

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4573 POLICY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

1. BUSINESSOWNERS COVERAGE FORM TABLE OF CONTENTS is amended as follows:

- a. The title Electronic Data is changed to Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability.
- b. The title Recording And Distribution Of Material or Information In Violation Of Law is changed to Recording And Distribution Of Material.

2. Paragraph 2.f. Dishonesty under SECTION I – EXCLUSIONS is replaced by the following:

f. Dishonesty

- (1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees, directors, trustees, or authorized representatives, whether acting alone or in collusion with each other or with any other party; or
- (2) Theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees; but theft by your employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

3. SECTION I — EXTENSIONS OF COVERAGE is amended as follows:

a. Paragraph 4.a.(1) under Collapse is replaced by the following:

- (1) Collapse means an abrupt falling down or caving in of a building or any part of a building;

b. Paragraph 13. is replaced by the following:

13. Personal Property Off Premises

You may extend the insurance provided by this coverage form to apply to Covered Property, other than "money" and "securities", "valuable papers and records", or accounts receivable, while it is in the course of transit or at another premises. The most we will pay for loss in any one occurrence under this Extension Of Coverage is the Limit Of Insurance for Personal Property Off Premises shown in the Declarations.

The amount we pay under this Extension Of Coverage is an additional amount of insurance.

If the Covered Property is located at another premises you own, lease, operate, or regularly use, the insurance provided under this extension applies only if the loss occurs within 90 days after the property is first moved.

The Other Insurance Condition contained in **SECTION I AND SECTION II — COMMON POLICY CONDITIONS** does not apply to this Extension Of Coverage. The insurance provided under this Extension Of Coverage is primary and does not contribute with any other insurance.

c. The following is added to Paragraph 22.e. under Equipment Breakdown:

Paragraph 5.b. under Coverage B — Business Personal Property is replaced by:

- b. Be your responsibility to maintain or insure according to the terms of your lease or rental agreement.

d. The following is added:

Business Personal Property In Portable Storage Units

You may extend the insurance provided by this coverage form to apply to Business Personal Property, other than "money" and

"securities", "valuable papers and records", or accounts receivable, while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises. The most we will pay for loss under this Extension Of Coverage is \$10,000.

The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

Coverage will end 90 days after Business Personal Property has been placed in the storage unit. Coverage does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days at the time of loss.

4. **SECTION II — LIABILITY** is amended as follows:

a. **Section II – Exclusions** is amended as follows:

(1) The following is added to Paragraph 3. **Liquor Liability:**

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by an insured, or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol if the "occurrence" which caused the "bodily injury" or "property damage" involved that which is described in Paragraph 3.a.

(2) Paragraph 8.f. under **Aircraft, Auto Or Watercraft** is replaced by the following:

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

- (1) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged;

(2) The operation of any of the following machinery or equipment:

- (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (b) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or

(3) The operation of your business from a land vehicle:

- (a) While it is parked and functioning, other than "loading and unloading", as a premises for your business operations; and
- (b) That would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

(3) Paragraphs 17.b. and 17.c. under **Personal And Advertising Injury** are replaced by the following:

- b. Arising out of oral or written publication of material, in any manner, if done by or at the direction of the insured with knowledge of its falsity;
- c. Arising out of oral or written publication of material, in any manner, whose first publication took place before the beginning of the policy period;

(4) The last paragraph of 17.h. under **Personal And Advertising Injury** is replaced by the following:

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

broadcasting, publishing or telecasting;

(5) Paragraphs 18. Electronic Data and 19. Recording And Distribution Of Material In Violation Of Law are replaced by the following:

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

- a. Damages arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information; or
- b. Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

As used in this exclusion, electronic data means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data.

19. Recording and Distribution of Material

Damages arising directly or indirectly out of any communication, by or on behalf of any insured, that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), CAN-SPAM Act of 2003, Fair Credit Reporting Act (FCRA), or Fair and Accurate Credit Transaction Act (FACTA); including any regulations and any amendment of or addition to such statutes;
- b. Any federal, state or local law, statute, ordinance, or regulation, in addition to Paragraph a. above, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information; or
- c. Any other federal, state or local law, statute, ordinance, or regulation that may provide a basis for a separate claim or cause of action arising out of any communication referenced in Paragraphs a. or b. above.

b. Paragraph 1.d.(2) under Coverage M – Medical Expenses is replaced by the following:

(2) Executes authorization to allow us to obtain copies of medical bills, medical records, and any other information we deem necessary to substantiate the claim.

