

INSURED

This section is for policy:	09422-03-50
Assembled-on Date:	02/14/19
Assembled-on Time:	00:58:15
Full Policy Number:	0942203500019
Transaction Number:	002
Operator id:	R8114

**TRANSACTION:
ENDORSEMENT**



PO BOX 2527 ,
Grand Rapids, MI . 49501-2527

PRODUCER#: 09 30 22 531
JOHN FARRAR
1000 TOWN CENTER #100
OXNARD CA 93036

AGTADDXP

PRODUCER#: 09 30 22 531
JOHN FARRAR
1000 TOWN CENTER #100
OXNARD CA 93036



PO BOX 2527
Grand Rapids, MI, 49501-2527



JOHN FARRAR
1000 TOWN CENTER #100
OXNARD CA 93036
PRODUCER#: 09 30 22 531

CASA DEL MAR HOA
PO BOX 34
SAN SIMEON CA 93452-0034

CASA DEL MAR HOA
PO BOX 34
SAN SIMON

CA 93452-0034



JOHN FARRAR
1000 TOWN CENTER #100
OXNARD
CA 93036



Dear Farmers® Customer,

Thank you for choosing Farmers for your Business Insurance needs.

In today's business environment, we understand that your business needs may change during the year. For example, you may acquire new equipment, adjust your staffing, add a new location, create electronic ordering and/or billing for your customers or begin offering new services.

These changes may require updated insurance coverage for your business.

Farmers and its agents want to help make you smarter about your insurance. To do that, we offer special services at no additional cost to you to help you ensure your business has the coverage it needs.

For example:

- Your agent will be happy to schedule a Farmers Friendly Review® with you. During this review, your agent can talk to you about available insurance discounts, potential coverage gaps, and new products that may be available to you. In addition, if there have been changes in your business since your last policy review, your premium may be eligible for additional pricing consideration.
- MysafetyPoint.com makes safety and loss control information available that may help you avoid workplace injuries and other losses.

To access this information, log onto www.mysafetypoint.com, then register with your policy number and email address to find safety and loss control information that is specific to your type of business.

ENCLOSED YOU WILL FIND YOUR POLICY DOCUMENTS. PLEASE REVIEW YOUR COVERAGES TO ENSURE THEY MEET YOUR NEEDS.

If you have any questions, please contact your Farmers agent.

John Farrar

Email: jfarrar@farmersagent.com

805-604-9804

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

E4277
1st Edition

Policy Number: 09422-03-50

POLICY CHANGES

Effective Date of Change: 02/01/19

Expiration Date: 02/01/20

Change Endorsement No.: 002

Agent: 30-22-531

Named Insured: CASA DEL MAR HOA
PO BOX 34
SAN SIMEON CA 93452-0034

The following item(s):

	Insured's Name		Insured's Mailing Address
	Policy Number		Company
	Effective / Expiration Date		Insured's Legal Status / Business of Insured
	Payment Plan		Premium Determination
	Additional Interested Parties		Coverage Forms and Endorsements
	Limits / Exposures		Deductibles
	Covered Property / Location Description		Classification / Class Codes
	Rates		Underlying Insurance

is (are) changed to read {See Additional Page(s)}:

The above amendments result in a change in the premium as follows:

X	No Changes	To Be Adjusted At Audit	Additional Premium	Return Premium
			\$	\$
Authorized Representative Signature:				



Policy Changes Endorsement Description

REORDER POLICY

**Removal
Permit**

If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change: after that, this insurance does not apply at the previous location.



Farmers Insurance Group of Companies® Privacy Notice

In the course of our business relationship with you, we collect information about you that is necessary to provide you with our products and services. We treat this information as confidential and recognize the importance of protecting it. We value your confidence in us.

You trust us with an important part of your financial life. We are proud of our privacy policies and procedures and encourage you to review them carefully.

This notice from the member companies of the Farmers Insurance Group of Companies listed on the back of this notice* describes our privacy practices regarding information about our customers and former customers that obtain financial products or services from us for personal, family or household purposes.** When state law is more protective of individuals than federal privacy law, we will protect information in accordance with state law consistent with the requirements of federal preemption.

Information We Collect

We collect and maintain information about you to provide you with the coverage, product or service you request and to service your account.

We collect certain information ("nonpublic personal information") about you and the members of your household ("you") from the following sources:

- Information we receive on applications or other forms, such as social security number, assets, income and property information;
- Information about your transactions with us, our affiliates or others, such as your policy coverage, premiums and payment history;
- Information we receive from a consumer reporting agency or insurance support organization, such as motor vehicle records, credit report information and claims history; and
- If you obtain a life, long-term care or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations regarding your health.

How we protect your information

At Farmers, our customers are our most valued assets. Protecting your privacy is important to us. We restrict access to personal information about you to those individuals, such as our employees and agents, who provide you with our products and services. We require those individuals to whom we permit access to your customer information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information.

We do not disclose any nonpublic personal information about you, as our customer or former customer, except as described in this notice.

Information we disclose

We may disclose the nonpublic personal information we collect about you, as described above, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and to other third parties, all as permitted by law.

Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will abide by the privacy restrictions imposed by that organization.

We are permitted to disclose personal health information (1) to process your transaction with us, for instance, to determine eligibility for coverage, to process claims or to prevent fraud; (2) with your written authorization, and (3) otherwise as permitted by law.

Sharing information with affiliates

The Farmers family encompasses various affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described under Information we collect, to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers; and
- Non-financial service providers, such as management companies, attorneys-in-fact and billing companies.

We are permitted by law to share with our affiliates information about our transactions and experiences with you.

In addition, we may share with our affiliates consumer report information, such as information from credit reports and certain application information, that we have received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

Your choice

If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to respond to us in any way.

If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may by calling toll free, 1-877-411-4249, (please have all of your policy numbers available). We will implement your request within a reasonable time after hearing from you.

Modifications to our privacy policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with nonaffiliated third parties. Before we do that, we will provide you with a revised privacy notice and give you the opportunity to opt-out of that type of information sharing.

Website

Our website privacy notices, such as the one located at <http://www.farmers.com/disclaimer/privacy-policy> and <http://cp.foremost.com/general/privacy-policy.htm>, contain additional information particular to website use. Please pay careful attention to those notices if you transmit personal information to Farmers over the Internet.

Recipients of this notice

We are providing this notice to the named policyholder at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder on that policy will receive this notice, though any policyholder may request a copy of this notice. You may receive more than one copy of this notice if you have more than one policy with Farmers. You also may receive notices from affiliates, other than those listed below. Please read those notices carefully to determine your rights with respect to those affiliates' privacy practices.

Signed:

Farmers Insurance Exchange, Foremost Insurance Company Grand Rapids, Michigan**, Foremost Signature Insurance Company**, Foremost Property and Casualty Insurance Company **, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.); Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc.; Farmers New Century Insurance Company, Farmers Group, Inc.; Farmers Reinsurance Company, Farmers Services Insurance Agency, Farmers Services Corporation, Farmers Texas County Mutual Insurance Company, Farmers Underwriters Association, Farmers Value Added, Inc.; Farmers Financial Solutions, LLC member FINRA & SIPC***; FFS Holding, LLC; Farmers Services, LLC; ZFUS Services, LLC; FIG Holding Company, FIG Leasing Co., Inc.; Fire Underwriters Association, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Farmers New World Life Insurance Company, Truck Underwriters Association, Civic Property and Casualty Company, Exact Property and Casualty Company and Neighborhood Spirit Property and Casualty Company.

*The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the Farmers Insurance Group of Companies.

**This notice does not apply to personal insurance policies issued by Foremost Insurance Company Grand Rapids, Michigan, Foremost Signature Insurance Company and Foremost Property and Casualty Insurance Company, but only to commercial insurance policies issued by these companies for business purposes. If you have obtained an insurance policy from these companies for personal, family or household purposes, you should refer to the privacy notice that you received with that policy.

***You may obtain more information about the Securities Investor Protection Corporation (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at www.sipc.org. For information about FINRA and Broker Check you may call the FINRA Broker Check hotline at (800) 289-9999 or access the FINRA website



COMMON POLICY DECLARATIONS

Named Insured CASA DEL MAR HOA

Mailing Address PO BOX 34
 SAN SIMEON, CA 93452-0034

F003051007-001-00001	
Account No.	Prod. Count
30-22-531	09422-03-50
Agent No.	Policy Number

Form of Business

Individual
 Joint Venture
 Limited Liability Co.
 Corporation
 Partnership
 Other Organization

Business Description:
 Condominium

Policy Period From 02-01-2019 (not prior to time applied for)
 To 02-01-2020 12:01 A.M. Standard time at your mailing address shown above.

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

This policy consists of the following coverage parts listed below and for which a premium is indicated. This premium may be subject to change.

Coverage Parts	Premium After Discount And Modification
Condominiums Owners Policy	\$10,484.00
Directors And Officers Liability	\$949.00
Cyber Liability And Data Breach Expense Coverage	\$35.00
Total (See Additional Fee Information Below)	\$11,468.00

Policy Number: 09422-03-50

Effective Date: 02-01-2019

Forms Applicable To 25-9230ED3

Reminder-Review Your Coverages

All Coverage Parts: E0002-ED1

Blank Manuscript Endorsement-Long

E4277-ED1

Policy Changes

Your Agent

John Farrar
1000 Town Center #100
Oxnard, CA 93036
(805) 604-9804

Countersigned (Date)

By Authorized Representative

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

- A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, for accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey And West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

- A **returned payment fee** applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. **NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.**

State	NSF Fee
All States Except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia And West Virginia	\$30.00
North Dakota And Oklahoma	\$25.00
Nebraska And Indiana	\$20.00
Florida And West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey And Virginia	Not applicable

- A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All States Except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, Virginia, South Carolina And West Virginia	\$20.00
Nebraska, Rhode Island And South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia And West Virginia	Not applicable

The following applies on a per-policy basis.

- A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

Dear Valued Customer:

THIS POLICY DOES NOT PROVIDE WORKERS' COMPENSATION COVERAGE FOR JOB RELATED INJURIES TO YOUR EMPLOYEES.

State law may require such coverage. Be sure you are in compliance with the state law.

FARMERS INSURANCE GROUP OF COMPANIES



Dear Valued Customer:

In compliance with California law, we are providing you with the address of the California Department of Insurance. However, we hope that any problem or question you may have can be solved by contacting your Agent or the Commercial/Service Center servicing your policy. The Commercial/Service Center addresses and phone numbers are listed below for your convenience.

California Insurance Department
Consumer Service Division
300 South Spring Street
Los Angeles, CA 90013
Telephone: (800) 927-HELP (4357) Outside California
or
(213) 897-8921 Inside of California

Section 510 of Chapter 5.3 of the California Insurance Code states that the Department of Insurance should be contacted only after the contacts between the complainant and the insurer or its agent or other representative have failed to produce a satisfactory solution to the problem.

Commercial Centers/Service Centers

Northern California
Service Center
4460 Rosewood Drive Suite 6210
Pleasanton, CA 94588
(877) 411-4249

Los Angeles
Service Center
6303 Owensmouth Avenue
Woodland Hills, CA 91367
(877) 411-4249



ENDORSEMENT

Effective
Date 02/01/19

09422-03-50
Policy Number
of the Company designated
in the Declarations

COMPLETE LOCATION ADDRESS:
501-559 CASA DEL MAR DR
SAN SIMEON, CA 93452

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Countersigned _____
Authorized Representative



**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL
OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

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

Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability

This insurance does not apply to damages, including but not limited to, "bodily injury" or "property damage" arising out of:

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

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

As used in this exclusion, electronic data means information, facts, recordings, images 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.

B. The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of the **Businessowners Coverage Form** and **Businessowners Liability Coverage** form and to Paragraph **B.1.q. Personal And Advertising Injury** Exclusion of the **Apartment Owners Liability Coverage Form** and **Condominium Liability Coverage Form**:

Personal And Advertising Injury

This insurance does not apply to damages, including but not limited to, "personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



POLICY DECLARATIONS - CONDO/TOWNHOME PREMIER POLICY

Named Insured CASA DEL MAR HOA

Mailing Address PO BOX 34
SAN SIMEON, CA 93452-0034

Policy Number 09422-03-50

Auditable

Policy Period From 02-01-2019
To 02-01-2020 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

The following premium credits and discounts applied to the premium associated with this coverage part:

Favorable Loss Experience Discount

There may be other credits and discounts you may be able to enjoy, please contact your agent for full details.

Your Agent

John Farrar
1000 Town Center #100
Oxnard, CA 93036
(805) 604-9804

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS

The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.

Option: BV - Blanket Value (see Base Coverage & Extensions for the total limit)
Valuation: ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost;
 ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC
Abbreviation: ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense

Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address
001	All	528 Casa Del Mar Dr (see E0002) San Simeon, CA 93452-9735	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Building		ERC	\$7,386,400	\$5,000
Accounts Receivables - On-Premises			\$5,000	\$5,000
Building - Automatic Increase Amount			8%	
Building Ordinance Or Law - 1 (Undamaged Part)			Included	None
Building Ordinance Or Law - 2 (Demolition Cost)			\$335,000	None
Building Ordinance Or Law - 3 (Increased Cost)			\$334,700	None
Building Ordinance Or Law - Increased Period of Restoration			Included	None
Debris Removal			25% Of Loss + 10,000	
Electronic Data Processing Equipment			\$10,000	\$5,000
Equipment Breakdown			Included	\$5,000
Equipment Breakdown - Ammonia Contamination			\$25,000	
Equipment Breakdown - Drying Out Coverage			Included	
Equipment Breakdown - Expediting Expenses			Included	
Equipment Breakdown - Hazardous Substances			\$25,000	
Equipment Breakdown - Water Damage			\$25,000	
Exterior Building Glass			Included	\$5,000
Outdoor Property			\$50,000	\$5,000
Outdoor Property - Trees, Shrubs & Plants (Per Item)			\$25,000	\$5,000
Personal Effects			\$2,500	\$5,000
Specified Property			\$10,000	\$5,000
Valuable Paper And Records - On-Premises			\$5,000	\$5,000

PROPERTY, INLAND MARINE AND CRIME COVERAGE AND LIMITS OF INSURANCE

The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the individual location (premises) section for coverages and limits specific to such location (premises).

Base Coverage And Extensions	Limit of Insurance	Deductible/ Waiting Period
Accounts Receivables - Off-Premises	\$2,500	\$5,000
Association Fees And Extra Expense	\$100,000	
Back Up Of Sewers Or Drains	\$500,000	\$5,000
Crime Conviction Reward	\$5,000	None
Employee Dishonesty	\$175,000	\$500
Computer Fraud And Funds Transfer Fraud	\$175,000	\$500
Fire Department Service Charge	\$25,000	None
Fire Extinguisher Systems Recharge Expense	\$5,000	None
Forgery And Alteration	\$2,500	\$5,000
Limited Biohazardous Substance Coverage - Per Occurrence	\$10,000	\$5,000
Limited Biohazardous Substance Coverage - Aggregate	\$20,000	\$5,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	\$15,000	\$5,000
Master Key	\$10,000	None
Master Key - Per Lock	\$100	None
Money And Securities - Inside Premises	\$10,000	\$500
Money And Securities - Outside Premises	\$10,000	\$500
Money Orders And Counterfeit Paper Currency	\$1,000	\$5,000
Newly Acquired Or Constructed Property	\$250,000	\$5,000
Outdoor Signs	\$50,000	\$500
Outdoor Signs - Per Sign	\$25,000	\$500
Personal Property At Newly Acquired Premises	\$100,000	\$5,000
Personal Property Off Premises	\$5,000	\$5,000
Premises Boundary	100 Feet	
Preservation Of Property	30 Days	
Unit Owners - Included With Building	Included	\$5,000
Valuable Paper And Records - Off-Premises	\$2,500	\$5,000

**LIABILITY AND MEDICAL EXPENSES
COVERAGE AND LIMITS OF INSURANCE**

Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.

