to a minimum **DEDUCTIBLE** of N/A for any one **OCCURRENCE**, as respects **LOCATIONS** in: N/A, as per **STATEMENT OF VALUES** on file with Insurer.

**5. MAXIMUM AMOUNT PAYABLE UNDER THIS ENDORSEMENT:**

**Named Windstorm Deductible:** \$461,486 Any One Occurrence

**All Other Wind Hail Deductible:** Not Applicable Any One Occurrence

**6. SCHEDULE OF INELIGIBLE LOCATIONS:**

**Named Windstorm Deductible Buyback Schedule INELIGIBLE LOCATIONS**

**There are no ineligible locations for this schedule.**

**All Other Wind Hail Deductible Buyback Schedule INELIGIBLE LOCATIONS**

**Deductible Buyback coverage is not offered for this peril.**

#### **COVERAGE TERMS:**

With respect to the Perils Insured under the **Policy/ies**, this **Endorsement** shall be subject to the same terms, definitions and conditions (except as otherwise provided elsewhere in this **Endorsement**) as are contained in or as may be added to the **Policy/ies** prior to an Occurrence for which a claim is made under this **Endorsement**.

#### **INSURING AGREEMENT:**

In exchange for premium paid we shall pay the difference between the Deductibles shown for the Overlying Policy/ies, and the **Insured's Retention**, subject to the Maximum Amount Payable with respect to any direct physical loss of or damage to the property or interest described in the Statement of Values, while located or contained at the location or territory described in the Statement of Values, occurring during the Policy Period and caused by any of the Perils Insured stated in the Overlying Policy/ies, as covered by and defined in the Overlying Policy/ies shown in this Endorsement (hereinafter referred to as the "Policy/ies").

#### **LIMIT OF LIABILITY:**

This **Endorsement** shall pay the difference between the Deductibles of the Policy/ies of the **OVERLYING INSURER(S)** stated in **Overlying Policy/ies Details** and the **Insured's Retention**, subject always to the **Maximum Amount Payable** under this **Endorsement**.

However, this **Endorsement** shall not cover any loss adjustment expenses incurred in preparing or certifying details of a claim. Nothing contained in the foregoing shall be construed however to deny an Insurer the right to appoint, or agree to share in the appointment of, any loss adjuster in the investigation of any loss under the **Policy/ies**.

#### **VALUES DECLARED:**

The premium for this **Endorsement** is based upon the Statement of Values on file with the **Insurer**.

If it is determined that the values declared in the Statement of Values are incorrect for any property or interest insured in this POLICY, we may amend any recovery due under this **Endorsement** as a result of a claim for a covered loss under the **Policy/ies**.

#### **DEFINITIONS:**

1. **INSURED** shall have the same meaning as set forth in the **Policy/ies**.

2. **INSURER** means the company or companies shown on the **Policy/ies** Declarations Page VRU-073-0224 and VRU-012 Allocation Endorsement as their interest appear thereon.
3. **INSURED'S RETENTION** means the amount of a loss which an Insured is responsible for as shown in 4. **Insured's Retention** and is not insured by the **Policy/ies**.

#### **GENERAL CONDITIONS:**

Failure to comply with any of these General Conditions could adversely affect the insurance provided by this **Endorsement** or any claim the **Insured** may make.

#### **1. Third Party Rights:**

A person who is not a party to this **Endorsement** shall not have any rights to enforce any term of this **Endorsement**. This does not affect any other rights or remedy of a third party which exists, or which may exist.

#### **2. Invalidity or Unenforceability**

In the event that any provision of this **Endorsement** is found by a court of competent jurisdiction to be invalid or unenforceable, the other provisions of this **Endorsement** and the remainder of the provision in question shall not be affected thereby and shall remain in full force and effect.

#### **3. Maintenance of Overlying Policy:**

It is a condition of this **Endorsement** that you comply with all terms and conditions of and maintain the **Policy/ies** in full force and effect while this **Endorsement** is attached to the **Policy/ies**.