Such authorizations must not:

- (a) Restrict us from performing our business functions in:
 - i. Obtaining records, bills, information, and data; or
 - ii. Using or retaining records, bills, information, and data collected or received by us;
- (b) Require us to violate federal or state laws or regulations;
- (c) Prevent us from fulfilling our data reporting and data retention obligations to insurance regulators; or

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(d) Prevent us from disclosing claim information and data:

- i. To enable performance of our business functions;
- ii. To meet our reporting obligations to insurance regulators;
- iii. To meet our reporting obligations to insurance data consolidators; and
- iv. As otherwise permitted by law.

If the holder of the information refuses to provide it to us despite the authorization, then at our request the person making claim or his or her legal representative must obtain the information and promptly provide it to us; and

c. **SECTION II — WHO IS AN INSURED** is amended as follows:

- (1) Paragraph 1.c. does not apply.
- (2) Paragraphs 2.b.(1) and (4) are replaced by the following:

(1) "Employees" with respect to "bodily injury" to:

(a) Any co-"employee" arising out of and in the course of the co-"employee's" employment or while performing duties related to the conduct of your business; or

(b) The spouse, child, parent, brother, or sister of that co-"employee" as a consequence of Paragraph (a) above;

(4) The owner of a "non-owned auto" or any agent of or any person or entity employed by such owner.

d. Paragraph 2.b. under **Financial Responsibility Laws** of **SECTION II — GENERAL CONDITIONS** does not apply.

e. **SECTION II — DEFINITIONS** is amended as follows:

(1) Paragraph 2. is replaced by the following:

2. "Auto" means:

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

b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

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

(2) The following is added to Paragraph 15. "mobile equipment":

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

(3) Paragraphs 18.f. and g. of "personal and advertising injury" are replaced by the following:

f. The use of another's advertising idea in your "advertisement";

g. Infringing upon another's trade dress or slogan in your "advertisement", or

h. Infringement of another's copyright, patent, trademark, or trade secret.

f. The following are added to **SECTION I AND SECTION II — COMMON POLICY CONDITIONS**:

Our Rights Regarding Claim Information

a. We will collect, receive, obtain, use, and retain all the items described in Paragraph b.(1) below and use and retain the information described in Paragraph b.(3)(b) below, in accordance with applicable federal and state laws and regulations and consistent with the performance of our business functions.

b. Subject to Paragraph a. above, we will not be restricted in or prohibited from:

- (1) Collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;
 - (2) Using any of the items described in Paragraph b.(1) above; or
 - (3) Retaining:
 - (a) Any of the items in Paragraph b.(1) above; or
 - (b) Any other information we have in our possession as a result of our processing, handling, or otherwise resolving claims submitted under this policy.
- c. We may disclose any of the items in Paragraph b.(1) above and any of the information described in Paragraph b.(3)(b) above:**
- (1) To enable performance of our business functions;
 - (2) To meet our reporting obligations to insurance regulators;
- (3) To meet our reporting obligations to insurance data consolidators;
 - (4) To meet other obligations required by law; and
 - (5) As otherwise permitted by law.
- d. Our rights under Paragraphs a., b., and c. above shall not be impaired by any:**
- (1) Authorization related to any claim submitted under this policy; or
 - (2) Act or omission of an insured or a legal representative acting on an insured's behalf.

Electronic Delivery

With your consent, we may electronically deliver any document or notice, including a notice to renew, nonrenew, or cancel, instead of mailing it or delivering it by other means. Proof of transmission will be sufficient proof of notice.

All other policy provisions apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4203.2 AMENDATORY ENDORSEMENT (Arizona)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

1. SECTION I is amended as follows:

- a. Paragraph 3. Fire Department Service Charge of **SECTION I — EXTENSIONS OF COVERAGE** does not apply.
- b. Paragraph 5. Water Damage, Other Liquids, Powder or Molten Material Damage of **SECTION I — EXTENSIONS OF COVERAGE** does not apply.
- c. Paragraph 1.b. of **SECTION I — CONDITIONS** is replaced by the following:

b. Appraisal

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

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

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

2. SECTION I AND SECTION II — COMMON POLICY CONDITIONS is amended as follows:

Paragraph 8. is replaced by the following:

8. Premiums

- a. The first Named Insured shown in the Declarations:
 - (1) Is responsible for the payment of all premiums; and
 - (2) Will be the payee for any return premiums we pay.