Premium Basis: (A) Area; (C) Total Cost; (P) Payroll; (S) Sales/Receipts; (U) Each Unit
 (M) Public Area Square Feet
 (O) Other:

Covered Premises And Operations

Address	Classification /Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
528 Casa Del Mar Dr (see E0002) San Simeon, CA 93452-9735	Condominiums / Townhomes	8641	Incl	Included	Included	Included

LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED	
Coverage	Amount / Date
General Aggregate (Other Than Products & Completed Operations)	\$2,000,000
Products And Completed Operations Aggregate	\$1,000,000
Personal And Advertising Injury	Included
Each Occurrence	\$1,000,000
Tenants Liability (Each Occurrence)	\$75,000
Medical Expense (Each Person)	\$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Directors & Officers Liability - Per Claim	\$2,000,000
Directors & Officers Liability - Aggregate	\$2,000,000
Directors & Officers Liability - Self Insured Retention	\$500
Directors & Officers Liability Retroactive Date	02/01/2007
Hired Auto Liability	\$1,000,000
Non-Owned Auto Liability	\$1,000,000

Policy Forms And Endorsements Attached At Inception

Number	Title
25-2110	Work Comp Exclusion
25-2984ED2	Calif Dept Of Ins
25-9200	Farmers Privacy Notice
56-6191	Cyber Liability & Data Breach Dec
E0104-ED1	Business Liab Cov-Tenants Liab
E0119-ED5	Backup Of Sewer Or Drain Covg
E0139-ED1	Excl Of Cert/Other Acts Of Terr-Fire/Lia
E0147-ED1	War Liability Exclusion
E3037-ED1	No Covg-Certain Computer Related Losses
E3418-ED2	Condo Assoc Unit Covg End
E4009-ED4	Mold & Microorganism Exclusion
E6288-ED3	Excl-Building Conversions
E9122-ED6	D & O Liab Covg Form
J6316-ED2	Excl Of Loss Due To Virus
J6347-ED1	Excl-Violation Of Statutes
J6350-ED1	Employee Dishonesty-Property Mgr
J6353-ED1	Change To Limits Of Insurance
J6612-ED2	Equipment Breakdown Coverage End
J6739-ED1	Two Or More Coverage Forms
J6829-ED1	Ltd Covg For Fungi, Wet/Dry Rot
J6849-ED2	Deductible Provisions
J6857-ED1	Amendment Of D&o Liab Covg
J7110-ED1	Exclusion Confidential Info
J7114-ED1	Asbestos & Silica Exclusion End
J7122-ED1	Loss Pay Cond-Proft Ovrhd Inc Fees
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Excl-Expanded Except
J7139-ED1	Bus Inc And Extr Exp-Prt Slwdwn Cov
J7144-ED1	Pers And Advert Injury Cov
J7158-ED1	Damage To Property Excl-Revised
J7180-ED1	Computer Fraud & Funds Transfer Fraud
J7183-ED1	Limit Of Coverage To Designated Premises
S9939-ED2	Hired & Non-Owned Auto Liab
S9943-ED3	California Changes
S9948-ED2	Condominium Premier Package End



Farmers Insurance Exchange (A Reciprocal Insurer)
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

DECLARATIONS CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE

THIS COVERAGE INCLUDES CLAIMS MADE AND REPORTED COVERAGES. SUBJECT TO ITS TERMS, THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, DURING THE OPTIONAL EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THE COVERAGE FORM CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Named Insured CASA DEL MAR HOA

Policy Number 09422-03-50

Mailing Address PO BOX 34
SAN SIMEON, CA 93452-0034

Policy Period From: 02-01-2019
To: 02-01-2020 12:01 A.M. Standard time at your mailing address shown above.

Retroactive Date: 02/01/2013

Continuity Date: 02/01/2013

Optional Extension Period:

Length of optional extension period: _____

If no time period is stated, optional extension period coverage is not provided.

Cyber Extortion Hot Line: 1-800-435-7764

Coverage	Limit Of Insurance	Retention/Waiting Period
Aggregate Limit of Liability	\$50,000	
Insuring Agreement A - Information Security & Privacy Liability	\$50,000	\$2,500
Insuring Agreement B - Privacy Breach Response Services	\$50,000/ 5,000 Notified Individuals	\$2,500/ 100 Notified Individuals
Insuring Agreement C - Regulatory Defense & Penalties	\$50,000	\$2,500
Insuring Agreement D - Website Media Content Liability	\$50,000	\$2,500
Insuring Agreement E - PCI Fines, Expenses And Costs	\$10,000	\$2,500
Insuring Agreement F - Cyber Extortion	\$50,000	\$2,500
Insuring Agreement G - First Party Data Protection	\$50,000	\$2,500
Insuring Agreement H - First Party Network Business Interruption Income Loss/Extra Expense Waiting Period	\$50,000	\$2,500 12 hours

Policy Forms And Endorsements Attached At Inception

Number	Title
J7155-ED1 W1193-ED1	Cyber Liability Coverage Form Cyber Liab - CA Amendatory Endor



CALIFORNIA AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the:

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

A. Section **XVI. CANCELLATION** is deleted and replaced with the following:

XVI. CANCELLATION

- A.** The "named insured" may cancel this Coverage Form by surrender thereof to the Company, or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the "Policy Period". Delivery of such written notice shall be equivalent to mailing.
- B.** If this Coverage Form has been in effect for 60 days or less and is not a renewal, the Company may cancel this Coverage Form for any reason.
- C.** If this Coverage Form has been in effect for more than 60 days or is a renewal, the Company may only cancel this Coverage Form for any of the following reasons:
- 1.** nonpayment of premium;
 - 2.** a judgment by a court or an administrative tribunal that the "named insured" has violated any law of this State or of the United States having as one of its necessary elements an act which materially increases any of the risks insured against;
 - 3.** discovery of fraud or material misrepresentation by either the "insured" or his or her representative in obtaining the insurance or in pursuing a "claim" under the Coverage Form;
 - 4.** discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the "named insured" or his or her representative, which materially increase any of the risks insured against;
 - 5.** failure by the "named insured" or his or her representative to implement reasonable loss control requirements which were agreed to by the "insured" as a condition of Coverage Form issuance or which were conditions precedent to the use by the Company of a particular rate or rating plan, if the failure materially increases any of the risks insured against;
 - 6.** a determination by the Commissioner that the loss of, or changes in, a Company's reinsurance covering all or part of the risk would threaten the financial integrity or solvency of the Company;
 - 7.** a determination by the Commissioner that a continuation of the Coverage Form coverage would place the Company in violation of the laws of this State or the state of its domicile or that the continuation of coverage would threaten the solvency of the Company; or
 - 8.** change by the "named insured" or his or her representative in the activities or property of the commercial or industrial enterprise which results in a material added risk, a materially increased risk or a materially changed risk, unless the added, increased, or changed risk is included in this Coverage Form.

If the Company cancels this Coverage Form for any of the reasons set forth in **1.** or **3.** above, the Company shall mail or deliver written notice of cancellation to the "named insured" at the mailing address shown in the Declarations at least 10 days before the effective date of cancellation.

If the Company cancels this Coverage Form for any of the reasons set forth in **2.**, **4.**, **5.**, **6.**, **7.** or **8.** above, the Company shall mail or deliver written notice of cancellation to the "named insured" at the mailing address shown in the Declarations at least 30 days before the effective date of cancellation.

- D.** Notice of cancellation shall also be sent to the producer of record, if applicable, provided that the producer of record is not an employee of the Company. The notice of cancellation shall state the reason for cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the "Policy Period". Delivery of such written notice by the Company shall be equivalent to mailing.

If this Coverage Form is cancelled by the "named insured", the Company shall retain the pro rata portion of the premium hereon. If this Coverage Form is cancelled by the Company, the Company shall retain the pro rata portion of the premium hereon. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation.

- B.** Section **XVII. NONRENEWAL** is amended by the addition of the following:

If the Company decides not to renew this Coverage Form, or to condition renewal upon reduction of the Coverage Form's Limit of Liability, elimination of coverages, increase in retention(s), or increase of more than 25 percent (25%) in the rate upon which the premium is based, the Company shall mail or deliver written notice to the "named insured", at the mailing address shown in the Declarations, at least 60 days, but not more than 120 days, before the end of the "Policy Period". Notice of nonrenewal or conditional renewal shall also be sent to the producer of record, if applicable, provided that the producer of record is not an employee of the Company. The notice of nonrenewal shall state the reason for nonrenewal.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. SUBJECT TO ITS TERMS, THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. READ THIS COVERAGE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

Except as specifically set forth herein, the provisions of the policy to which this coverage form is attached shall not apply to this Coverage Form. Throughout this Coverage Form, the words "you" and "your" refer to the "named insured(s)" shown in the Declarations of this Coverage Form and any other person(s) or organization(s) qualifying as a "named insured" under this Coverage Form. The words "we", "us", and "our" refer to the company providing this insurance.

Any words or phrases that appear in "quotations" have special meaning applicable to this Coverage Form only. Refer to Section **XI. DEFINITIONS**.

Paragraphs **A.**, **C.**, **D.**, and **E.** of Section **I. INSURING AGREEMENTS** provide coverage on a claims made and reported basis and apply only to "claims" first made against the "insured" and reported to us during the policy period, the "automatic extension period", or the "optional extension period" (if applicable)

Paragraphs **B.**, **F.**, **G.**, and **H.** of Section **I. INSURING AGREEMENTS** provide first party coverage on an incident discovered and reported basis and apply only to incidents first discovered and reported to us during the policy period.

The Company agrees with the "Named Insured":

I. INSURING AGREEMENTS

A. Information Security And Privacy Liability

We shall pay on behalf of the "insured", "damages" and "claims expenses", in excess of the retention, which the "insured" shall become legally obligated to pay because of any "claim", including a "claim" for violation of a "privacy law", for:

- 1.** Theft, loss, or "unauthorized disclosure" of "personally identifiable information" or "third party information" that is in the care, custody or control of the "insured organization", or a third party for whose theft, loss or "unauthorized disclosure" of "personally identifiable information" or "third party information" the "insured organization" is legally liable;
- 2.** One or more of the following acts or incidents that directly result from a failure of "computer security" to prevent a "security breach":
 - a.** The alteration, corruption, destruction, deletion, or damage to data stored on "computer systems";
 - b.** The failure to prevent transmission of malicious code from "computer systems" to computer or network systems that are not owned, operated or controlled by an "insured"; or
 - c.** The participation by the "insured organization's" "computer system" in a denial of service attack directed against computer or network systems that are not owned, operated or controlled by an "insured";

3. The "insured organization's" failure to timely disclose an incident described in paragraphs **A.1.** or **A.2.** in violation of any "breach notice law";
4. Failure by the "insured" to comply with that part of a "privacy policy" that specifically:
 - a. Prohibits or restricts the "insured organization's" disclosure, sharing or selling of a person's "personally identifiable information";
 - b. Requires the "insured organization" to provide access to "personally identifiable information" or to correct incomplete or inaccurate "personally identifiable information" after a request is made by a person; or
 - c. Mandates procedures and requirements to prevent the loss of "personally identifiable information";

Provided the "insured organization" must, at the time of such acts, errors or omissions have in force a "privacy policy" that addresses subsections **4.a.** - **4.c.** above that are relevant to such "claim"; or

5. Failure by the "insured" to administer:
 - a. An identity theft prevention program required by regulations and guidelines promulgated pursuant to 15 U.S.C. §1681m(e), as amended; or
 - b. An information disposal program required by regulations and guidelines promulgated pursuant to 15 U.S.C §1681W, as amended.

All acts, incidents, failures to timely disclose, failures to comply, thefts, losses, errors or omissions described in Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** must first take place on or after the "retroactive date" and before the end of the "policy period" to be eligible for coverage under Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**.

B. Privacy Breach Response Services

We shall provide to the "insured organization" "privacy breach response services" in excess of the retention because of an incident described in Paragraphs **1.** and **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**.

"Privacy breach response services" means:

1. "Computer expert services";
2. "Legal services";
3. "Public relations and crisis management expenses";
4. "Notification services" to provide notification to:
 - a. Individuals residing in the United States who are required to be notified by the "insured organization" under the applicable "breach notice law". However, we may also provide "notification services" to individuals, who at our discretion, have been affected by an incident in which their "personally identifiable information" has been subject to theft, loss, or "unauthorized disclosure" in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.
 - b. For incidents involving more than 100 "notified individuals" "Privacy Breach Response" Services also means:
 - (1) "Call center services" to "notified individuals"; and

- (2) To be covered, such offer must be provided in a mailed notification provided pursuant to Insuring Agreement **I.B.4.** above. However, if the Insured uses an attorney and other service providers recommended by the Company for all "Privacy Breach Response Services", then the threshold of 100 "notified individuals" set forth above shall not apply to the "call center services", but the self-insured retention shall continue to apply as set forth in the Declarations.

5. "Call center services"; and
6. "Breach resolution and mitigation services".

"Privacy breach response services" also includes assistance from the breach response services team and access to education and loss control information at no charge.

"Privacy breach response services" will be provided subject to the terms and conditions of this Coverage Form and shall not include any internal salary or overhead expenses of the "insured organization".

C. Regulatory Defense And Penalties

We shall pay on behalf of the "insured", "claims expenses" and "penalties" in excess of the retention, which the "insured" shall become legally obligated to pay because of any "claim" in the form of a "regulatory proceeding", caused by an incident described in Paragraphs **1.**, **2.**, and **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** that first takes place on or after the "retroactive date" and before the end of the "policy period".

D. Website Media Content Liability

We shall pay on behalf of the "insured", "damages" and "claims expenses", in excess of the retention, which the "insured" becomes legally obligated to pay for one or more of the following acts first committed on or after the "retroactive date" and before the end of the "policy period" in the course of the "insured organization's" display of "media material" on its web site or on social media web pages created and maintained by or on behalf of the "insured organization":

1. Invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
2. Misappropriation of ideas under implied contract;
3. Plagiarism and piracy;
4. Infringement of copyright;
5. Infringement of domain name, trademark, trade name, logo, title, metatags, or service mark, or service name; or
6. Improper deep-linking or framing within electronic content.

E. PCI Fines, Expenses And Costs

We shall indemnify the "insured" for "PCI Fines, Expenses, and Costs", in excess of the retention, which the "insured" shall become legally obligated to pay on or after the "retroactive date" and before the end of the "policy period". Coverage under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses And Costs** is sublimited to the amount set forth in the Declarations. We have no duty to defend any "claim" or to pay any "claims expenses" associated with a "claim" brought under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses And Costs**.

F. Cyber Extortion

We shall reimburse the "insured" for "cyber extortion loss", in excess of the retention, which the "insured" pays as a direct result of an "extortion threat" first made against the "insured" on or after the "retroactive date" and before the end of the "policy period" by a person, other than the "insured's" employees, directors, officers, principals, trustees, governors, managers, members, management committee members, members of the management board, partners, contractors, outsourcers, or any person in collusion with any of the foregoing. Coverage under this Insuring Agreement is subject to the applicable conditions and reporting requirements, including those set forth in Section **XV. OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT**.

G. First Party Data Protection

We shall indemnify the "insured" for "data protection loss" in excess of the retention, which the "insured" becomes obligated to pay as a direct result of one or more of the following that first takes place on or after the "retroactive date" and before the end of the "policy period":

1. alteration, corruption, destruction, deletion or damage to a "data asset"; or
2. inability to access a "data asset";

and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must take place on or after the "retroactive date" and before the end of the "policy period".

H. First Party Network Business Interruption

We shall indemnify the "insured", for "business interruption loss", in excess of the retention, incurred by the "insured" during the "period of restoration" or the "extended interruption period" (if applicable) as a direct result of the actual and necessary interruption or suspension of "computer systems" that first takes place during the "policy period" and is directly caused by a failure of "computer security" to prevent a "security breach"; provided that such "security breach" must first take place on or after the "retroactive date" and before the end of the "policy period".

II. DEFENSE AND SETTLEMENT OF CLAIMS

A. We shall have the right and duty to defend:

1. Any "claim" against the "insured" seeking "damages" even if any of the allegations of the "claim" are groundless, false or fraudulent; or
2. Under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties**, any "claim" in the form of a "regulatory proceeding".

Selection of defense counsel shall be mutually agreed upon between us and the "named insured", but in the absence of such agreement, our decision shall be final.

B. We will pay "claims expenses" incurred. The Aggregate Limit of Liability available to pay "damages" and "penalties" shall be reduced and may be completely exhausted by payment of "claims expenses". "Damages", "penalties", and "claims expenses" shall be applied against the each claim retention payable by the "insured".

C. If the "insured" refuses to consent to any settlement or compromise recommended by us and acceptable to the claimant and elects to contest the "claim", our liability for any "damages", "penalties", and "claims expenses" shall not exceed the lesser of:

1. The amount for which the "claim" could have been settled, less the remaining retention, plus the "claims expenses" incurred up to the time of such refusal; or

2. The applicable Limit of Liability whichever is less, and we have the right to withdraw from further defense by tendering control of said defense to the "insured". The portion of any proposed settlement or compromise that requires the "insured" to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not "damages" (or "penalties" for "claims" covered under Section I. **INSURING AGREEMENTS, C. Regulatory Defense And Penalties**) shall not be considered in determining the amount for which a "claim" could have been settled.

III. WHO IS AN INSURED

A. Whether expressed in singular or plural, "insured" shall mean:

1. The "named insured" and any "subsidiaries" of the "named insured" (together the "insured organization");
2. A director, manager of a limited liability company or officer of the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization";
3. An employee of the "insured organization", but only for work done while acting within the scope of their employment and related to the conduct of the "insured organization's" business;
4. A principal if the "named insured" is a sole proprietorship, or a partner if the "named insured" is a partnership, but only with respect to the performance of their duties as such on behalf of the "insured organization";
5. Any person previously qualified as an "insured" under Paragraphs **A2.**, **A3.**, or **A4.** of Section **III. WHO IS AN INSURED** prior to the termination of the required relationship with the "insured organization", but only with respect to the performance of their duties as such on behalf of the "insured organization".