To the extent a provision of the **Policy/ies** or a previous endorsement is inconsistent with an express provision of this **Endorsement**, this **Endorsement** controls. All other terms and conditions, restrictions, and exclusions of the **Policy/ies** including applicable limits and deductibles remain unchanged.

# Certain Underwriters at Lloyd's subscribing to Binding Authority UMR B1868HT2400625, Satinwood Consortium 4635

## THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

*To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.*

If Certain Underwriters at Lloyd's subscribing to Binding Authority UMR **B1868HT2400625**, Satinwood Consortium 4635 are listed as security on the Allocation Endorsement attached to the policy, the list of participants is shown below:

Account Number:	2025-9007463-01						
UMR:	<b>B1868HT2400625</b>						
Policy Number:	VDB-CN-0007463-01						
<table><tr><th>Syndicate / Carrier</th><th>Participation</th></tr><tr><td>Certain Underwriters at Lloyd's – Syndicate BEA 4242</td><td>90%</td></tr><tr><td>Certain Underwriters at Lloyd's – Syndicate MRS 457</td><td>10%</td></tr></table>		Syndicate / Carrier	Participation	Certain Underwriters at Lloyd's – Syndicate BEA 4242	90%	Certain Underwriters at Lloyd's – Syndicate MRS 457	10%
Syndicate / Carrier	Participation						
Certain Underwriters at Lloyd's – Syndicate BEA 4242	90%						
Certain Underwriters at Lloyd's – Syndicate MRS 457	10%						

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sub-limits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

## Learn More

For more information about Contractor Connection, go to [ContractorConnection.com](https://ContractorConnection.com).

If you have any questions regarding the handling of your claim, please contact your adjuster directly.

**CONTRACTOR  
CONNECTION®**

BY CRAWFORD & COMPANY

Contractor Connection®

[contractorconnection.com](https://contractorconnection.com) | 800.525.7671

10550 Deerwood Park Boulevard | Suite 100

Jacksonville, FL 32256

Velocity Risk 

# Home Repair Program



**CONTRACTOR  
CONNECTION®**  
BY CRAWFORD & COMPANY









# Service You Can Trust

Velocity Risk acknowledges your request for a contractor referral in response to your recent property claim. We will refer your request to Contractor Connection,<sup>®</sup> which will assign a credentialed contractor to inspect your damage and confirm the repairs required to restore your property.

Contractor Connection manages a network of over 6,000 emergency service and restoration contractors. Program contractors must meet strict credentialing and performance requirements to remain active in the Contractor Connection network. There is no fee for this service to you.

## What You Should Expect

-  Adjuster completes an estimate and makes contractor referral request
-  Contractor Connection matches you with a qualified contractor
-  Contractor makes contact within 24 hours and schedules an appointment
-  Contractor reaches agreed repair amount with your adjuster
-  You may elect to use the contractor by completing a Work Authorization form. However, you are not obligated to use the contractor.
-  Velocity Risk Underwriters issues claim payment to you, and you pay contractor when work is completed to your satisfaction

# Program Benefits

Advantages in using the Velocity Risk include:

- Credentialed contractors** – Contractors are screened to meet strict credentialing requirements for insurance, financial stability, state licensing, and complete background checks on employees.
- Prompt contact and inspection** – Your assigned contractor will contact you within 24 hours and inspect your home at your earliest convenience.
- Hassle-free repair process** – Your adjuster works directly with the contractor to reach an agreed estimate for loss-related repairs.
- Customer Service support** – Contractor performance is monitored to ensure customer satisfaction. Should an issue arise during the repair process, Contractor Connection's support team is available to assist you.
- Five-year workmanship warranty** – Your assigned contractor will provide a five-year workmanship warranty for repair of damages completed on your home, excluding any general wear and tear. The workmanship warranty only applies during the five-year time period that you remain the owner of the property.

If you have any questions regarding the contractor program, call Contractor Connection directly at 800.525.7671.