- b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

- c. Unless otherwise provided by an alternative payment plan in effect with "State Farm Companies", you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - (1) Paid to us prior to the anniversary date; and
 - (2) Determined in accordance with Paragraph b. above.

Our forms then in effect will apply.

- d. Undeclared exposures or change in your business operation, acquisition or use of premises may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

When you request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, we may adjust the premium in accordance with the change during the policy period and you must pay any additional premium due within the time we specify.

- e. The premium for this policy may vary based upon:
 - (1) The purchase of other insurance from the "State Farm Companies";
 - (2) The purchase of products or services from an organization that has entered into an agreement or contract

with the "State Farm Companies". The "State Farm Companies" do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or

- (3) An agreement, concerning the insurance provided by this policy, that the "State Farm Companies" has with an organization in which you have a membership, or of which you are a subscriber, licensee, or franchisee.

f. Your purchase of this policy may allow:

- (1) You to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the "State Farm Companies", subject to their applicable eligibility rules; or
- (2) The premium or price for other products or services purchased by you, including non-insurance products or services, to vary. Such other products or services must be provided by the "State Farm Companies" or by an organization that has entered into an agreement or contract with the "State Farm Companies". The "State Farm Companies" do not warrant the merchantability, fitness or quality of any product or service offered or provided by that organization.

The following is added:

Cancellation:

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. **Cancellation Of Policies In Effect For:**

(1) Less Than 60 Days

If this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (a) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

- (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) 60 Days Or More

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

- i. Nonpayment of premium;
- ii. Your conviction of a crime arising out of acts increasing the hazard insured against;
- iii. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this policy, in continuing this policy or in presenting a claim under this policy;
- iv. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;
- v. Substantial breach of contractual duties or conditions;
- vi. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;
- vii. Determination by the Director of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or
- viii. Acts or omissions by you or your representative which materially increase the hazard insured against.

- (b) If we cancel, we will mail, by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured and mail to the agent, if any, written notice of cancellation,

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stating the reasons for cancellation. We will mail this notice to the last mailing addresses known to us at least:

- i. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - ii. 45 days before the effective date of cancellation if we cancel for any of the other reasons.
- c. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 - d. If notice is mailed, proof of mailing will be sufficient proof of notice.
 - e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
 - f. If this policy insured more than one Named Insured:
 - (1) The first Named Insured may affect cancellation for the account of all insureds; and
 - (2) Our notice of cancellation to the first Named Insured is notice to all insureds. Payment of unearned premium to the first Named Insured is for the account of all interests therein.

When We Do Not Renew

- a. If we decide not to renew this policy, we will mail, by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 45 days prior to the expiration of this policy.
- b. If notice is mailed, proof of mailing will be sufficient proof of notice.
- c. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
 - (1) We or a company within the same insurance group has offered to issue a renewal policy; or
 - (2) You have obtained replacement coverage or agreed in writing to do so.

Renewal

- a. If we decide to renew this policy and the renewal is subject to any of the following:
 - (1) Increase in premium;
 - (2) Change in deductible;
 - (3) Reduction in limits of insurance; or
 - (4) Substantial reduction in coverage;
 we will mail or deliver written notice of the change(s) to the first Named Insured, at the last mailing address known to us, at least 30 days before the anniversary or expiration date of the policy.
- b. If renewal is subject to any condition described in Paragraphs a.(1) through a.(4) above, and we fail to provide notice 30 days before the anniversary or expiration date of this policy, the following procedures apply:
 - (1) The present policy will remain in effect until the earlier of the following:
 - (a) 30 days after the date of mailing or delivery of the notice; or
 - (b) The effective date of replacement coverage obtained by the first Named Insured.
 - (2) If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the following rates:
 - (a) The rates applicable to the terminated policy; or
 - (b) The rates presently in effect.
 - (3) If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this policy's anniversary or expiration date.

THE FOLLOWING ADDITIONAL PROVISIONS ARE APPLICABLE ONLY TO POLICIES INSURING CONDOMINIUMS:

1. Paragraph 2.b. Mortgageholders of SECTION I — CONDITIONS is amended as follows:

Paragraphs (2), (6) and (7) are replaced by the following:

(2) If the condominium is terminated, we will pay for covered loss of buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear;

In all other respects, we will pay for loss to buildings or structures to you or the designated insurance trustee in accordance with **Loss Payment Condition**.

(6) If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.