B. "Named insured" means the entity or individual shown in the Declarations of this Coverage Form.

IV. EXCLUSIONS

This insurance does not apply to any "claim" or "loss":

- A. Arising out of or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written. However, this exclusion will not apply:
1. Only with respect to the coverage provided pursuant to Paragraph **1.** of Section I. **INSURING AGREEMENTS, A. Information Security And Privacy Liability**, to any obligation of the "insured organization" to maintain the confidentiality or security of "personally identifiable information" or of "third party information";
 2. Only with respect to Paragraph **4.** of Section I. **INSURING AGREEMENTS, D. Website Media Content Liability**, for misappropriation of ideas under implied contract; or
 3. To the extent the "insured" would have been liable in the absence of such contract or agreement.
- B. Arising out of or resulting from any liability or obligation under a "merchant services agreement" except this exclusion does not apply to "PCI Fines, Expenses, and Costs" covered under Section I. **INSURING AGREEMENTS, E. PCI Fines, Expenses, and Costs**, or to "computer expert services" or "legal services" covered under Section I. **INSURING AGREEMENTS, B. Privacy Breach Response Services**.
- C. Arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to:

1. Any "claim" covered under Paragraphs **1.**, **2.**, or **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** or Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties**; or
 2. The providing of "privacy breach response services" covered under Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**.
- D.** Arising out of or resulting from the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" (except as otherwise covered under Paragraph **5.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**) or other personal information by, on behalf of, or with the consent or cooperation of the "insured organization"; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of "personally identifiable information". This exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of "personally identifiable information" by a person or entity that is not a "related party" and without the knowledge of the "insured organization".
- E.** Arising out of or resulting from any act, error, omission, incident, failure of "computer security", or "security breach" committed or occurring prior to the "continuity date" of this Coverage Form:
1. If any member of the "control group" on or before the "continuity date" knew or could have reasonably foreseen that such act, error or omission, incident, failure of "computer security", or "security breach" might be expected to be the basis of a "claim" or "loss"; or
 2. In respect of which any "insured" has given notice of a circumstance, which might lead to a "claim" or "loss", to the insurer of any other policy in force prior to the inception date of this Coverage Form.
- F.** Arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the "retroactive date."
- G.** For, arising out of or resulting from any actual or alleged:
1. Infringement of patent or patent rights or misuse or abuse of patent;
 2. Infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or "unauthorized access or use" of software code by a person who is not a "related party";
 3. Use or misappropriation of any ideas, trade secrets or "third party corporate information" (i) by, or on behalf of, the "insured organization", or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the Control Group;
 4. Disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, manager of a limited liability company, principal, partner or "subsidiary" of the "insured"; or
 5. Under Paragraph **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**, theft of or "unauthorized disclosure" of a "data asset."
- H.** In connection with or resulting from a "claim" brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered "claim" under Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties** or to the providing of "privacy breach response services" under Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services** to the extent such services are legally required to comply with a "breach notice law";

- I. Arising out of or resulting from a "claim" by or on behalf of one or more "insureds" under this coverage against any other "insured" or "insureds" under this coverage; provided this exclusion shall not apply to an otherwise covered "claim" under Paragraphs **1.**, **2.**, or **3.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** made by a current or former employee of the "insured organization";
- J. Arising out of or resulting from:
1. Any "claim" made by any business enterprise in which any "insured" has greater than a 15 percent (15%) ownership interest or made by any parent company or other entity which owns more than 15 percent (15%) of the "named insured"; or
 2. The "insured's" activities as a trustee, partner, member, manager of a limited liability company, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the "insured organization";
- K. Arising out of or resulting from:
1. The actual or alleged obligation to make licensing fee or royalty payments;
 2. Any costs or expenses incurred or to be incurred by the "insured" or others for the reprinting, reposting, recall, removal or disposal of any "media material" or any other information, content or media, including any media or products containing such "media material", information, content or media;
 3. Any "claim" brought by or on behalf of any intellectual property licensing bodies or organizations;
 4. The actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance;
 5. Any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
 6. Any "claim" made by or on behalf of any independent contractor, joint venture or venture partner arising out of or resulting from disputes over ownership of rights in "media material" or services provided by such independent contractor, joint venture or venture partner;
- L. With respect to Section **I. INSURING AGREEMENTS F. Cyber Extortion, G. Data Protection Loss and H. Business Interruption Loss** arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any "security breach", "extortion threat", or intentional or knowing violation of the law, if committed by any member of the "control group" or any person in participation or collusion with any member of the "control group";
- M. With respect to Section **I. INSURING AGREEMENTS G. Data Protection Loss and H. Business Interruption Loss** arising out of or resulting from:
1. Any failure or malfunction of electrical or telecommunications infrastructure or services, provided that this exclusion shall not apply to any otherwise covered "claim" or "loss" arising out of failure of "computer security" to prevent a "security breach" that was solely caused by a failure or malfunction of telecommunications infrastructure or services under the "insured's" direct operational control;

2. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event; or
3. Any satellite failures.

N. With respect to Section **I. INSURING AGREEMENTS F. Cyber Extortion** arising out of or resulting from:

1. Any threat to physically harm or kidnap any person; or
2. Any threat to harm, take, or transfer property other than any "data asset", even if such threat is made in conjunction with a threat to a "data asset" or by carrying out such threat to, harm, theft, or transfer, a "data asset" may be damaged, corrupted, altered, taken, disseminated or transferred;

O. Arising out of or resulting from any seizure, nationalization, confiscation, or destruction of "computer systems" or "data assets" by order of any governmental or public authority;

P. Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of: war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

V. LIMIT OF LIABILITY AND COVERAGE

A. The Aggregate Limit of Liability set forth in the Declarations is our combined total limit of liability for all "damages", "penalties", "PCI Fines, Expenses, and Costs", "public relations and crisis management expenses", "cyber extortion loss", "data protection loss", "business interruption loss" and "claims expenses" payable under this Coverage Form.

Neither the inclusion of more than one "insured" under this Coverage Form, nor the making of "claims" by more than one person or entity, shall increase the Limit of Liability.

B. The Limit of Liability for the "automatic extension period" and the "optional extension period" shall be part of and not in addition to the Aggregate Limit of Liability.

C. The "Notified Individuals" limit stated in the Declarations is the maximum total number of "notified individuals" to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide "notification services", "call center services" or "breach resolution and mitigation services".

D. We shall not be obligated to pay any "damages", "penalties", or "claims expenses", or to undertake or continue defense of any suit or proceeding after the Aggregate Limit of Liability has been exhausted by payment of "damages", "penalties" or "claims expenses", or after deposit of the Aggregate Limit of Liability in a court of competent jurisdiction. Upon such payment, we shall have the right to withdraw from further defense of any "claim" under this Coverage Form by tendering control of said defense to the "insured".

E. Unless otherwise specified in this Coverage Form, "privacy breach response services" will be provided by a service provider selected by us from the service providers listed in the "information packet".

F. To the extent that costs to provide "privacy breach response services" are covered pursuant to a "claim" described in Paragraph **D.4.** of Section **XI. DEFINITIONS**, such costs shall be covered solely under Section **I. INSURING AGREEMENTS, A. Information Security and Privacy Liability**.

G. In the event that this Coverage Form is accompanied by an application, then only Paragraphs **B. - E.,** of this Section **V. LIMIT OF LIABILITY AND COVERAGE** apply and limits of liability shall be as follows:

1. The Aggregate Limit of Liability shall include all items as set forth in the Declarations and Paragraph **A.** except "public relations and crisis management expenses".
2. The Regulatory Defense and Penalties sublimit of liability stated in the Declarations is the aggregate sublimit of liability payable under Section **I. INSURING AGREEMENTS, C. Regulatory Defense and Penalties** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.
3. The PCI Fines, Expenses, and Costs sublimit of liability stated in the Declarations is the aggregate sublimit of liability payable under Section **I. INSURING AGREEMENTS, E. PCI Fines, Expenses, and Costs** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.
4. The Cyber Extortion sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, F. Cyber Extortion** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.
5. The First Party Data Protection sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, G. First Party Data Protection** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.
6. The First Party Network Business Interruption sublimit of liability stated in the Declarations is the sublimit of liability payable under Section **I. INSURING AGREEMENTS, H. First Party Network Business Interruption** of this Coverage Form and is part of and not in addition to the Aggregate Limit of Liability.
7. There shall be a separate aggregate limit of coverage as stated in the Declarations for "computer expert services", "legal services, and "public relations and crisis management expenses". The aggregate limit stated in the Declarations is the aggregate limit of coverage for all "computer expert services", "legal services" and "public relations and crisis management expenses" combined.

VI. RETENTION

- A.** The retention(s) set forth in the Declarations apply(ies) separately to each incident, event or related incidents or events, giving rise to a "claim". The retention(s) shall be satisfied by monetary payments by the "named insured" of "damages", "claims expenses", "penalties" "public relations and crisis management", "cyber extortion loss", "data protection loss", "business interruption loss", or "PCI Fines, Expenses and Costs".
- B.** For all "notification services", "call center services" and "breach resolution and mitigation services" for each incident, the notified individuals sublimit set forth in the Declarations applies separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services.
- C.** With respect to Section **I. INSURING AGREEMENTS H. First Party Network Business Interruption**, the retention set forth in the Declarations applies separately to each "security breach". The "retention" shall be satisfied by covered "business interruption loss" retained by the "insured organization". The "retention" for Section **I. INSURING AGREEMENTS H. First Party Network Business Interruption**, shall be as follows:
 1. with respect to covered "business interruption loss", the "retention" shall be the greater of:
 - a.** the "retention" amount set forth in the Declarations; or
 - b.** the amount of "business interruption loss" during the "waiting period";

- D. Satisfaction of the applicable retention is a condition precedent to our payment of any amounts hereunder, and we shall be liable only for the amounts in excess of such retention subject to our total liability not exceeding the Aggregate Limit of Liability. The "named insured" shall be responsible for all payments within the retention and shall make all such payments directly to the other parties designated by us.

VII. EXTENSION PERIODS

A. Automatic Extension Period

We will provide a 14 day "automatic extension period" in the event of termination of this Coverage Form for any reason except the non-payment of premium. The "automatic extension period" does not apply to Section I. **INSURING AGREEMENTS**, B. **Privacy Breach Response Services**, F. **Cyber Extortion**, G. **First Party Data Protection** and H. **First Party Network Business Interruption**.

B. Optional Extension Period

1. In the event of the termination of this Coverage Form for any reason except the non-payment of premium, you have the right to purchase an endorsement providing an "optional extension period" of 12 or 24 months for "claims" first made against any "insured" and reported to us during the "optional extension period". You must submit a written request for the "optional extension period" to us within 30 days of the termination of this Coverage Form. Payment of the full additional premium for the "optional extension period" endorsement is due within 30 days of the termination of this Coverage Form. If notice of election and payment for the "optional extension period" is not given to us within such 30 day period, there shall be no right to purchase the "optional extension period".
2. The Limit of Liability for the "optional extension period" shall be part of, and not in addition to, the applicable Limit of Liability for the "policy period". The purchase of the "optional extension period" does not in any way increase the Aggregate Limit of Liability or any sublimit of liability. The "optional extension period" does not extend the "policy period" or change the scope of the coverage provided. The "optional extension period" only extends the "claims" reporting period. A "claim" first made against any "insured" and reported to us during the "optional extension period" will be deemed to have been made on the last day of the "policy period" provided that the "claim" is for any act, error, or omission committed on or after the "retroactive date" and before the end of the "policy period".
3. The additional premium for a 12 month "optional extension period" will be 100% of the premium charged for the last "policy period". The additional premium for a 24 month "optional extension period" will be 200% of the premium charged for the last "policy period". At the commencement of the "optional extension period" the entire premium shall be deemed earned, and in the event the "named insured" terminates the "optional extension period" for any reason prior to its natural expiration; we will not be liable to return any premium paid for the "optional extension period".
4. The right to purchase an "optional extension period" shall not be available to you if the premium for the policy to which this coverage form is attached has not been paid in full, or if we have cancelled or not renewed it due to non-payment of premium or your failure to pay amounts in excess of the applicable limit of liability or within the amount of the retention. The "optional extension period" does not apply to Section I. **INSURING AGREEMENTS**, B. **Privacy Breach Response Services**, F. **Cyber Extortion**, G. **First Party Data Protection** and H. **First Party Network Business Interruption**.

VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any "claim" is made against the "insured" the "insured" shall forward as soon as practicable to us written notice of such "claim" in the form of a facsimile, email, through our web or mobile app portals, or express or certified mail together with every demand, notice, summons or other process received by the "insured" or the "insured's" representative.

B. With respect to Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services**, for a legal obligation to comply with a "breach notice law" because of an incident described in Paragraph **1.** or **2.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability**, such incident or reasonably suspected incident must be reported as soon as practicable during the "policy period" after discovery by the "insured".

C. If during the "policy period", the "insured" becomes aware of any circumstance that could reasonably be the basis for a "claim" it may give written notice to us in the form of a facsimile, through our web or mobile app portals, email or express or certified mail as soon as practicable during the "policy period". Such a notice must include:

- 1.** The specific details of the act, error, omission, or "security breach" that could reasonably be the basis for a "claim";
- 2.** The injury or damage which may result or has resulted from the circumstance; and
- 3.** The facts by which the "insured" first became aware of the act, error, omission or "security breach".

Any subsequent "claim" made against the "insured" arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to us.

An incident or reasonably suspected incident reported to us during the "policy period" and in conformance with Paragraph **B.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall also constitute notice of a circumstance under this Paragraph **C.**

D. A "claim" or legal obligation under Paragraphs **A.** or **B.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** shall be considered to be reported to us when written notice is first received by us in the form of a facsimile, email, through our web or mobile app portals, or express or certified mail or email of the "claim" or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a "claim" if provided in compliance with Paragraph **C.** of Section **VIII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM.**

E. With respect to Section **I. INSURING AGREEMENTS, H. Business Interruption Loss**, the "insured" shall forward immediately to us, written notice of the interruption or suspension of "computer systems" to which this Coverage Form applies in the form of a facsimile, email, through our web or mobile app portals or express mail. Such notice must be provided during the "policy period", or no later than ten days after the end of the "policy period" for interruptions or suspensions occurring within ten days of the end of the "policy period"; provided, all covered "business interruption loss" must be reported to us (in accordance with Section **XIII. Proof of Loss and Appraisal**) no later than six (6) months after the end of the "policy period".

IX. OTHER INSURANCE

The insurance under this Coverage Form shall apply in excess of any other valid and collectible insurance available to any "insured", including any self-insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the Aggregate Limit of Liability or any other applicable Limit of Liability of this Coverage Form.

X. NAMED INSURED AS AGENT

The "named insured" shall be considered the agent of all "insureds" and shall act on behalf of all "insureds" with respect to the giving of or receipt of all notices pertaining to this Coverage Form and the acceptance of any endorsements to this Coverage Form. With respect to Section **I. INSURING AGREEMENT F. Cyber Extortion**, in the event of an "extortion threat" to which this insurance applies, the "insured" shall notify us by calling the phone number for the Cyber Extortion Threat hotline shown in the Declarations immediately upon receipt of any "extortion threat", and shall thereafter also provide written notice by facsimile, email, through our web or mobile app portals, or express mail within five days following the "extortion threat".

XI. DEFINITIONS

A. The following definitions apply to the provisions of this coverage form:

1. "Automatic extension period" means the period described in Section **VII. EXTENSION PERIODS**, Paragraph **A. Automatic Extension Period**, wherein this Coverage Form provides extra days after the end of this "policy period" for an "insured" to report a "claim" that occurred during the "policy period".
2. "Breach notice law" means any statute or regulation that requires notice to persons whose "personally identifiable information" was accessed or reasonably may have been accessed by an unauthorized person.
3. "Breach resolution and mitigation services" means a credit monitoring, identity monitoring or other solution selected from the products listed in "information pack" and offered to "notified individuals". The product offered to "notified individuals" will be selected by us in consultation with the "insured organization" and in accordance with the "information pack".

The product offer will be included in the communication provided pursuant to Paragraph **3.** of Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services.**

4. "Business interruption loss" means the total of:
 - a. "Income loss" and "extra expense" during the "period of restoration"; and
 - b. "Extended income loss" if the "income loss" during the "period of restoration" is in excess of the applicable retention.

Provided that "business interruption loss" shall not mean and Section **I. INSURING AGREEMENTS, H. Business Interruption Loss** shall not cover any of the following: "loss" arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; "loss" incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the "insured organization" incurs to identify and remove software program errors or vulnerabilities.

All "business interruption loss" resulting from multiple covered interruptions or suspensions of "computer systems" that arise out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "business interruption loss"; provided, however, that a separate "waiting period" shall apply to each "period of restoration".

5. "Call center services" means the provision of a call center to answer calls during standard business hours for a period of 90 days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to Paragraph **3.** of Section **I. INSURING AGREEMENTS, B. Privacy Breach Response Services** (Notification Services).

"Call center services" will be provided by a service provider selected by us in consultation with the "insured organization" from the list of service providers in the "information packet".