(7) If we do not renew this policy, we will give written notice to the mortgageholder at least 30 days before the expiration date of this policy.

2. The following is added to SECTION I AND SECTION II — COMMON POLICY CONDITIONS:

Unit-Owner Acts or Omissions

No act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the association.

All other policy provisions apply.

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In accordance with the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019, this disclosure is part of your policy.

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is not excluded from your policy. However your policy does contain other exclusions which may be applicable, such as an exclusion for nuclear hazard. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under this policy, any covered losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. Under the formula, the United States Government generally reimburses 80% beginning on January 1,

2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

There is no separate premium charged to cover insured losses caused by terrorism. Your insurance policy establishes the coverage that exists for insured losses. This notice does not expand coverage beyond that described in your policy.

THIS IS YOUR NOTIFICATION THAT UNDER THE TERRORISM RISK INSURANCE ACT, AS AMENDED, ANY LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM UNDER YOUR POLICY MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT AND MAY BE SUBJECT TO A \$100 BILLION CAP THAT MAY REDUCE YOUR COVERAGE.

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(CONTINUED)

FE-8743.1 INLAND MARINE COMPUTER PROPERTY FORM**INSURING AGREEMENT**

We will pay for accidental direct physical loss to:

1. "Computer equipment", used in your business operations, that you own, lease from others, rent from others, or that is loaned to you. However, we do not insure "computer equipment" used to operate or control vehicles.
2. Removable data storage media used in your business operations to store "electronic data".

We do not insure property you lease to others or rent to others.

We do not insure "computer programs" or "electronic data" except as provided in the Computer Programs And Electronic Data Extension Of Coverage.

LIMIT OF INSURANCE

We will pay for all covered loss up to the limits shown on the Schedule Page.

DEDUCTIBLE

The deductible amount shown on the Schedule Page will only apply to the property covered under this form. This amount will be deducted from the amount of any loss under this coverage.

EXCLUSIONS

1. We do not insure under any coverage for any loss to any property while in transit as checked baggage on a commercial airline;
2. We do not insure for loss either consisting of, or caused by, one or more of the following:
 - a. Errors and omissions in programming. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
 - b. Faulty, inadequate, unsound or defective design, specifications, workmanship, or repair. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
 - c. Wear, tear, marring, scratching, rust, corrosion or deterioration. However, we do insure for any resulting loss unless the resulting loss itself is excluded;
 - d. Property that is missing, where the only evidence of the loss is a shortage disclosed on taking inventory, or other instances

where there is no physical evidence to show what happened to the property;

- e. Any dishonest or criminal act occurring at any time by you, any of your partners, employees, directors, or trustees;
 - f. Hidden or latent defect or any quality in property that causes it to damage or destroy itself. However, we do insure for any resulting loss unless the resulting loss itself is excluded; or
 - g. Obsolescence;
3. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. Fungi

Growth, proliferation, spread or presence of "fungi", including:

- (1) Any loss of use or delay in repairing or replacing covered property, including any associated cost or expense, due to interference at the location of the covered property or at the location of the repair or replacement of that property by "fungi";
- (2) Any remediation of "fungi", including the cost or expense to:
 - (a) Remove the "fungi" from covered property or to repair, restore or replace that property;
 - (b) Take apart and repair any property as needed to gain access to the "fungi";
 - (c) Contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the "fungi"; or

(d) Remove any property to protect it from the presence of or exposure to "fungi"; and

(3) The cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of "fungi", whether performed prior to, during, or after removal, repair, restoration or replacement of covered property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion or smoke.

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

d. War And Military Action

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

EXTENSIONS OF COVERAGE

1. Computer Programs And Electronic Data

- a. We will pay for accidental direct loss to:
 - (1) The following types of "computer programs" and "electronic data" that you own, license from others, lease from others, or rent from others:
 - (a) "Computer programs" used in your business operations; or
 - (b) The "electronic data" that exists in "computer" memory or on "computer" storage media, used in your business operations.
 - (2) That portion of your customers' "electronic data" that is supplied to you for

processing or other use in your business operations. Coverage for customers' "electronic data" is limited to the specific data file(s) containing the information you are processing or using in your business operations.

We do not cover any property you lease to others, rent to others or license to others. We do not cover "computer equipment" or removable data storage media under this Extension Of Coverage. This coverage extension is included in the Limit Of Insurance shown on the Schedule Page.

Loss does not include any consequential loss except as may be provided in the optional Loss Of Income And Extra Expense coverage.

b. All items under the EXCLUSIONS section of this form apply to this Extension Of Coverage except:

- (1) Item a. in Paragraph 2. does not apply to:
 - (a) "Computer programs" other than the program in which the error or omission in programming occurs; and
 - (b) "Electronic data"; covered under this extension;
- (2) Item b. in Paragraph 2. does not apply to "electronic data" covered under this extension; and
- (3) Items c. and d. in Paragraph 2. do not apply to "computer programs" and "electronic data" covered under this extension.

c. We do not provide coverage for loss to, or loss of value resulting from infringement of, your intellectual property rights.

2. Fire Protection Devices

We will cover your expense, for up to \$25,000, to recharge or refill any fire protection devices which have been discharged to protect the covered property.

The amount we pay under this Extension Of Coverage is an additional amount of insurance and is not subject to a deductible.

3. Debris Removal

We will cover your expense to remove the debris of covered property, caused by Covered Cause Of Loss.



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The amount we pay under this Extension Of Coverage will not increase the applicable Limit Of Insurance.

SPECIAL CONDITIONS

1. Valuation

We agree all losses to:

- a. "Computer equipment" will be determined based on the cost to repair or replace with that of similar performance, capacity or function.
- b. Removable data storage media will be determined based on the cost to repair or replace that media with blank media of similar performance, capacity or function.
- c. "Computer programs":
 - (1) That are commercial off-the-shelf will be determined based on the cost to repair or replace with that of similar performance, capacity or function; or
 - (2) That are not commercial off-the-shelf will be determined based on the cost of reproducing the programs if they are reproduced. If not reproduced, loss will be determined based on the cost of blank, readily available, removable data storage media, such as blank discs, with suitable capacity to store the programs.
- d. "Electronic data" will be determined based on the cost of reproducing the data, if it is reproduced. If not reproduced, loss will be determined based on the cost of blank, readily available, removable data storage media, such as blank discs, with suitable capacity to store the data.

2. One Loss

If an initial loss causes other losses, all will be considered one loss. All losses that are the result of the same event will be considered one loss.

OPTIONAL COVERAGE – LOSS OF INCOME AND EXTRA EXPENSE

1. If a limit is shown on the Inland Marine Schedule Page for Loss Of Income And Extra Expense, coverage under this form is provided, subject to that limit, for the following:
 - a. The actual "Loss Of Income" you sustain due to the necessary "suspension" of your operations during the "period of restoration". The "suspension" must be caused by damage or destruction to property covered

under this form, by a Covered Cause Of Loss; and

- b. Any necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no damage or destruction to property covered under this form, by a Covered Cause Of Loss.

We will only pay for "Loss Of Income" or "extra expense" that you sustain during the "period of restoration" that occurs within 12 consecutive months after the date of loss. We will only pay for "ordinary payroll expenses" for 90 days following the date of loss.

2. We will not pay for:

- a. Any "extra expense" or increase of "Loss Of Income" caused by suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your operations, we will cover such loss that affects your "Loss Of Income" during the "period of restoration";
- b. Any "extra expense" caused by suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration";
- c. Any other consequential loss; or
- d. Loss caused by seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

DEFINITIONS

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.

2. "Computer equipment" means "computers", "computer" cables and wiring not attached to or forming a part of a building, and equipment manuals. "Computer equipment" does not mean other types of devices with internal computing capability, such as intelligent devices that contain an embedded chip or some other form of logic circuitry, or the computing components in those devices.

3. "Computer programs" means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
4. "Electronic data" means information, facts or "computer programs" stored as or on, created or used on, or transmitted to or from "computer" software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of "computer" software which are used with electronically controlled equipment.
5. "Extra expense" means expense incurred:
- To avoid or minimize the "suspension" of business and to continue operations.
 - To minimize the "suspension" of business if you cannot continue operations.
 - To repair or replace any property to the extent it reduces the amount of loss that would otherwise have been payable under this coverage or "Loss Of Income" coverage.
6. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungus.
7. "Loss Of Income" means the sum of the amounts as described in a. and b. below:
- Net income (net profit or loss before income taxes) that would have been earned or incurred if no accidental direct loss had occurred, including:
 - "Rental value";
 - "Maintenance fees", if you are a condominium association or other similar community association;
 - Total receipts and contributions (less operating expenses) normally received during the period of disruption of operations; and
 - Tuition and fees from students, including fees from room, board, laboratories and other similar sources.
 - Continuing normal operating expenses incurred, including "ordinary payroll expenses".