6. "Claim" means:
 - a. A written demand received by any "insured" for money or services; including service of a suit or institution of regulatory or arbitration proceedings;
 - b. With respect to coverage provided under Section **I. INSURING AGREEMENTS, C. Regulatory Defense And Penalties** only, institution of a "regulatory proceeding" against any "insured";
 - c. A written request or agreement to toll or waive a statute of limitations relating to a potential "claim" described in Paragraph **1.** above; and

- d. With respect to coverage provided under Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** only, a demand received by any "insured" to fulfill the "insured organization's" contractual obligation to provide notice of an incident (or reasonably suspected incident) described in Paragraph **1.** of Section **I. INSURING AGREEMENTS, A. Information Security And Privacy Liability** pursuant to a "breach notice law".

Multiple "claims" arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple "security breaches" arising from a failure of "computer security", shall be considered a single "claim" for the purposes of this Coverage Form, irrespective of the number of claimants or "insureds" involved in the "claim". All such "claims" shall be deemed to have been made at the time of the first such "claim".

7. "Claim expenses" means:

- a. Reasonable and necessary fees charged by an attorney designated pursuant to Paragraph **A.** of Section **II. DEFENSE AND SETTLEMENT OF CLAIMS**;
- b. All other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim", suit, or proceeding arising in connection therewith, or circumstance which might lead to a "claim", if incurred by us, or by the "insured" with the prior written consent of us; and
- c. The premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any "claim" against an "insured" provided that we shall have no obligation to appeal or to obtain bonds.

"Claims expenses" do not include any salary, overhead, or other charges by the "insured" for any time spent in cooperating in the defense and investigation of any "claim" or circumstance that might lead to a "claim" notified under this Coverage Form, or costs to comply with any regulatory orders, settlements or judgments.

8. "Computer expert services" means costs for:

- a. A computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the "insured organization" to comply with a "breach notice law" and to determine the extent to which such information was accessed by an unauthorized person or persons;
- b. A Payment Card Industry (PCI) Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the "insured organization" in order to comply with the terms of a "merchant services agreement" to investigate the existence and extent of an actual or suspect compromise or credit card data; and within our discretion, where a computer security expert described in Paragraph **8.a.** above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
- c. A computer security expert which amount is part of and not in addition to the combined aggregate limit of coverage for all "computer expert services", "legal services", and "public relations and crisis management expenses" stated in the Declarations to demonstrate the "insureds" ability to prevent a future electronic data breach as required by a "merchant services agreement".

"Computer expert services" will be provided in accordance with the terms and conditions set forth in this Coverage Form and will be provided by a service provider selected by the "insured organization" in consultation with us from the list of service providers in the "information packet".

9. "Computer security" means software, computer or network hardware devices, as well as the "insured organization's" written information security policies and procedures, the function or purpose of which is to prevent "unauthorized access or use", a denial of service attack against "computer systems", infection of "computer systems" by malicious code or transmission of malicious code from "computer systems". "Computer security" includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to "computer systems" through the use of passwords, biometric or similar identification of authorized users.
10. "Computer systems" means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:
- a. Operated by and either owned by or leased to the "insured organization"; or
 - b. With respect to Section I. **INSURING AGREEMENTS A. - G.**, systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the "insured organization" or for processing, maintaining, hosting or storing the "insured organization's" electronic data, pursuant to written contract with the "insured organization" for such services.
11. "Continuity date" means the date stated in the Declarations that coverage was first written with respect to the "named insured" and any "subsidiaries" acquired before such date. Any litigation initiated before this date is not subject to coverage under this Coverage Form even if the allegations were not part of a potentially covered claim.
12. "Control group" means the individuals holding the following positions in the "insured organization":
- a. President;
 - b. Members of the Board of Directors;
 - c. Executive Officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, Chief Information Officer, Chief Security Officer, Chief Privacy Officer;
 - d. Staff attorneys employed by the "insured organization";
 - e. Manager of a limited liability company; and
 - f. Any individual in a substantially similar position or which substantially similar responsibilities as those referenced above.
13. "Cyber extortion loss" means:
- a. Any "extortion payment" that has been made under duress by or on behalf of the "insured" with our prior written consent, but solely to prevent or terminate an "extortion threat" and in an amount that does not exceed the covered "damages" and "claims expenses" that would have been incurred had the "extortion payment not been paid;
 - b. An otherwise covered "extortion payment" that is lost in transit by actual destruction, disappearance or wrongful abstraction while being conveyed by any person authorized by or on behalf of the "insured" to make such conveyance; and
 - c. Fees and expenses paid by or on behalf of the "insured" for security consultants retained with our prior written approval, but solely to prevent or terminate an "extortion threat".
14. "Damages" means a monetary judgment, award or settlement; provided that the term "damages" shall not include or mean:
- a. Future profits, restitution, disgorgement of unjust enrichment or profits by an "insured", or the costs of complying with orders granting injunctive or equitable relief;

- b.** Return or offset of fees, charges, or commissions charged by or owed to an "insured" for goods or services already provided or contracted to be provided;
 - c.** Any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
 - d.** Punitive or exemplary damages, unless insurable by law in any applicable venue that most favors coverage for such punitive or exemplary damages;
 - e.** Discounts, coupons, prizes, awards or other incentives offered to the "insured's" customers or clients;
 - f.** Liquidated damages to the extent that such damages exceed the amount for which the "insured" would have been liable in the absence of such liquidated damages agreement; or
 - g.** Any amounts for which the "insured" is not liable, or for which there is no legal recourse against the "insured".
- 15.** "Data asset" means any software or electronic data that exists in "computer systems" and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by the "insured organization" in its ordinary course of business.
- 16.** "Data protection loss" means:
- a.** With respect to any "data asset" that is altered, corrupted, destroyed, deleted or damaged the actual, reasonable and necessary costs and expenses incurred by the "insured" to restore a "data asset" from back-ups or from originals or to gather, assemble and recollect such "data asset" from other sources to the level or condition in which it existed immediately prior to its alteration, corruption, destruction, deletion or damage; or
 - b.** With respect to any "data asset" that the "insured" is unable to access, the lesser of the actual, reasonable and necessary costs and expenses incurred by the "insured organization" to:
 - (1)** Regain access to such "data asset"; or
 - (2)** Restore such "data asset" from back-ups or originals or gather, assemble and recollect such "data asset" from other sources, to the level or condition in which it existed immediately prior to the "insured's" inability to access it.

Provided that if such "data asset" cannot reasonably be accessed, restored, gathered, assembled or recollected, then "data protection loss" means the actual, reasonable and necessary costs and expenses incurred by the "insured" to reach this determination.

Provided further that "data protection loss" shall not exceed, and shall not mean, any amount in excess of the amount by which the net profit before income taxes of the "insured" would have decreased had the "insured" failed to restore, gather, assemble or recollect as set forth in sub-paragraphs **16.a.** and **16.b.** above.

A "data protection loss" will be deemed to occur at the time such alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" is first discovered by the "insured". All "data protection loss" that arises out of the same or a continuing "security breach", from related or repeated "security breaches", or from multiple "security breaches" resulting from a failure of "computer security" shall be deemed to be a single "data protection loss".

"Data protection loss" shall not mean, and there shall be no coverage under Section **I. INSURING AGREEMENTS, G. First Party Data Protection** for:

- a. Costs or expenses incurred by the "insured" to identify or remediate software program errors or vulnerabilities or update, replace, restore, gather, assemble, reproduce, recollect or enhance a "data asset" or "computer systems" to a level beyond that which existed prior to the alteration, corruption, destruction, deletion or damage of such "data asset";
 - b. Costs or expenses to research or develop any "data asset", including but not limited to trade secrets or other proprietary information;
 - c. The monetary value of profits, royalties, or lost market share related to a "data asset", including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of the "data asset";
 - d. Loss arising out of any liability to any third party for whatever reason; or
 - e. Legal costs or legal expenses of any type.
- 17.** "Denial of service attack" means an attack intended by the perpetrator to overwhelm the capacity of a "computer system" by sending an excessive volume of electronic data to such "computer system" in order to prevent authorized access to such "computer system".
- 18.** "Extended income loss" means the "income loss" during the "extended interruption period".
- 19.** "Extended interruption period" means the period of time that:
- a. Begins on the date and time that the "period of restoration" ends; and
 - b. Terminates on the date and time the "insured" restores, or would have restored if the "insured" had exercised due diligence and dispatch, the net profit before income taxes that would have been earned by the "insured" directly through its business operations had the actual and necessary interruption or suspension of "computer systems" not occurred;

Provided that in no event shall the "extended interruption period" mean more than or exceed 30 days.

- 20.** "Extortion payment" means cash, marketable goods or services demanded to prevent or terminate an "extortion threat".
- 21.** "Extortion threat" means a threat to breach "computer security" in order to:
- a. Alter, destroy, damage, delete or corrupt any "data asset";
 - b. Prevent access to "computer systems" or a "data asset", including a "denial of service attack" or encrypting a "data asset" and withholding the decryption key for such "data asset";
 - c. Perpetrate a theft or misuse of a "data asset" on "computer systems" through external access;
 - d. Introduce "malicious code" into "computer systems" or to third party computers and systems from "computer systems"; or
 - e. Interrupt or suspend "computer systems";

unless an "extortion payment" is received from or on behalf of the "insured".

Multiple related or continuing "extortion threats" shall be considered a single "extortion threat" for purposes of this insurance and shall be deemed to have occurred at the time of the first such "extortion threat".

- 22.** "Extra expense" means:
- a. Reasonable and necessary expenses that are incurred by the "insured" during the "period of restoration" to minimize, reduce or avoid an "income loss", provided that such expenses:

- (1) Are over and above those the "insured" would have incurred had no interruption or suspension of the "computer systems" occurred; and
- (2) Do not exceed the amount by which the "income loss" in excess of the retention and covered under this insurance is thereby reduced; and

b. "Forensic expenses";

provided that "extra expense" shall not mean, and there shall be no coverage under Section I. **INSURING AGREEMENTS, H. Business Interruption Loss** for expenses incurred by the "insured" to update, upgrade, enhance or replace "computer systems" to a level beyond that which existed prior to the actual and necessary interruption or suspension of "computer systems"; or the costs and expenses incurred by the "insured" to restore, reproduce, or regain access to any "data asset" that was altered, corrupted, destroyed, deleted, damaged or rendered inaccessible as a result of the failure of "computer security" to prevent a "security breach".

23 "Forensic expenses" means reasonable and necessary expenses incurred by the "insured" to investigate the source or cause of the failure of "computer security" to prevent a "security breach".

24. "Income loss" means:

- a.** The net profit before income taxes that the "insured" is prevented from earning through its business operations or the net loss before income taxes that the "insured" is unable to avoid through its business operations as a direct result of the actual and necessary interruption or suspension of "computer systems"; and
- b.** Fixed operating expenses incurred by the "insured" (including payroll), but only to the extent that a. such operating expenses must necessarily continue during the "period of restoration" (or Extended Interruption Period, if applicable); and b. such expenses would have been incurred by the "insured" had such interruption or suspension not occurred.

"Income loss" shall be reduced to the extent the "insured" (if applicable) is able, with reasonable dispatch and due diligence, to reduce or limit such interruption or suspension of "computer systems" or conduct its business operations by other means.

In determining "income loss", due consideration shall be given to the prior experience of the "insured's" business operations before the beginning of the "period of restoration" and to the probable business operations the "insured organization" could have performed had no actual and necessary interruption or suspension occurred as result of a failure of "computer security" to prevent a "security breach".

"Income loss" will be calculated on an hourly basis based on the "insured's" net profit (or loss) and fixed operating expenses as set forth above.

25. "Information packet" means the information packet that includes a list of service providers who provide "privacy breach response services."

26. "Insured organization" means the "named insured" and any "subsidiaries" of the "named insured".

27. "Legal services" means fees charged by an attorney:

- a.** To determine the applicability of and actions necessary for the "insured organization" to comply with "breach notice laws" due to an actual or reasonably suspected theft, loss or "unauthorized disclosure" of "personally identifiable information";

- b.** To provide necessary legal advice to the "insured organization" in responding to actual or suspected theft, loss or "unauthorized disclosure" of "personally identifiable information"; and
- c.** To advise the "insured organization" in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the "insured organization's" merchant bank under the terms of a "merchant services agreement", but "legal services" does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulation in connection with an assessment of "PCI Fines, Expenses, and Costs".

"Legal services" will be provided in accordance with the terms and conditions set forth in this Coverage Form and will be provided by an attorney selected by the "insured organization" in consultation with us, from the list of attorneys in the "information packet".

28. "Loss" means:

- a.** "Business Interruption Loss";
- b.** "Damages";
- c.** "Claims Expenses";
- d.** "Cyber Extortion Loss";
- e.** "Data Protection Loss";
- f.** "Public Relations and Crisis Management Expenses";
- g.** "Penalties";
- h.** "PCI Fines, Expenses and Costs"; and
- i.** "Privacy Breach Response Services".

29. "Malicious code" means any virus, Trojan horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.

30. "Management control" means:

- a.** Owning, directly or indirectly, more than fifty percent (50%) of the outstanding securities, representing the present right to vote for the election of an entity's directors, members of the board of managers, management committee members or persons serving in a functionally equivalent role for such an entity operating or organization outside of the United States; or
- b.** Having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of:
 - (1)** The Board of Directors of a corporation;
 - (2)** The Management Committee of a joint venture or partnership;
 - (3)** The Management Board of a Limited Liability Company; or
 - (4)** Persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States.

31. "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such "media material".

32. "Merchant services agreement" means any agreement between an "insured" and a financial institution, credit/debit company, credit/debit card processor or independent service operator enabling an "insured" to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

33. "Notification services" means:

- 1.** Notification by first class mail or e-mail to United States or Canadian residents; and
- 2.** Notification by first class mail or e-mail to individuals residing outside the United States or Canada, but only to the extent reasonably practicable.

"Notification services" will be provided by a service provider selected by us in consultation with the "insured organization" from the list of service providers in the "information packet".

34. "Notified individual" means an individual person to whom notice is given or attempted to be given under Paragraph **3.** of Section **I.B. Privacy Breach Response Services** pursuant to a "breach notice law" as defined in Paragraph **A.2.** of Section **XI. DEFINITIONS.**

35. "Optional extension period" means period of time described in Section **VII. EXTENSION PERIODS,** Paragraph **B. Optional Extension Period,** wherein this Coverage Form provides extra days after the end of the "policy period" for an "insured" to report a "claim" that occurred during the "policy period".

36. "PCI Fines, Expenses and Costs" means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the "insured organization" under the terms of a "merchant services agreement", but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the "insured organization's" actual or alleged noncompliance with published Payment Card Industry (PCI) Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Paragraphs **1.** and **2.** of Section **I.A. Information Security And Privacy Liability;** provided, that the term "PCI Fines, Expenses and Costs" shall not include, or mean any charge backs, interchangeable fees, discount fees or prospective service fees.

37. "Penalties" means:

- a.** Any civil fine or punitive sum of money payable to a governmental entity that was imposed in a "regulatory proceeding" by the Federal Trade Commission, Federal Communications Commission, or any other federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity; the insurability of "penalties" shall be in accordance with the law in the applicable venue that most favors coverage for such "penalties"; and
- b.** Amounts which the "insured" is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a "regulatory proceeding"; but shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered pursuant to Paragraphs **1., 2.,** or **3.** of Section **I.A. Information Security And Privacy Liability;**

"Penalties" does not mean:

- a.** Costs to remediate or improve "computer systems";
- b.** Costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies;
- c.** Audit, assessment, compliance or reporting costs; or
- d.** Costs to protect the confidentiality, integrity and/or security of "personally identifiable information" from theft, loss or disclosure.

- 38.** "Period of restoration" means the time period that:
- a.** Begins on the specific date and time that the actual and necessary interruption or suspension of "computer systems" first occurred; and
 - b.** Ends on the specific date and time that the actual and necessary interruption or suspension of "computer systems" ends, or would have ended had the "insured" acted with due diligence and dispatch;

Provided that in no event shall the "period of restoration" mean more than or exceed 30 days; and provided further that restoration of "computer systems" will not end the "period of restoration" if such systems are actually and necessarily interrupted or suspended again within one hour of such restoration due to the same cause as the original interruption or suspension.

- 39.** "Personally identifiable information" means:
- a.** Information concerning the individual that constitutes nonpublic personal information as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant the Act;
 - b.** Medical or health care information concerning the individual, including protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act;
 - c.** Information concerning the individual that is defined as private personal information under statutes enacted to protect such information in foreign countries, for "claims" subject to the law of such jurisdiction;
 - d.** Information concerning the individual that is defined as private personal information under a "breach notice law";
 - e.** Education records as defined by the Family Educational Rights and Privacy Act (FERPA), which are directly related to an individual's attendance as a student; or
 - f.** The individuals drivers' license or state identification number, social security number, unpublished telephone number, and credit, debit, or other financial account numbers in combination with associated security codes, access codes, passwords or pins;

if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individuals financial account or medial record information.