Net income does not include any net income 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.

8. "Maintenance fees" means the regular payment made to you by unit-owners and used to service the common property.
9. "Ordinary payroll expenses":
- Mean payroll expenses for all your employees except:
 - Officers;
 - Executives;
 - Department Managers; and
 - Employees under contract;
 - Include:
 - Payroll;
 - Employee benefits, if directly related to payroll;
 - FICA payments you pay;
 - Union dues you pay; and
 - Workers' compensation premiums.
10. "Period of restoration" means the period of time that:
- Begins immediately after the time of loss to property covered by this form; and
 - Ends on the date when the property covered by this form should be repaired, rebuilt, restored or replaced with reasonable speed and similar quality.
- The expiration date of this policy will not cut short the "period of restoration".
11. "Rental value" means:
- The total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;
 - The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
 - The fair rental value of any portion of the described premises which is occupied by you.
12. "Suspension" means the partial slowdown or complete cessation of your business activities.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CMP-4705.2 LOSS OF INCOME AND EXTRA EXPENSE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverage provided by this endorsement is subject to the provisions of **SECTION I — PROPERTY**, except as provided below.

COVERAGES

1. Loss Of Income

- a. We will pay for the actual "Loss Of Income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by accidental direct physical loss to property at the described premises. The loss must be caused by a Covered Cause Of Loss. With respect to loss to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, then the described premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area is the only such area that:
 - (a) Services; or
 - (b) Is used to gain access to; the described premises.

- b. We will only pay for "Loss Of Income" that you sustain during the "period of restoration" that occurs after the date of accidental direct physical loss and within the number of consecutive months for Loss Of Income And Extra Expense shown in the Declarations. We will only pay for "ordinary payroll expenses" for 90 days following the date of accidental direct physical loss.

2. Extra Expense

- a. We will pay necessary "Extra Expense" you incur during the "period of restoration" that you would not have incurred if there had been no accidental direct physical loss to property at the described premises. The loss must be caused by a Covered Cause Of Loss. With respect to loss to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, then the described premises means:

- (1) The portion of the building which you rent, lease or occupy; and
- (2) Any area within the building or on the site at which the described premises are located, if that area is the only such area that:
 - (a) Services; or
 - (b) Is used to gain access to; the described premises.

- b. We will only pay for "Extra Expense" that occurs after the date of accidental direct physical loss and within the number of consecutive months for Loss Of Income And Extra Expense shown in the Declarations.

3. Extended Loss Of Income

- a. If the necessary "suspension" of your "operations" produces a "Loss Of Income" payable under this policy, we will pay for the actual "Loss Of Income" you incur during the period that:
- (1) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and "operations" are resumed; and

(2) Ends on the earlier of:

- (a) The date you could restore your "operations", with reasonable speed, to the level which would generate the Net Income amount that would have existed if no accidental direct physical loss had occurred; or
- (b) 60 consecutive days after the date determined in Paragraph a.(1) above.

However, Extended Loss Of Income does not apply to "Loss Of Income" 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.

- b. "Loss Of Income" must be caused by accidental direct physical loss at the described premises caused by any Covered Cause Of Loss.

4. Civil Authority

- a. When a Covered Cause Of Loss causes damage to property other than property at the described premises, we will pay for the actual "Loss Of Income" you sustain and necessary "Extra Expense" caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause Of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

- b. Civil Authority coverage for "Loss Of Income" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

- c. Civil Authority coverage for necessary "Extra Expense" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority coverage for "Loss Of Income" ends;
- whichever is later.

EXTENSIONS OF COVERAGE

1. Newly Acquired Property

- a. You may extend the insurance provided by this endorsement to apply to newly acquired or constructed property covered as described in Paragraph 12. of SECTION I — EXTENSIONS OF COVERAGE of your policy.
- b. The most we will pay in any one occurrence under this coverage for "Loss Of Income" and necessary "Extra Expense" is the actual loss you sustain.

2. Interruption Of Web Site Operations

- a. You may extend the insurance provided by this endorsement to apply to the necessary interruption of your business. The interruption must be caused by an accidental direct physical loss to your Web Site Operations at the premises of a vendor acting as your service provider.

Such interruption must be caused by a Covered Cause Of Loss other than a loss covered under Equipment Breakdown Extension Of Coverage of your Business-owners Coverage Form.

(1) Coverage Time Period

We will only pay for loss you sustain during the seven-day period immediately following the first 12 hours after the Covered Cause Of Loss.