"Personally identifiable information" does not include publicly available information that is lawfully made available to the general public from government records

- 40.** "Policy period" means the period of time between the inception date shown in the "declarations" and the effective date of termination, expiration or cancellation of this insurance and specifically excludes any "optional extension period" or any prior policy period or renewal period.
- 41.** "Privacy breach response services" means the services and coverage provided by Section **I.B. Privacy Breach Response Services**.
- 42.** "Privacy law" means a federal, state or foreign statute or regulation requiring the "insured organization" to protect the confidentiality and/or security of "personally identifiable information".
- 43.** "Privacy policy" means the "insured organization's" public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to "personally identifiable information".

- 44.** "Public relations and crisis management expense" shall mean the following costs approved in advance by us, and which are directly related to mitigating harm to the "insured organization's" reputation or potential "loss" covered by this Coverage Form resulting from an incident described in Paragraphs **1.** and **2.** of Section **I.A. Information Security And Privacy Liability** or from a "public relations event":
- a.** Costs incurred by a public relations or crisis management consultant;
 - b.** Costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to the amount noted in the Schedule or Declarations Page for Section **I.B. Privacy Breach Response Services**;
 - c.** For incidents or events in which notifications services are not otherwise provided pursuant to Section **I.A. Information Security And Privacy Liability** and **B. Privacy Breach Response Services**, costs to provide notifications and notices via e-mail or first class mail to customers where such notifications are not required by law (voluntary notifications), including non-affected customers of the "insured organization";
 - d.** Costs to provide government mandated public notices related to breach events (including such notifications required under HITECH);
 - e.** Costs to provide services to restore healthcare records of "notified individuals" residing in the United States whose "personally identifiable information" was compromised as a result of theft, loss or "unauthorized disclosure"; and
 - f.** Other costs approved in advance by us.

"Public relations and crisis management expenses" must be incurred no later than 12 months following the reporting of such "claim" or breach event to us and, with respect to Paragraphs **a.** and **b.** above, within 90 days following the first publication of such "claim" or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

- 45.** "Public relations event" means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publically accessible website of a covered "claim" under this Coverage Form.
- 46.** "Regulatory proceeding" means a request for information, civil investigative demand or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.
- 47.** "Related party" means the "insured organization" and any past, present or future employees, directors, officers, managers of a limited liability company, partners or natural person independent contractors of the "insured organization".
- 48.** "Retroactive date" means the date set forth in the Declarations.
- 49.** "Security breach" means:
- a.** "Unauthorized access or use" of "computer systems", including "unauthorized access or use" resulting from the theft of a password from a "computer system" or from any "insured";
 - b.** A denial or service attack against "computer systems" or "computer systems" that are not owned, operated or controlled by an "insured"; or
 - c.** Infection of "computer systems" by malicious code or transmission of malicious code from "computer systems".

A series of continuing "security breaches", related or repeated "security breaches", or multiple "security breaches" resulting from a continuing failure of "computer security" shall be considered a single "security breach" and be deemed to have occurred at the time of the first such "security breach".

50. "Subsidiary" means any corporation, limited liability company, joint venture or partnership while the "named insured" has "management control" over such entity, if the "named insured":
- a. had "management control" over such entity on the inception date of this Coverage Form or such entity was an "insured" under a policy issued by the Underwriters of which this Coverage Form is a renewal; or
 - b. acquires "management control" after the inception date of this Coverage Form:
- provided that this Coverage Form only provides coverage for acts, errors, omissions, incidents or events that take place while the "named insured" has "management control" over such entity.
51. "Third party information" 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 insured under this Coverage Form which is not available to the general public and is provided to the "insured" subject to a mutually executed written confidentiality agreement or which the "insured organization" is legally required to maintain in confidence; however, "third party information" shall not include "personally identifiable information".
52. "Unauthorized access or use" means the gaining of access to or use of "computer systems" by an unauthorized person or persons or the use of "computer systems" in an unauthorized manner".
53. "Unauthorized disclosure" means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the "insured organization" and is without knowledge of, consent, or acquiescence of any member of the "control group".
54. "Waiting period" means the period of time beginning when the "period of restoration" begins and expiring after the lapse of the number of hours set forth in the Declarations. A "waiting period" shall apply to each "period of restoration".

XII. CONDITIONS APPLICABLE TO PRIVACY BREACH RESPONSE SERVICES AND COVERAGE

- A.** With respect to Section **I.H. First Party Network Business Interruption**, the "insured" must forward written notice by express mail, email, through our web or mobile app portals, or facsimile to us immediately upon discovery of alteration, corruption, destruction, deletion or damage to or inability to access a "data asset" to which this insurance applies. All covered "data protection loss" must be discovered and reported (in accordance with Section **XIII. PROOF AND APPRAISAL OF LOSS** below) to us no later than six months after the end of the "policy period".
- B. Insuring Agreements A., C., D., G. and H.** only apply if:
- 1. The "insured organization" initiates the notification services described in Paragraph **3. Section I.B. Privacy Breach Response Services** as soon as practicable after the "insured's" discovery of the "claim";
 - 2. The "claim" is made against the "insured" no later than two years after the "insured organization" initiates the notification services described in Paragraph **3. Section I.B. Privacy Breach Response Services**; and
 - 3. The "insured" reports the "claim" to us in writing as soon as practicable.

XIII. PROOF AND APPRAISAL OF LOSS

A. Proof of Loss. With respect to Section **I.G. First Party Data Protection** and **I.H. First Party Network Business Interruption**, before coverage will apply, the "named insured" must:

1. Prepare and submit to us a written and detailed proof of loss sworn by an officer of the "named insured" within 90 days after the "insured" discovers a "data protection loss" or the "insured organization" sustains a "business interruption loss" (as applicable), but in no event later than six months following the end of the "policy period" (unless such period has been extended by our written consent). Such proof of loss shall include a narrative with full particulars of such "data protection loss" or "business interruption loss", including, the time, place and cause of the "data protection loss" or "business interruption loss", a detailed calculation of any "data protection loss" or "business interruption loss", the "insured organization's" interest and the interest of all others in the property, the sound value thereof and the amount of "data protection loss" or "business interruption loss" or damage thereto and all other insurance thereon; and
2. Upon our request, submit to an examination under oath and provide copies of the underlying documents, data and materials that reasonably relate to or are part of the basis of the claim for such "data protection loss" or "business interruption loss".

The costs and expenses of preparing and submitting a proof of loss, and establishing or proving "data protection loss", "business interruption loss" or any other "loss" under this insurance shall be the "insured's" obligation, and are not covered under this insurance.

B. Appraisal of Loss. If we do not agree with the "named insured" on the amount of a "loss", each party shall select and pay a qualified and disinterested appraiser or other qualified expert (the "Appraiser") to state the amount of the "loss" or reasonable expenses, and the Appraisers shall choose an umpire. If the Appraisers cannot agree on an umpire, the "named insured" or we may request a judge of a court having jurisdiction to make the selection. Each Appraiser shall submit the amount of the "loss" or reasonable expenses to the umpire, and agreement by the umpire and at least one of the Appraisers as to the amount of a "loss" shall be binding on all Insureds and us. The "named insured" and we will equally share the costs of the umpire and any other costs other than the cost of the Appraisers. This provision shall govern only the appraisal of the amount of a "loss", and shall not control the determination of whether such "loss" is otherwise covered by this insurance. We will still retain and do not waive our rights to deny coverage or enforce any obligation under this insurance.

XIV. RECOVERED PROPERTY

If the "insured" or we recover any property, money or "data assets" after a loss payment is made, the party making the recovery must give prompt notice of the recovery to the other party. If the recovered property is money or other funds, the recovery shall be applied first to any costs incurred by us in recovering the property, second to loss payments made by us, and third to any retention payment made by the "named insured". If property other than money or funds is recovered, then the "named insured" may keep the recovered property and return the loss payment, plus any costs of recovery incurred by us, or keep the loss payment less the costs of recovery incurred by us and transfer all rights in the property to us.

XV. OBLIGATIONS IN THE EVENT OF AN EXTORTION THREAT

A. Insured's Duty of Confidentiality

The "insured" shall use its best efforts at all times to ensure that knowledge regarding the existence of this insurance for "cyber extortion loss" afforded by this insurance is kept confidential. We may terminate the insurance provided by this Coverage Form for "cyber extortion loss" upon ten days written notice to the "named insured" if the existence of insurance for "cyber extortion loss" provided by this insurance becomes public knowledge or is revealed to a person making an "extortion threat" through no fault of ours.

B. Insured Organization's Obligation to Investigate Extortion Threat and Avoid or Limit Extortion Payment

Prior to the payment of any "extortion payment", the "insured" shall make every reasonable effort to determine that the "extortion threat" is not a hoax, or otherwise not credible. The "insured" shall take all steps reasonable and practical to avoid or limit the payment of an "extortion payment".

C. Conditions Precedent

As conditions precedent to this insurance for "cyber extortion loss" under the terms of this insurance:

1. Named Insured's Obligation to Demonstrate Duress

The "insured" must be able to demonstrate that the "extortion payment" was surrendered under duress.

2. Notification of Police

The "insured" shall allow us or their representative to notify the police or other responsible law enforcement authorities of any "extortion threat".

XVI. CANCELLATION

- A.** The "named insured" may only cancel this Coverage Form by mailing to the Company written notice stating when, not less than 30 days thereafter, such cancellation shall be effective.
- B.** The Company may cancel this Coverage Form for any reason, except non-payment of premium, by mailing or delivering to "named insured" at the address shown in the Declarations, written notice stating when, not less than 30 days thereafter, such cancellation shall be effective. The Company may cancel this Coverage Form for non-payment of premium, by mailing or delivering to the "named insured" at the address shown in the Declarations, written notice stating when, not less than ten days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the "Policy Period". Delivery of such written notice shall be equivalent to mailing.
- C.** If this Coverage Form is cancelled, the Company will send the "named insured" any unearned premium refund due. If the Company cancels, the refund will be pro rata. Refund premium adjustments may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If the "named insured" cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund. However, premium shall be deemed fully earned if any "claim" under this Coverage Form is reported to the Company on or before the date of cancellation.

XVII. NONRENEWAL

If the Company decides not to renew this Coverage Form, the Company will mail or deliver to the first "named insured" shown in the Declarations, written notice of the non-renewal not less than 60 days before the expiration date.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS LIABILITY COVERAGE TENANTS LIABILITY

This endorsement modifies insurance provided under the following:

APARTMENTOWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM
SCHEDULE*

Premises:

Tenants Liability Limit Of Insurance (Per Occurrence):

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to the coverage provided under this endorsement, the applicable Liability Coverage Form is amended as follows:

A. Under **B.1. Exclusions Applicable To Business Liability Coverage**, the paragraph following **q.(15)** of the applicable Liability Coverage Form is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., h., i., l., m., n., o.** and **p.** do not apply to "property damage".

B. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

C. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.3.** and Paragraph **D.4.b.** are deleted.



CHANGE TO LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following provision replaces D.1.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits"; or
 - d. Policies involved.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION UNIT COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

Item **a.** under **A. 2. Property Not Covered** in the CONDOMINIUM PROPERTY COVERAGE FORM is deleted in its entirety. Item **A.1. a. (6)** under **1. Covered Property** is added as follows:

(6) Any of the following types of property contained within a residential unit:

- (a)** Fixtures, improvements and alterations that are a part of the building or structure; and
- (b)** Permanently installed appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

However, the most we will pay for loss or damage to the property in Paragraph **(6)(a)** and **(b)** above in any one occurrence is the Limit of Insurance shown in the Declarations for Buildings.



BUSINESS INCOME AND EXTRA EXPENSE - PARTIAL SLOWDOWN COVERAGE

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM CONDOMINIUM PROPERTY COVERAGE FORM

- A.** Section **A.5. Additional Coverages** of the Apartment Owners Property Coverage Form is amended as follows:
- 1.** The following is added to Paragraphs **5.e. Business Income** and **5.f. Extra Expense**:
 - (3)** With respect to the coverage provided in this Additional Coverage, 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 Business Income applies.
- B.** Paragraph **5.e. Association Fees and Extra Expense** in Section **A.5. Additional Coverages** of the Condominium Property Coverage Form is amended as follows:
- 1.** The following is added under Sub-paragraph **5.e.(2) Extra Expense**:
 - (c)** With respect to the coverage provided in this Additional Coverage, suspension means:
 - (i)** The partial slowdown or complete cessation of your business activities; or
 - (ii)** That a part or all of the described premises is rendered untenable.
- C.** The following is added to Paragraph **B.4. Business Income And Extra Expense Exclusions** of the Apartment Owners Property Coverage Form:
- c.** With respect to this exclusion, suspension means:
 - (1)** The partial slowdown or complete cessation of your business activities; or
 - (2)** That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

This endorsement changes the policy. Please Read it carefully.

MOLD AND MICROORGANISM EXCLUSION

This endorsement modifies insurance provided under the following

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM
DIRECTORS AND OFFICERS LIABILITY COVERAGE FROM

The following provisions apply to your policy.

A. Definition:

1. "Mold" means any type or form of fungus including but not limited to mildew, mycotoxins, spores, scents or by-products produced or released by "mold".
2. "Microorganism" means any organism (animal or plant) of microscopic size, including but not limited to any type or form of bacteria, bacterium, germ, intestinal flora, microbe, pathogen or virus or any part or by-product of any of the above.

B. This insurance does not apply to any:

1. "Bodily injury" Property Damage" or "personal and advertising injury" which arising out of, resulting from, caused or contributed to, whether directly or indirectly by "mold" or "microorganism" and would not have occurred in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of or presence of any "mold" or "microorganism";
2. Any loss, cost or expense arising out the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effect of "mold" or "microorganism", by any insured or by any other person or entity;
3. Any supervision, instruction, recommendation, warning or advice given or which should have been given in connection with 1 or 2 above; and
4. Any obligation to share with or repay someone else who must pay damages because of such injury or damage.

However this exclusion does not apply to any "mold" or "microorganism" that are on, or are contained in, a good or product intended for consumption.

The above applies regardless of any other cause that contributed concurrently or in any sequence to the injury or damage.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

S9943
3rd Edition

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

CONDOMINIUM POLICY

A. The CONDOMINIUM PROPERTY COVERAGE FORM is amended as follows:

1. The following is added to any provision which uses the term actual cash value:

- a.** In the event of a total loss to a building or structure, actual cash value is calculated as the Limit of Insurance applicable to that building or structure or the fair market value of the building or structure, whichever is less.
- b.** In the event of a partial loss to a building or structure, actual cash value is calculated as **b.(1)** or **b.(2)**, whichever is less:
 - (1)** The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of loss; or
 - (2)** The Limit of Insurance applicable to the property.
- c.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as **c.(1)** or **c.(2)**, whichever is less:
 - (1)** The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 - (2)** The Limit of Insurance applicable to the property.

2. Section **A.5. ADDITIONAL COVERAGES** is amended as follows:

Paragraph **i. Ordinance Or Law Coverage** is replaced by the following:

i. Ordinance Or Law Coverage

(1) Coverage 1 Coverage for Loss to the Undamaged Portion of the building or structure

If a Covered Cause of Loss occurs to covered building property, we will pay under **Coverage 1** for the loss in value of the undamaged portion of the building or structure as a consequence of enforcement of any ordinance or law that:

- (a)** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b)** Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and
- (c)** Is in force at the time of loss.

However:

We will not pay for the Increased Cost of Construction:

- (a)** Until the property is actually repaired or replaces, at the same or another premises; and
- (b)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

If the building or structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

If the ordinance or law required relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. **Coverage 1** does not increase the Limit of Insurance.

(2) Coverage 2 - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph **E.5.d.** of the **PROPERTY LOSS CONDITIONS** does not apply to Demolition Cost Coverage.

(3) Coverage 3 Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered Building or structure property, we will pay for the increased cost to:

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

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

However:

- (a)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b)** We will not pay for the increased cost of construction if the building or structure is not repaired, reconstructed or remodeled.
- (c)** We will not pay for the increased cost of construction unless such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

Paragraph **E.5.d.** of the **PROPERTY LOSS CONDITIONS** does not apply to Increased Cost of Construction Coverage.

(4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.

(5) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a)** You were required to comply with before the loss, even when the building or structure was undamaged; and
- (b)** You failed to comply with.

(6) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

(7) The most we will pay under this Additional Coverage, for each described building or structure insured under this Coverage Form, is the Ordinance or Law Coverage Limit of Insurance shown in the Declarations.

(8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition of this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payment under this Additional Coverage, as stated in **I.(6)** of this Additional Coverage, is not subject to such limitation.

3. Section E. PROPERTY LOSS CONDITIONS is amended as follows:

a. Paragraph E.2. Appraisal is replaced by the following:

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree 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:

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

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

- b. Sub-paragraph **d.(1)(c)** of Paragraph **E.5. Loss Payment** is deleted.
- c. Sub-paragraph **d.(1)(d)** of Paragraph **E.5. Loss Payment** is replaced by the following:
 - (d)** We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. Prior to such repair or replacement, we will pay the actual cash value of the lost or damaged property as described in Paragraph **A.1.** of this endorsement. If the actual cash value does not exhaust the applicable limit of insurance, we will the pay the difference between the actual cash value and the replacement cost, provided that the repair or replacement is completed:
 - (i)** Within 12 month after we pay the actual cash value; or
 - (ii)** Within 24 months after we pay the actual cash value if the loss or damage relates to a state of emergency as described in Section 8558 of the Government Code;
 unless we extend the time period for good cause.