(2) Conditions

- (a) This coverage applies only if you have a back-up copy of your Web Site stored at a location other than the site of the Web Site vendor and to the extent "Loss Of Income" is permanently lost.
- (b) Notwithstanding any provision to the contrary, the coverage provided under this Interruption Of Web Site

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Operations Extension Of Coverage is primary to any LOSS OF INCOME AND EXTRA EXPENSE coverage provided by the Inland Marine Computer Property Form.

- b. The most we will pay in any one occurrence under this coverage is \$10,000.
3. **Off Premises - Loss Of Income**
- a. You may extend the insurance provided by this endorsement to apply to the necessary "suspension" of your business. The "suspension" must be caused by an accidental direct physical loss to Covered Property while it is in the course of transit or at another premises.

If the Covered Property is located at another premises you own, lease, operate, or regularly use, the insurance provided under this extension applies only if the loss occurs within 90 days after the property is first moved.

We will only pay for loss you sustain during the period beginning immediately after the time of accidental direct physical loss caused by any Covered Cause Of Loss and ending when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- b. The most we will pay in any one occurrence under this coverage is \$20,000.

EXCLUSIONS

We will not pay for:

- Any "Extra Expense", or increase of "Loss Of Income", caused by:
 - Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers, picketers, or any others charged with rebuilding, repairing, or replacing property; or
 - Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of your "operations", we will cover such loss that affects your "Loss Of Income" during the "period of restoration".
- Any other consequential loss.

CONDITION

Resumption Of Operations

We will reduce the amount of your:

- "Loss Of Income", other than "Extra Expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- "Extra Expense" loss to the extent you can return "operations" to normal and discontinue such "Extra Expense".

DEDUCTIBLE

No deductible applies to the coverage provisions provided in this "Loss Of Income" endorsement.

However, for any loss covered under Paragraph 22.b.(4) of the Equipment Breakdown Extension Of Coverage of your policy, the Special Deductible for Equipment Breakdown will apply to this "Loss Of Income".

DEFINITIONS

- "Extra Expense" means expense incurred:
 - To avoid or minimize the "suspension" of business and to continue "operations":
 - At the described premises; or
 - At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations;
 - To minimize the "suspension" of business if you cannot continue "operations"; or
 - To:
 - Repair or replace any property; or
 - Research, replace or restore the lost information on damaged "valuable papers and records"

to the extent it reduces the amount of loss that otherwise would have been payable under this coverage or "Loss Of Income" coverage.

- "Loss Of Income" means the sum of the amounts as described in a. and b. below:
 - Net Income (net profit or loss before income taxes) that would have been earned or incurred if no accidental direct physical loss had occurred, including:
 - "Rental value";

- (2) "Maintenance fees", if you are a condominium association or other similar community association;
- (3) Total receipts and contributions (less operating expenses) normally received during the period of disruption of operations; and
- (4) Tuition and fees from students, including fees from room, board, laboratories and other similar sources.

Net Income does not include any Net Income 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.

- b. Continuing normal operating expenses incurred, including "ordinary payroll expenses".
3. "Maintenance fees" means the regular payment made to you by unit-owners and used to service the common property.
4. "Operations" means your business activities occurring at the described premises.
5. "Ordinary payroll expenses":
- a. Mean payroll expenses for all your employees except:
- (1) Officers;
 - (2) Executives;
 - (3) Department Managers; and
 - (4) Employees under contract.
- b. Include:
- (1) Payroll;
 - (2) Employee benefits, if directly related to payroll;
 - (3) FICA payments you pay;
 - (4) Union dues you pay; and
 - (5) Workers' compensation premiums.
6. "Period of restoration":
- a. Means the period of time that:

- (1) Begins immediately after the time of accidental direct physical loss caused by any Covered Cause Of Loss at the described premises; and
- (2) Ends on the earlier of:

- (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b) The date when business is resumed at a new permanent location.

- b. Does not include any increased period required due to the enforcement of any ordinance or law that:

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

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

7. "Rental value" means:
- a. The total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you;
- b. The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- c. The fair rental value of any portion of the described premises which is occupied by you.
8. "Suspension" means:
- a. The partial slowdown or complete cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for "Loss Of Income" applies.

All other policy provisions apply.

FE-8739 INLAND MARINE CONDITIONS

Coverage in the Inland Marine Form is primary to any coverage provided in the policy this Form is attached to, for the same property.