Nothing in this Paragraph **(d)** constitutes a waiver of our right to deny the claim for any valid reason or to restrict payment in cases of suspected fraud.

B. The CONDOMINIUM COMMON POLICY CONDITIONS form is amended as follows:

1. Paragraphs **A.2.** and **A.3. Cancellation** are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a.** 10 days before the effective date of cancellation if we cancel for:
 - (1)** Nonpayment of premium; or
 - (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
 - (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4)** Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5)** Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - (6)** A determination by the Commissioner of Insurance that the:
 - (a)** Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b)** Continuation of the policy coverage would:
 - (i)** Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii)** Threaten our solvency.

- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- c. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

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

2. The following provision is added to Paragraph **A. Cancellation**:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit. If such coverage has been in effect for 60 days or less and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except that we may not cancel this policy solely because:

- a. Corrosive soil conditions exist on the premises; or.
- b. The first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by fire:

We do not provide coverage to the insured who, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This policy;
- b. The Covered Property;
- c. That insured's interest in the Covered Property; or
- d. A claim under this policy.

4. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following with respect to loss or damage caused by a Covered Cause of Loss other than fire:

This policy is void if any insured, whether before or after a loss, has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

- a. This policy;
- b. The Covered Property;
- c. An insured's interest in the Covered Property; or
- d. A claim under this policy.

5. Paragraph **H.1. Other Insurance** is replaced by the following with respect to coverage provided under the CONDOMINIUM PROPERTY COVERAGE FORM:

If there is other insurance covering the same loss or damage, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable limit of insurance bears to the limits of insurance of all insurance covering on the same basis.

We will not pay more than our applicable Limit of Insurance.

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

M. Nonrenewal

1. Subject to the provisions of Paragraphs 2. and 3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. **Residential Property**

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

We may elect not to renew such coverage for any reason, except that we will not refuse to renew such coverage solely because:

- a. The first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- b. The first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

- c. Corrosive soil conditions exist on the premises..

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph 1.

- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph 1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**DAMAGE TO PROPERTY EXCLUSION
REVISED**

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

A. Paragraph **B.1.I.** of **Exclusions** in the applicable coverage form is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph **D. Liability And Medical Expenses Limits Of Insurance**.

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

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

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



PERSONAL AND ADVERTISING INJURY COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Liability Coverage Form apply unless modified by the endorsement.

A. Paragraph **q.** of Section **B. EXCLUSIONS** is deleted and replaced with the following:

q. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period, whether or not any publication made prior to the inception of the policy:
 - (a) Violated or infringed upon another's rights; or
 - (b) Was or is actionable;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13. a., b. and c.** of "personal and advertising injury" under Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**.

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

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (11) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";

- (12) "Bodily injury" arising out of "personal and advertising injury";
- (13) Arising out of an electronic chatroom or bulletin board, blog or any other virtual forum the insured hosts, owns or over which the insured exercises control;
- (14) Arising out of the infringement of copyright, patent, trademark, trade dress, slogan, service mark, trade secret or other intellectual property rights. However this exclusion does not apply if the sole and exclusive basis for the claim is infringement, in your "advertisement", of:
 - (a) Copyright;
 - (b) Trade dress; or
 - (c) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity;
- (15) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

B. Section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS is amended as follows:

The definition of "advertisement" and "personal and advertising injury" are deleted and replaced with:

- 1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:
 - a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

However, "advertisement" does not include any:

- a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
 - b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.
- 14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

Damages because of "personal and advertising injury" do not include disgorgement, restitution or any other similar monetary amount based, in whole or in part, on an insured's unlawful gain or profit, alleged or otherwise.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



POLLUTION EXCLUSION - EXPANDED EXCEPTION

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Section B. Exclusions is amended as follows:

1. Subparagraph **(1)(a) of f. Pollution** is deleted and replaced with the following:

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

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

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

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

2. The second paragraph following paragraph **f.(1) Pollution** is deleted and replaced with the following:

Subparagraph **(d)(i)** does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

A. The following is added to Section A.5. ADDITIONAL COVERAGES:

Computer Fraud And Funds Transfer Fraud

(1) We will pay for:

- (a)** Loss of your money or securities following and directly related to the use of any computer to fraudulently cause a transfer of such money or securities from a bank or savings institution:
 - (i)** To a person (other than a messenger) outside those premises; or
 - (ii)** To a place outside those premises;
- (b)** Loss of and damage to other property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises:
 - (i)** To a person (other than a messenger) outside those premises; or
 - (ii)** To a place outside those premises; and
- (c)** Loss of money or securities resulting directly from a fraudulent instruction directing a financial institution to transfer, pay or deliver money or securities from your transfer account.

(2) Subparagraph **a.(4)** of Paragraph **A.4. LIMITATIONS** does not apply to this Additional Coverage.

(3) Paragraph **2.f. False Pretense** under Section **B. EXCLUSIONS** does not apply to this Additional Coverage.

(4) We will not pay for loss or damages caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

(5) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is the Limit of Insurance shown in the Declarations for Computer Fraud And Funds Transfer Fraud.

B. Subparagraph 4.b. Money And Securities under Section **G. OPTIONAL COVERAGES** is deleted and replaced with the following:

b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- (1)** Resulting from accounting or arithmetical errors or omissions;
- (2)** Due to the giving or surrendering of property in any exchange or purchase;
- (3)** Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device; or
- (4)** To "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described premises, bank or savings institution:
 - (a)** To a person (other than a messenger) outside those premises; or
 - (b)** To a place outside those premises.

C. With respect to this Additional Coverage the following are added to Section H. PROPERTY DEFINITIONS:

1. "Fraudulent Instruction" means:

- a.** An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- b.** A written instruction (other than those described in Paragraph **A.5.h. Forgery Or Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

- c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction which purports to have been transmitted by your employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent. Your employee includes:
 - (1) Your directors and officers, whether compensated or not, while performing duties within the scope of his or her normal duties as an Association director, officer or manager for the Named Insured;
 - (2) Any person acting solely as an employee of a real estate property management firm while that person is performing real estate management duties for the Named Insured; and
 - (3) Any director or trustee of a real estate property management firm while performing acts within the scope and usual duties of its employees for the Named Insured.
- 2. **Other Property** means any of your tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- 3. **Transfer Account** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and/or "securities":
 - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 - b. By means of written instructions (other than those described in **A.5.h. Forgery Or Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under Section **A. Coverage** in all forms and endorsements that comprise this policy, except as provided in Paragraph **C.** This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
 - 1.** Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage may be addressed in a separate exclusion in this policy;
 - 2.** Coverage otherwise provided under Food Borne Illness Business Interruption Coverage **E3032** (if that endorsement is attached to this policy);
 - 3.** Coverage otherwise provided under the Restaurant Food Contamination Shutdown Coverage **E3419** (if that endorsement is attached to this policy); or
 - 4.** Coverage otherwise provided under the Limited Biohazardous Substance Coverage **J7133** (if that endorsement is attached to this policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- E.** If the following provisions are part of this policy, they are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER:



J7183
1st Edition

LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM
APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

SCHEDULE

A. Premises: Premises listed in the Policy Declarations
B. Project Or Operation: Operations described in the Policy Declarations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Paragraph **A.1.b.(1)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

- (1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:
 - (a)** The "bodily injury" or "property damage":
 - (i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or
 - (ii)** Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;
 - (b)** The "bodily injury" or "property damage" occurs during the policy period; and
 - (c)** Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

B. Paragraph **A.1.b.(2)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

- (2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:
 - (a)** The offense arises out of your business:
 - (i)** Performed on the premises shown in the Schedule; or
 - (ii)** In connection with the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule; and
 - (b)** The offense was committed during the policy period.
- However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:
- (a)** False arrest, detention or imprisonment; or

(b) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

provided that:

(a) The accident takes place during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

- APARTMENT OWNERS PROPERTY COVERAGE FORM
- CONDOMINIUM PROPERTY COVERAGE FORM
- APARTMENT OWNERS LIABILITY COVERAGE FORM
- CONDOMINIUM LIABILITY COVERAGE FORM
- DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B.2.) applies to property located in the following state(s):				
State(s)				
California Iowa Idaho	Illinois Missouri	North Carolina Oregon	Virginia	Washington Wisconsin
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. Coverage is amended as follows:

The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

- b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The **PROPERTY COVERAGE FORM** is amended as follows:

1. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or injury or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident for the purpose of determining whether the threshold is exceeded.

With respect to this item 1.e., the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

2. Exception Covering Certain Fire Losses

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

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

3. Application Of Other Exclusions

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

C. The **LIABILITY COVERAGE FORM** is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement and includes but is not limited to "bodily injury", "property damage", or "personal and advertising injury" as may be defined under this Coverage Form.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism." Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- f. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - (1) Physical injury that involves a substantial risk of death; or
 - (2) Protracted and obvious physical disfigurement; or
 - (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **2.e.** or **2.f.** are exceeded.

With respect to this Exclusion, Paragraphs **2.e.** and **2.f.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Form.



LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

A. The following is added under **B.1. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM:

h. "Fungi", Wet Rot, Dry Rot And Bacteria

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

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

This exclusion does not apply:

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

B. Item **B.1.f. Water, Mudslide or Mudflow** under **B.1. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM is amended as follows:

a. The following item is added to paragraph **B.1.f.(2)**:

(f) "Fungi", wet or dry rot or bacteria that results from fire or lightning.

b. The following is added as paragraph **B.1.f.(3)**:

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, if any, with respect to loss or damage by a cause of loss other than fire or lightning.

C. Paragraph **B.2.j.(2)** under **B.2. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM is replaced by the following:

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

D. The following is added under **B.2.j.** in the applicable PROPERTY COVERAGE FORM:

(8) Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

E. Paragraph **A.5.k.(6)** of the Additional **Ordinance Or Law Coverage** in the APARTMENT OWNERS PROPERTY COVERAGE FORM and paragraph **A.5.i.(6)** of the Additional **Ordinance Or Law Coverage** in the CONDOMINIUM PROPERTY COVERAGE FORM is replaced by the following:

(6) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or

- (b) Any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

F. The following is added as item **n.** in the CONDOMINIUM PROPERTY COVERAGE FORM and item **p.** in the APARTMENT OWNERS PROPERTY COVERAGE FORM under Section A.5. **Additional Coverages:**

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

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

- (1) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.
- (2) The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is \$15,000. The \$15,000 aggregate limit is subject to and not in addition to the applicable Limit of Insurance on the affected property and is applied regardless of the number of premises involved in such occurrence(s).
- (3) We will not pay more than the total of \$15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- (4) Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
- (5) If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (6) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages 5.d. **Collapse** or 5.e. **Water Damage, Other Liquids, Powder or Molten Material Damage**.
- (7) This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.
- (8) The following applies only if Business Income and Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
 - (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.

(9) The following applies to Association Fees and Extra Expense coverage:

(a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If loss or damage other than "fungi" wet or dry rot or bacteria renders a unit uninhabitable, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss of Association Fees and/or Extra Expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

G. Section H. **PROPERTY DEFINITIONS** of the applicable **PROPERTY COVERAGE FORM** is revised as follows:

1. The following definition is added:

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

2. The first two paragraphs of Item 6. "**Specified Causes of Loss**" are replaced by the following:

6. "**Specified Causes of Loss**" means the following:

Fire; lightning; explosion; windstorm; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; water damage; weight of snow, ice or sleet.

3. The following subparagraph is added to item 6. "**Specified Causes of Loss**":

c. **Water damage** means sudden and accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.



CALIFORNIA - CONDOMINIUM PREMIER PACKAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following is added as paragraph c. under A.1. COVERED PROPERTY:

c. Specified Property owned by you or indivisibly by all unit-owners, consisting of the following:

- (1) Athletic courts;
- (2) Bulkheads, docks, piers and wharves;
- (3) Community roads and driveways;
- (4) Fences;
- (5) Flagpoles;
- (6) Fountains;
- (7) Lights;
- (8) Monuments;
- (9) Planters;
- (10) Playgrounds;
- (11) Poles;
- (12) Pools and spas;
- (13) Storage units;
- (14) Walkways; and
- (15) Walls, including retaining walls.

However, Specified Property does not include personal property, owned by you or indivisibly by all unit-owners, located inside a building.

B. Section A.2. PROPERTY NOT COVERED is amended as follows:

Paragraph 2.f. is deleted and replaced by the following:

f. Fences, walls, walks, driveways and pools, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except provided in:

- (1) Paragraph A.1.c. Specified Property;
- (2) Paragraph A.6.d. Outdoor Property; or
- (3) Paragraph G.2. Outdoor Signs.

C. Section A.5. ADDITIONAL COVERAGES is amended as follows:

1. Paragraph 5.c. Fire Department Service Charge is deleted and replaced by the following:

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000, for your liability for fire department service charges:

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

2. Paragraph 5.f. Pollutant Clean Up and Removal is deleted and replaced by the following:

f. Pollutant Clean Up and Removal

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

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$50,000 for the sum of all such expenses arising out of Covered Causes of loss occurring during each separate 12 month period of this policy.

3. Paragraph 5.i. Ordinance Or Law Coverage is deleted and replaced by the following:

i. Ordinance Or Law Coverage

(1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building or Structure

If a Covered Cause of Loss occurs to covered building or structure property, we will pay under **Coverage 1** for the loss in value of the undamaged portion of the building or structure as a consequence of the enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

However:

We will not pay for the Increased Cost of Construction:

- (a) Until the property is actually repaired or replaced, at the same or another premises; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years after our payment for the actual cash value of the property, subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

If the building or structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. **Coverage 1** does not increase the Limit of Insurance.

(2) **Coverage 2 - Demolition Cost Coverage**

If a Covered Cause of Loss occurs to covered building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

(3) **Coverage 3 - Increased Cost of Construction Coverage**

If a Covered Cause of Loss occurs to the covered building or structure property, we will pay for the increased cost to:

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

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

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by a zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building or structure is not repaired, reconstructed or remodeled.
- (c) We will not pay for the increased cost of construction unless such repair or replacement is made within two years after our payment of the actual cash value of the property subject to the replacement cost coverage, if any, unless we extend the time period for good cause.

(4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.

(5) Paragraph E.5.d. of the Property Loss Conditions does not apply to the Demolition Cost Coverage or the Increased Cost of Construction Coverage.

(6) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building or structure was undamaged; and
- (b) You failed to comply with.

(7) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (8) The most we will pay under this Additional Coverage, for all covered loss arising out of the same occurrence is \$250,000 for Coverage 2 and Coverage 3 unless a higher limit is shown on the Declarations for Ordinance or Law Coverage. These Additional Coverage limits apply in addition to the Building Limit of Insurance.
- (9) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (10) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to the enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in I.(7) of this Additional Coverage, is not subject to such limitation.

4. Paragraph 5.m. **Fire Extinguisher Recharge** is deleted and replaced by the following:

m. Fire Extinguisher Recharge

We will pay up to \$5,000 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers or fire suppression systems owned by the insured that are accidentally discharged or discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

5. The following Additional Coverage item is added:

n. Extended Building Replacement Cost

- (1) We will pay up to 150% of the Limits of Insurance shown on the Declarations to repair or replace covered buildings damaged by a covered loss, if:
 - (a) Buildings, including garages and carports, are insured at policy inception to 100% of their replacement cost; and
 - (b) You accept each annual adjustment in building coverage limits to maintain proper insurance to value, and pay the corresponding premium when due, if this policy is a renewal of a prior policy; and
 - (c) You notify us within 90 days of the start of any physical changes which increase the value of the insured buildings by \$25,000 or more, and pay any additional premium due. This includes any new structures covered under this Additional Coverage and any additions to or remodeling of the buildings.
- (2) This Additional Coverage does not apply to:
 - (a) Specified Property, Outdoor Signs or any other appurtenant structures. However, this exclusion does not apply to garages or carports.
 - (b) Any property listed in **A.2. PROPERTY NOT COVERED** of the **CONDOMINIUM PROPERTY COVERAGE FORM**, regardless of any endorsement or declaration page entry which extends coverage to such property.
 - (c) Building upgrades as required by the enforcement of any ordinance or law regulating the use, construction, repair or demolition of the building, including debris removal.
 - (d) Damage caused by earthquake, even if earthquake is otherwise covered under this policy.

- (3) Loss settlement under this Additional Coverage will not exceed the least of the following amounts:
 - (a) The replacement cost of the damaged part of the building for equivalent construction and use on the same premises.
 - (b) The amount necessarily spent to repair or replace such property intended for the same occupancy and use.
 - (c) The lesser of Actual Cash Value or the Building limit shown on the Declarations if the buildings are not repaired or replaced.
 - (d) 150% of the Building limit shown on the Declarations.

D. Section A.6. COVERAGE EXTENSIONS is amended as follows:

Paragraph 6.d. **Outdoor Property** is deleted and replaced by the following:

d. Outdoor Property

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is the Limit of Insurance shown in the Declarations for Outdoor Property, but not more than \$25,000 for any one tree, shrub or plant.