The following Conditions also apply:

1. **Agreement.** We agree to provide the insurance described in this policy. You agree to pay premiums when due and comply with the provisions of this policy.
2. **Definitions.** Throughout this policy, the words "you" and "your" refer to the Named Insured and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.
3. **Valuation.** The value of covered property will be determined based on the provisions in the applicable coverage form attached.
4. **Loss Payment.** In the event of loss covered by this policy:
 - a. We will give notice, within 30 days after we receive the sworn statement of loss, of our intent to settle the loss according to one of the following methods:
 - (1) Pay the value of lost or damaged property as determined in the Valuation Condition shown in the applicable coverage form;
 - (2) Pay the cost of replacing or repairing the lost or damaged property, plus any reduction in value of repaired items;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality;
 - b. We will not pay you more than your financial interest in the covered property;
 - c. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the covered property;
 - d. We may elect to defend you, at our expense, against suits arising from claims of owners of property;
- e. We will pay for covered loss within 30 days after we receive the sworn statement of loss, if:
 - (1) You have complied with all of the terms of this policy; and
 - (2) We have reached agreement with you on the amount of loss or an appraisal award has been made.
5. **Duties in the Event of Loss.** You must see that the following are done in the event of loss to covered property:
 - a. Notify the police if a law may have been broken;
 - b. Give us prompt notice of the loss. Include a description of the lost or damaged property in the notice;
 - c. As soon as possible, give us a description of how, when and where the loss occurred;
 - d. Take all reasonable steps to protect the covered property from further damage by an insured loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your emergency and temporary repair expenses for consideration in the settlement of the claim. This will not increase the limit of insurance;
 - e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed;
 - f. Permit us to inspect the property and records proving the loss;
 - g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed;
 - h. Send us a signed, sworn statement of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms;
 - i. Cooperate with us in the investigation or settlement of the claim;

- J. Resume all or part of your business activities at the described premises as quickly as possible.**
- 6. Appraisal.** If you and we disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. Each party will notify the other of the selected appraiser's identity within 20 days after receipt of the written demand for an appraisal. The two appraisers will select an umpire. If the appraisers cannot agree upon an umpire within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
- Pay its chosen appraiser; and
 - Bear the other expenses of the appraisal and umpire equally.
- If we submit to an appraisal, we will still retain our right to deny the claim.
- 7. Abandonment.** There can be no abandonment of any property to us.
- 8. Legal Action Against Us.** No one may bring legal action against us under this insurance unless:
- There has been full compliance with all of the terms of this insurance; and
 - The action is brought within two years after the date on which the accidental direct physical loss occurred. But if the law of the state in which this policy is issued allows more than two years to bring legal action against us, that longer period of time will apply.
- 9. Recovered Property.** If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property subject to the limit of insurance.
- 10. No Benefit to Bailee.** No person or organization, other than you, having custody of covered property will benefit from this insurance.

11. Knowledge or Control. We will not pay for loss while the chance of loss is increased by any means within your knowledge or control.

12. Policy Period, Coverage Territory. We cover loss commencing during the policy period and within or between the coverage territory. The coverage territory is the United States of America (including its territories and possessions), Puerto Rico and Canada.

13. Changes

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

b. We may change the Named Insured's policy address as shown in the Declarations and in our records to the most recent address provided to us by:

- (1) You; or
- (2) The United States Postal Service.

14. Concealment, Misrepresentation or Fraud. This policy is void in any case of fraud by you as it relates to the policy at any time. It is also void if you or any other insured intentionally conceal or misrepresent a material fact concerning:

- This policy;
- The covered property;
- Your interest in the covered property; or
- A claim under this policy.

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

16. Inspections and Surveys

- a.** We have the right to:
- (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.

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

- (1) Are safe and healthful; or
- (2) Comply with laws, regulations, codes or standards.

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

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

18. Other Insurance. If loss covered by this policy is also covered by other insurance written in your name, we will not pay for a greater proportion of the covered loss than this policy's Limit of Insurance bears to the total amount of insurance covering such loss.

19. Premiums

a. The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

c. You may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- (1) Paid to us prior to the anniversary date; and
- (2) Determined in accordance with Paragraph b. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

d. Undeclared exposures, acquisition, or change in your business operation may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

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

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

21. Transfer of Your Rights and Duties Under This Policy. Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

22. Conformity to State Law. When a provision of this policy is in conflict with the applicable law of the state in which this policy is issued, the law of the state will apply.