This Coverage Extension for Outdoor Property applies as described above, regardless of any other condition described elsewhere in this policy that:

- (1) Excludes coverage for damage caused by or resulting from Wind or Hail; or
- (2) Provide a specific deductible for loss or damage caused by or resulting from Wind or Hail.

E. Section G. OPTIONAL COVERAGES is amended as follows:

1. Paragraph 1. **Specified Property** is deleted.

2. Paragraph 2.d. **Outdoor Signs** is deleted and replaced by the following:

- d. The most we will pay for loss or damage to Outdoor Signs in any one occurrence is \$50,000, unless a higher limit is shown in the Declarations, but not more than \$25,000 per sign.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



DEDUCTIBLE PROVISIONS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

The Deductible provisions in the applicable coverage form are amended as follows.

Section **D. Deductibles** in the applicable Property Coverage Form, and Paragraph **D. Deductibles** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is deleted and replaced by the following:

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. If more than one Deductible applies in any one occurrence we will apply each Deductible separately per location. But the total of all Deductible amounts applied in that occurrence will not exceed the highest applicable Deductible per location.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



BACK UP OF SEWERS AND OVERFLOW OF DRAINS COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following item is added to **A.5. Additional Coverages** of the Condominium Property Coverage Form:

n. Back Up of Sewers or Drains

- (1) We will pay up to the Limit of Insurance Per Occurrence shown on the Declarations for Back Up of Sewers and Overflow of Drains for loss or damage to Covered Property caused by water that:
 - (a) Backs up from a sewer or drain away from your premises; or
 - (b) Overflows from an appliance, drain or plumbing fixture on the premises but only if the overflow is sudden and accidental, where you have exercised proper care and maintenance, and it is not the result of a continuous or repeated seepage or leakage that occurred over time; or
 - (c) Enters into and overflows from a sump pump or sump pump well or any other system designed to remove subsurface water from a foundation area.

One or more incidents occurring within a 72 hour period is considered one occurrence.

- (2) Subject to the applicable Limit of Insurance shown on the Declarations for Back Up of Sewers and Overflow of Drains and other provisions of this endorsement, paragraph 1.f. (1)(a) in **B. EXCLUSIONS** is deleted.
- (3) The deductible applicable to and shown on the Declarations for Building and/or Business Personal Property applies to each loss under this endorsement. However, if a separate Water Damage Deductible is shown on the Declarations, the Water Damage Deductible applies to each loss under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

When this endorsement is made part of a BUSINESSOWNERS POLICY, the optional coverage for Mechanical Breakdown in the Businessowners Special Property Coverage Form and the Businessowners Coverage Form is deleted in its entirety.

The following is added to **5. Additional Coverages** under Section **A. Coverage** in the applicable Property Coverage Form:

Equipment Breakdown Coverage

We will pay for direct damage to Covered Property caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises. The provisions of:

1. Paragraphs **f. Business Income** and **g. Extra Expense** under Section **A.5. Additional Coverages** in the Businessowners Special Property Coverage Form and **Section I - Property** of the Businessowners Coverage Form;
2. Paragraphs **e. Business Income** and **f. Extra Expense** under Section **A.5. Additional Coverages** in the Apartment Owners Property Coverage Form; and
3. Paragraph **e. Association Fees and Extra Expense** in the Condominium Owners Property Coverage Form

apply as a consequence of covered direct damage to Covered Property if Business Income and Extra Expense or Association Fees and Extra Expense are covered in this policy.

1. Covered Equipment

- a. Covered Equipment means and includes any of the following:
 - (1) Equipment built to operate under internal pressure or vacuum other than weight of contents; and
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. Covered Equipment does not mean or include any of the following:
 - (1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (2) Insulating or refractory material, but not excluding the glass lining of any Covered Equipment;
 - (3) Non-metallic pressure or vacuum equipment unless it is constructed and used in accordance with the American Society of Mechanical Engineers (ASME) code or another appropriate and approved code;
 - (4) Catalyst;
 - (5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

- (6) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube, well casing, or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (7) Vehicle, aircraft, self-propelled equipment or floating vessel including any Covered Equipment that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
- (8) Dragline, excavation or construction equipment including any Covered Equipment that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (10) Computer Equipment, meaning:
 - (a) Programmable electronic equipment that is used to store, retrieve and process data (unless used to control covered equipment); and
 - (b) Associated peripheral equipment that communicates with the equipment described in (a) above, including input and output functions such as printing and auxiliary functions such as data transmission.
- (11) Media, meaning electronic data processing or storage media such as films, tapes, discs, drums or cells;
- (12) Electronic Data, meaning:
 - (a) Programmed and recorded material stored on media, as described in b.(11) above; and
 - (b) Programming records used for electronic data processing, or electronically controlled equipment; or
- (13) Equipment or any part of such equipment manufactured by you for sale or lease.

2. Breakdown

- a. Breakdown means direct physical loss that causes damage to Covered Equipment and necessitates its repair or replacement as follows:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
 - (3) Artificially generated electrical failure including arcing that disturbs electrical devices, equipment, appliances or wires.
- b. Breakdown does not mean or include:
 - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube or brush;
 - (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts; or
 - (5) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

If an initial Breakdown causes other Breakdowns, all will be considered One Breakdown. All Breakdowns at any one described premises that manifest themselves at the same time and are the direct result of the same cause will be considered One Breakdown.

3. This Additional Coverage will not increase the Limits of Insurance provided in this policy.

4. Extensions

The following Extensions also apply to loss caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises.

The most we will pay for any of the following Extensions is \$25,000 unless another Limit of Insurance is shown in the Declarations for such Extensions. Unless Business Income and Extra Expense or Association Fees and Extra Expense are excluded from the policy, this includes loss of business income and/or necessary extra expense or association fees and extra expense you may incur as a consequence of the following Extensions. The Limits of Insurance applicable to these Extensions will not increase the Limits Of Insurance provided in this policy.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or replacement of the damaged property.

b. Ammonia Contamination

The spoilage to Covered Property contaminated by ammonia, including any salvage expense.

c. Hazardous Substance

We will pay for any additional expenses incurred by you for the clean up, repair or replacement or disposal of Covered Property that is damaged, contaminated, or polluted by a Hazardous Substance.

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no Hazardous Substance been involved with the loss.

Hazardous Substance means any substance other than ammonia that has been declared hazardous to health by a governmental agency. Ammonia is not considered to be a Hazardous Substance as respects this Additional Coverage.

d. Water Damage

The damage to Covered Property by water, including any salvage expenses, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

e. Drying Out Coverage

If electrical Covered Equipment requires drying out as a result of a flood, we will pay for the direct expenses of such drying out.

f. Valuation

(1) If you elect or we require that the repair or replacement of the damaged Covered Equipment be done in a manner that:

- (a) Improves the environment;
- (b) Increases efficiency; or
- (c) Enhances safety;

while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional 25% of the property damage amount for the Covered Equipment otherwise recoverable.

(2) If:

- (a) Any damaged Covered Equipment is protected by an extended warranty, or maintenance or service contract; and
- (b) That warranty or contract becomes void or unusable due to a Breakdown;

we will reimburse you for the unused costs of non-refundable, non-transferable warranties or contracts.

5. Conditions

The following conditions apply to this Additional Coverage:

a. Suspension

Whenever Covered Equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a Breakdown to that Covered Equipment by delivering or mailing written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the Covered Equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that Covered Equipment.

If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be effective even if we have not yet made or offered a refund.

b. Salvage

Any salvage value of property obtained for temporary repairs or use following a Breakdown which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

6. Exclusions

a. The following limitations and exclusions in **A.4 Limitations** and **B. Exclusions** in the Businessowners Special Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.k.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.k. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

b. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** under **Section I - Property** in the Businessowners Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.I.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.i. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.i.(1)** through **B.2.i.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

- c. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** in the Apartment Owners Property Coverage Form or the Condominium Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.j.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.j. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

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

- (1) Damage to Covered Equipment undergoing a pressure or electrical test.
- (2) Depletion, deterioration, corrosion, erosion, rust or wear and tear. However, if a Breakdown occurs we will pay the resulting loss or damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. We will not pay for loss or damage to any property, loss of use of any property, any Association Fees, Extra Expense or loss of Business Income caused directly or indirectly by:

1. The failure or malfunction of:

a. Any of the following, whether belonging to you or to others:

- (1) computer hardware;
- (2) computer software;
- (3) computer operating systems;
- (4) computer networks;
- (5) microprocessors (computer chips);
- (6) any other computerized or electronic equipment or components;
- (7) any electronic data processing equipment, computer programs and software; or

b. Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **1.a.** of this endorsement.

due to the inability of those products or services described in paragraphs **1.a.** and **1.b.** to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

2. Any advice, consultation, design, evaluation, inspection,

installation, maintenance, repair or supervision done by you or for you to determine, rectify or test any potential or actual failure or malfunction described in paragraph **A.1.** above. However, if an excluded loss or damage results in a "Specified Cause of Loss" (such as fire), we will pay only for the loss or damage caused by such "Specified Cause of Loss".

B. We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" for which any insured may be held liable by reason of:

1. The failure or malfunction of any of the items listed in paragraph **A.1.a.** of this endorsement; or

2. Any products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **A.1.a.** of this endorsement

due to the inability of those products or services described in paragraphs **1.** and **2.** above to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

C. We will not pay for repair or modification of any part of an electronic data processing system, or its related equipment, to correct deficiencies or features of logic or operation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



TWO OR MORE COVERAGE FORMS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS COMMON POLICY CONDITIONS
CONDOMINIUM COMMON POLICY CONDITIONS

1. The following paragraph is added to the APARTMENT OWNERS and CONDOMINIUM COMMON POLICY CONDITIONS and supersedes any provision to the contrary:

A. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



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1st Edition

REMOVAL OF ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

Section **B. Exclusions** of the applicable property coverage form is amended as follows:

A. Paragraph **B.1.g. Asbestos** does not apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following provisions are added to the applicable Liability Coverage Form :

A. Exclusion j. under Paragraph B.1. Exclusions Applicable To Business Liability Coverage is replaced by the following:

1. Applicable To Business Liability Coverage

This insurance does not apply to:

j. War

"Bodily injury", "property damage", "personal injury", "advertising injury" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

B. Exclusion h. under Paragraph B.2. Exclusions Applicable To Medical Expenses Coverage does not apply. Medical Expenses due to war are now subject to Exclusion g. of Paragraph B.2. since "bodily injury" arising out of war is now excluded under Paragraph B.1., **Exclusions Applicable To Business Liability Coverage.**



**LOSS PAYMENT CONDITION -
PROFIT, OVERHEAD, AND INCREASED FEES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
APARTMENT OWNERS PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

Paragraph **6.d.** of Sub-section **E. Property Loss Conditions** of Section **I - PROPERTY** of the Businessowners Coverage Form, Paragraph **6.d.** of Section **E. Property Loss Conditions** of the Businessowners Special Property Coverage Form and the Apartment Owners Property Coverage Form, and Paragraph **5.d.** of Section **E. Property Loss Conditions** of Condominium Property Coverage Form is amended as follows:

Sub-paragraph **(1)** is amended to add the following:

(f) We will not pay for the increased fee, charge or cost attributable to a general contractor's profit and overhead or other similar fees or charges, unless you have incurred and paid for them and they are reasonable.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



LIMITED BIOHAZARDOUS SUBSTANCE COVERAGE

This endorsement modifies insurance provided under the:

- APARTMENT OWNERS PROPERTY COVERAGE FORM
- BUSINESSOWNERS COVERAGE FORM
- BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
- CONDOMINIUM PROPERTY COVERAGE FORM

SCHEDULE

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added under Section **A.5. Additional Coverages** in the applicable Property Coverage Form:

Limited Biohazardous Substance Coverage

If a "biohazardous substance" resulting from the death of a tenant or guest causes direct physical damage to covered property, and if all reasonable means were used to save and preserve the property from further damage upon discovery of human remains:

1. We will pay for loss of or damage by a "biohazardous substance". As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property at the described premises caused by or resulting from a "biohazardous substance" including the cost of the removal of human remains and any resulting "biohazardous substance";
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "biohazardous substance"; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that a "biohazardous substance" is present.
2. The most we will pay under this Limited Coverage for the sum of all loss or damage arising resulting from the death of a tenant or guest is \$10,000 per occurrence subject to an aggregate limit of \$20,000 per policy year, unless another Limit of Insurance is shown on the Declarations. These limits are subject to, and not in addition to the applicable Limit of Insurance on the affected property. Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
3. If there is covered loss or damage to Covered Property not caused by a "biohazardous substance" loss payment will not be limited by the terms of this Limited Coverage, except to the extent that a "biohazardous substance" causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
4. If there is covered loss or damage to Covered Property caused by a "biohazardous substance" resulting from the death of a tenant or guest by fire or lightning loss payment will not be limited by the terms of this Limited Coverage.

5. The following applies only if Business Income or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
 - a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by such "biohazardous substance", we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered suspension of "operations" was caused by loss or damage other than the presence of a "biohazardous substance", but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.
6. The following applies to Association Fees and Extra Expense coverage:
 - a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by such "biohazardous substance", then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If loss or damage other than the presence of a "biohazardous substance" renders a unit uninhabitable, but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for such loss of Association Fees and/or Extra Expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.

B. Section H. Property Definitions of the applicable Property Coverage Form is revised as follows:

1. The following definition is added:

"Biohazardous substance" means:

 - a. Human blood;
 - b. Bodily fluids;
 - c. Potentially infectious materials; or
 - d. Any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness or disease;

emanating from human remains that requires a bio-hazard clean up and material disposal.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



DISHONESTY EXCLUSION - TENANT VANDALISM EXCEPTION

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONDOMINIUM PROPERTY COVERAGE FORM

1. Paragraph **2.e. Dishonesty** of Section **B. Exclusions** in the Apartment Owners Property Coverage Form and the Condominium Property Coverage Form is deleted and replaced with the following:

e. Dishonesty

(1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

(2) This exclusion does not apply to:

- (a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;
- (b) Acts of destruction, including vandalism, or theft by a tenant who rents or leases a unit directly from you; or
- (c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

2. Paragraph **2.f. Dishonesty** of Section **B. Exclusions** in the Businessowners Special Property Coverage Form is deleted and replaced with 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, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

(2) This exclusion does not apply to:

- (a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;
- (b) Acts of destruction, including vandalism, or theft by your tenants; or
- (c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**EXCLUSION - VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
CONDOMINIUM LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B. Exclusions - Applicable To Business - Liability Coverage.

B. Exclusions

This insurance does not apply to:

DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



EMPLOYEE DISHONESTY - PROPERTY MANAGER

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by this endorsement.

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM

A. Paragraph G.5.j. under **Optional Coverages - Employee Dishonesty** is deleted and replaced by the following:

- j. With respect to coverage provided under this Optional Coverage, "employee" means any natural person who receives compensation for working in your regular service in the ordinary course of your business.
 - (1) "Employee" also includes your directors and officers, whether compensated or not.
 - (2) "Employee" additionally includes any natural person acting solely as an employee of a real estate property management firm while that person is performing real estate management duties for the named insured.
 - (3) "Employee" does not include any broker, consignee, contractor or other agent or representative of the same general character (other than a property management company). Additionally, "employee" does not include any director or trustee of the real estate property management firm except while performing acts within the scope of the usual duties of its' employee.

Employee Dishonesty coverage does not apply when any Association director, officer or managers is performing duties outside the scope of his or her normal duties as an Association director, officer or manager for the Named Insured.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



EXCLUSION - CONVERSION PROJECTS

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by this endorsement.

This endorsement modifies insurance provided under the following:

Apartment Owners Liability Coverage Form

Condominium Liability Coverage Form

A. The following is added to Section B. **EXCLUSIONS**, Paragraph 1. **Applicable To Business Liability Coverage** of the applicable Coverage Form:

Conversion Projects

"Bodily injury", "property damage" or "personal and advertising injury" including loss adjustment expense that arises out of, is related to, or connected with any "Conversion Project".

B. For the purposes of this endorsement, the following definition is added to Section F. **LIABILITY AND MEDICAL EXPENSES DEFINITIONS** of the applicable Coverage Form:

22. "Conversion Project" means any activities whereby all or part of an existing structure is converted into a condominium, townhouse, apartment, hotel, motel, any multiple use residential or commercial building, or any such change of use as referenced in any applicable laws.



CALIFORNIA HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY
CONDOMINIUM POLICY

SCHEDULE

Coverage	Additional Premium
A. Hired Auto Liability:	\$
B. Non-Owned Auto Liability:	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

1. Hired Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in the applicable Liability Coverage Form, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under Paragraph **A.1. Business Liability** in the applicable Liability Coverage Form, applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

B. For insurance provided by this endorsement only:

1. The exclusions, under the Paragraph **B.1. Applicable To Business Liability Coverage** in the applicable Liability Coverage Form, other than Exclusions **a., b., d., f., g., i.** and **r.** and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:

a. "Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

(a) Whether the insured may be liable as an employer or in any other capacity; and

(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

(i) Liability assumed by the insured under an "insured contract"; or

(ii) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

- b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.
- 2. Paragraph **C. Who Is An Insured** in the applicable Liability Coverage Form, is replaced by the following:
 - 1. Each of the following is an insured under this endorsement to the extent set forth below:
 - a. You;
 - b. Any other person using a "hired auto" with your permission;
 - c. For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
 - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
 - 2. None of the following is an insured:
 - a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
 - c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or
 - e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- c. The following additional definitions apply:
 - 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
 - 2. "Hired Auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
 - 3. "Non-owned Auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM
(CONDOMINIUMS AND COOPERATIVES)**

Policy Number: 09422-03-50

Effective Date: 02/01/19

Retroactive Date: 02/01/07

(Enter Date or None if no Retroactive Date applies)

This insurance does not apply to "loss" from "wrongful acts" which took place before the Retroactive Date, if any, shown above.

Schedule

Limits of Insurance	\$ 2,000,000	Each "Claim"
	\$ 2,000,000	Annual Aggregate
Retention	\$ 500	Each "Claim"

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

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

The word insured means any person or organization qualifying as such under C. WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning. Refer to G. DEFINITIONS.

A. COVERAGES

1. INSURING AGREEMENT

- a. We will pay the "loss" which you become legally obligated to pay as a result of a "claim" against any insured for any "wrongful acts" committed by any insured person. The "wrongful acts" must be committed in the conduct of management responsibilities for the organization. We will have the right and duty to defend you against any such "claim", even if any of the allegations are groundless, false or fraudulent.

However, we will have no duty to defend you against any "claim" for "wrongful acts" to which this insurance does not apply. We may at our discretion, investigate any report of a "wrongful act" and settle any "claim" that may result. But:

- (1) The amount we will pay for "loss" is limited as described in Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of "loss".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under 2. Supplementary Payments.

- b. This insurance applies to any "claim" for a "wrongful act" only if:
- (1) The "wrongful act" is committed in the "coverage territory"; prior to the expiration date of this policy provided that the "claim" is first made during the Policy Period, or any applicable Extended Reporting Period, and written notice of said "claim" is reported to us as soon as practicable, but no later than 60 days after the expiration date of this policy or during the Optional Extended Reporting period, if applicable; and
 - (2) You had no knowledge of, and could not have reasonably foreseen any circumstances which might result in a "claim" at the earliest of:
 - (a) The inception date of this Coverage Form; or
 - (b) The Retroactive Date, if any, shown above; or
 - (c) The inception date of the first policy of this type that we issued to the insured organization, or its subsidiaries, and which provided continuous coverage for the insured organization from such date to the inception date of this policy.
- c. A "claim" by a person or organization seeking damages will be deemed to have been made when notice of such "claim" is received and recorded by any insured or by us, whichever comes first.

All "claims" arising out of the same or related "wrongful acts" will be deemed to be one "claim" and shall be deemed to have been made at the time the first of those "claims" is made against any insured.

2. SUPPLEMENTARY PAYMENTS

We will pay, with respect to any covered "claim" we investigate, defend or settle:

- a. All expenses we incur in the investigation, handling, defense or settlement of a covered "claim".
- b. The premium on bonds to appeal a judgment or award in any "suit" we defend or the premium on bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds. We do not have to provide security or collateral for these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs assessed against the "insured" in a "suit" exclusive of any opposing party attorney fees.
- e. Prejudgment and post judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment or post judgment interest based on that period of time after the offer.

These payments will not reduce the limit of insurance.

B. EXCLUSIONS

This insurance does not apply to "claims":

1. For any "bodily injury", "property damage", or "personal and advertising injury";
2. Relating to or arising from an insured's dishonesty, fraud or willful violation of law, if a judgment or other final adjudication adverse to such insured establishes such insured committed such dishonest, fraudulent or willful conduct;

3. For profits or losses, including an accounting of these profits or losses, resulting from the purchase or sale of any securities;
4. For salaries, compensation, bonuses or benefits owing to employees, directors, trustees or officers;
5. Relating to or arising from the insured in fact gaining profit or financial advantage to which the insured was not legally entitled;
6. For violation of any federal, state or local civil rights law, ordinance or regulation, including but not limited to discrimination on account of race, religion, sex, age, familial status or handicap;
7. Relating to or arising from any:
 - a. Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or
 - b. Actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere.

Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. Relating to or arising from any:
 - a. Defects in any property owned by the Named Insured or by any subsidiary of the Named Insured, or owned collectively by the members of either of them;
 - b. Failure to maintain properly any property owned by the Named Insured or by any subsidiary of the Named Insured, or owned collectively by the members of either of them;
 - c. Failure of the Named Insured or any "insured person" to establish or maintain adequate reserves or levy special assessments for the repair, replacement, improvement or maintenance of any common area elements or property owned by the Named Insured or by any subsidiary of the Named Insured, or owned collectively by the members, of either of them.
9. Relating to or arising from an actual or alleged violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of federal, state or local statutory or common law;
10. Relating to or arising from any "employment practices";
11. Relating to or arising from the insured serving in any capacity in any organization which at the time of such service is not an insured under this policy;
12. Brought or maintained by or on behalf of an insured organization unless the "claim" is brought and maintained totally independent of, and totally without the solicitation, assistance, participation or intervention of any officer, director or trustee of an insured organization;
13. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the insured under any such contract or agreement; but this exclusion will not apply when the sole basis of liability is under the Covenants, Conditions and Restrictions or to the extent the insured would have been liable in the absence of such contract or agreement; or
14. Relating to or arising from any fact, circumstance or situation which has been the subject of any notice given under any other policy of which this Coverage Form is a direct or indirect renewal or replacement.

C. WHO IS AN INSURED

The term insured when used in this Coverage Form includes:

1. The Named Insured listed in the Declarations and its "subsidiaries". You must notify us within 90 days after you acquire or create a new "subsidiary".
 - a. Coverage for a newly acquired or created "subsidiary" is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage under this Coverage Form for any "subsidiary" and its insureds does not apply to any "wrongful act" that occurred before you acquired or formed the "subsidiary" or after the organization ceased being your "subsidiary".
2. Any person who has been, now is, or shall become:
 - a. A duly elected director or trustee of an insured organization;
 - b. Duly elected or appointed officer of an insured organization;
 - c. An employee or committee member of an insured organization whether or not salaried; and
 - d. Any members of an insured organization acting at the direction of the organization's Board of Directors or Trustees on behalf of the organization in a voluntary capacity.
3. The estate or legal representatives of any insured in 2. above who is deceased or the legal representatives, receivers or assigns of any insured in 2. above who is insolvent, incompetent or bankrupt, but only to the extent the insured in 2. above would have been covered under this Coverage Form in the absence of such death, insolvency, incompetency or bankruptcy.
4. The spouse of any insured in 2. above, but only to the extent the claimant seeks recovery from the spouse, or of property owned by the spouse, for "wrongful acts" of an insured in 2. above.
5. Any person or organization acting as a real estate property manager for the Named Insured while performing real estate management duties for the Named Insured, but only with respect to liability for "wrongful acts" committed at the express direction of the Named Insured. However, your real estate property manager is not an insured for "claims" or "suits" brought against them by you.

D. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Schedule above and the rules below limit the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "claims".
2. The Annual Aggregate Limit shown on the Schedule above is the most we will pay for all "loss" resulting from all "Claims" covered by this Coverage Form.
3. Subject to 2. above, the "Each Claim" Limit shown on the Schedule above is the most we will pay for all "loss" arising out of any one "claim".
4. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the Retention amount shown above in the Schedule. A separate Retention amount shall apply to each "claim". The insureds shall bear at their own risk the amount of the Retention. If we pay part or all of the Retention to settle a "claim", you will promptly reimburse us for the part of the Retention paid by us.

5. No Retention amount shall apply to "loss" incurred by insured natural persons if the insured organizations are not permitted or required to indemnify the insured natural persons for such "loss" or if the insured organizations are financially insolvent.

E. EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:

- a. This Coverage Form is canceled or not renewed; or

- b. We renew or replace this Coverage Form with insurance that:

- (1) Has a Retroactive Date later than the date shown in the Declarations; or

- (2) Does not provide coverage for "wrongful acts" on a claims-made basis.

2. Extended Reporting Periods do not extend the "policy period", reinstate the Limits of Insurance or change the scope of coverage provided. They apply only to "claims" for "wrongful acts" committed before the end of the "policy period" and after the Retroactive Date, if any, shown in the Schedule above.

3. Automatic Extended Reporting Period

- a. If any event described in 1. above occurs, we will provide an Automatic Extended Reporting Period without additional charge. This Automatic Extended Reporting Period starts with the end of the policy period and lasts for 60 days.

- b. This Automatic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

- c. This Automatic Extended Reporting Period may not be canceled.

4. Optional Extended Reporting Period

We will issue an Extended Reporting Period Endorsement if any event described in 1. above occurs and if the Named Insured shown in the Declarations:

- a. Makes a written request to purchase the Optional Extended Reporting Period which we receive within 60 days after the end of the policy period; and

- b. Promptly pays the additional premium when due.

The Extended Reporting Period Endorsement will not take effect unless the additional premium is paid when due. If that premium is paid when due, the endorsement may not be canceled.

The Optional Extended Reporting Period will be for one year, starting with the end of the Automatic Extended Reporting Period of this policy.

The Extended Reporting Period Endorsement will also amend paragraph **a.** of **Condition 3. Other Insurance** so that the insurance provided during the Optional Extended Reporting Period will be specifically excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose policy period begins or continues after the Endorsement takes effect.

The premium for the Extended Reporting Period Endorsement will not exceed 200% of the annual premium for the Coverage Part to which the Endorsement would be attached and will be fully earned when the Endorsement takes effect.

F. ADDITIONAL CONDITIONS

Insurance provided under this Coverage Form is subject to the following conditions:

1. Duties In The Event Of "Claim" or "Wrongful Act"

- a. You shall, as a condition precedent to our obligations under this Coverage Form, give written notice to us as soon as practicable but no later than 60 days after the expiration of this policy or during any Extended Reporting Period (if applicable), of any "claim" made against the insured.
- b. If during the Policy Period or any Extended Reporting Period you shall become aware of any "wrongful acts" which may reasonably be expected to give rise to a "claim" being made against an insured, you may give written notice to us of the "wrongful acts" and the reasons for anticipating such a "claim" with full particulars as to dates and persons involved. Any "Claim" which is subsequently made against an insured alleging, arising out of, based upon or attributable to such "wrongful act" shall be considered made at the time such notice of "wrongful acts" was given to us.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with a "claim";
 - (2) Authorize us to obtain records and other information relating to such "claim" and its defense;
 - (3) Cooperate with us in the investigation, settlement, or defense of the "claim"; and
 - (4) Assist us upon our request in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, otherwise covered under this Coverage Form, without our consent.

2. Legal Action Against Us

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

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

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

3. Other Insurance

If other valid and collectible insurance is available to the insured for a "loss" we cover, this insurance is excess over any such other insurance, whether primary, excess, contingent or on any other basis.

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

- a. The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and

b. The total of all deductible and self-insured amounts under such other insurance.

4. Representations

By accepting this Coverage Form, you agree:

- a. The statements and representations in the Application for this coverage are accurate and complete; and
- b. We have issued this policy in reliance upon your statements and representations in such Application.

5. Separation Of Insureds

Except with respect to the Limits Of Insurance, and any rights or duties specifically assigned in this Coverage Form to the Named Insured, this insurance applies as if each insured were the only insured.

6. Transfer of Rights of Recovery Against Others To Us

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing to impair such rights. At our request, you will transfer those rights to us and help us enforce such rights.

7. Your Right To Claims Information

We will provide the Named Insured shown in the Declarations the following information relating to this and any other preceding claims-made Directors and Officers Liability insurance coverage we have issued to you during the previous three years:

- a. A list or other record of each "claim" not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of the **Duties in the Event Of "Claim" or "Wrongful Act"**, above. We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary, by policy year, of payments made and amounts reserved by us under any such insurance.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Form, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 30 days of receipt of the request.

We compile "claim" and "wrongful acts" information for our own business purposes and exercise reasonable care in doing so. In providing this information to you we make no representations or warranties to you, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or non-renewal of this Coverage Form will be effective even if we inadvertently provide inaccurate or incomplete information.

G. DEFINITIONS

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

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Claim" means:
 - a. A written demand for monetary damages or non-monetary relief;
 - b. A civil proceeding commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding commenced by the return of an indictment; or
 - d. A formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document
against an insured for a "wrongful act".
4. "Coverage territory" means the United States of America including its territories and possessions, Puerto Rico and Canada.
5. "Employment Practices" means any employment-related "wrongful act", including without limitation:
 - a. Any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment;
 - b. Employment related misrepresentation;
 - c. Wrongful failure to employ or promote;
 - d. Wrongful deprivation of career opportunity;
 - e. Wrongful discipline;
 - f. Failure to grant tenure or negligent employee evaluation;
 - g. Failure to provide adequate employee policies and procedure;
 - h. Sexual or workplace harassment of any kind, (including the alleged creation of a harassing workplace environment);
 - i. Unlawful discrimination, (including sexual or workplace harassment or creation of a harassing workplace environment) whether direct, indirect, intentional or unintentional; or
 - j. Breach of any oral or written employment contract or quasi contract.
6. "Loss" means the total amount which the insured becomes legally obligated to pay as damages, judgments or settlements on account of all "Claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" does not include:
 - a. Defense costs;
 - b. Taxes, fines or penalties;
 - c. The cost to comply with any injunctive or other non-monetary relief or any agreement to provide such relief; or
 - d. The multiple portion of any multiplied damage award, or punitive or exemplary damages.

7. "Personal and advertising injury" means injury including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
8. "Policy period" means the period from the effective date shown on this Coverage Form or the inception date shown in the Declarations, whichever is later, to the expiration date shown in the Declarations or until the termination of the policy or this Coverage Form.
9. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
10. "Subsidiary" means:
- a. Any non-profit organization in which the Named Insured listed in the Declarations has the right to elect or appoint more than fifty percent (50%) of the directors or trustees, and
 - b. Any other organization specifically included as a "subsidiary" by written endorsement to this Coverage Form.
11. "Suit" means a civil proceeding against any insured in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes an arbitration or mediation proceeding against any insured alleging such damages.
12. "Wrongful act" means any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duties, committed or allegedly committed by you or one or more insured arising solely from their management responsibilities for the organization.
- The same "wrongful act", any interrelated series of "wrongful acts" or series of similar or related "wrongful acts" by one or more Insureds, shall be deemed to be one "wrongful act" and to have commenced at the time of the earliest "wrongful act".



AMENDMENT OF DIRECTORS AND OFFICERS LIABILITY COVERAGE

This endorsement modifies coverage provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM (CONDOMINIUMS & COOPERATIVES)

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Section A. COVERAGES is amended as follows:

1. Paragraph 1. INSURING AGREEMENT, subparagraphs a. and c. are deleted and replaced with the following:

- a. We will have the right and duty to defend you against any "claims" for "wrongful act" even if any of the allegations are groundless, false or fraudulent. The "wrongful act" must be committed in the conduct of management responsibilities for the organization.

However we will have no duty to defend you against any "claim" for "wrongful acts" to which this insurance does not apply. We may at our discretion investigate any report of a "wrongful act" and settle any "claim" that may result.

We will also pay the "loss" which you become legally obligated to pay as a result of a "claim" against any insured for any "wrongful acts" committed by any insured person but:

- (1) The amount we will pay for "loss" is limited as described in Limits of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of "loss".

No other obligation to pay or perform acts or services is covered unless explicitly provided for under 2. SUPPLEMENTARY PAYMENTS.

- c. A "claim" by a person or organization will be deemed to have been made when notice of such "claim" is received and recorded by any insured or by us whichever comes first.

All "claims" arising out of the same or related "wrongful acts" will be deemed to be one "claim" and shall be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Paragraph 2. SUPPLEMENTARY PAYMENTS, subparagraph d. is deleted and replaced with the following and subparagraph f. is added:

- d. All costs taxed against the insured.
- f. Prevailing Party Attorney Fees, subject to the limit of liability shown on the Declarations for Directors and Officers Liability Coverage.

B. Section B. EXCLUSIONS is amended as follows:

1. Exclusion 8.a. is deleted and replaced with the following:

- a. Defects, including construction defects, in any property owned by you or by any subsidiary of the Named Insured or owned collectively by the members of either of them;

2. Exclusion 13. is deleted and replaced with the following:

13. For breach of any oral or written contract or agreement, or for liability of others assumed by the insured under any such contract or agreement, except for liability of the insured that would have existed in the absence of such contract or agreement. However, this exclusion shall not apply to the insurer's duty to defend and to pay defense costs.

C. Section F. **ADDITIONAL CONDITIONS**, paragraph 2.a. **Legal Action against Us** is deleted and replaced with the following:

- a. To join us as a party or otherwise bring us into a "claim" asking for damages from an insured; or

D. Section G. **DEFINITIONS** is amended as follows:

1. Item 3. is deleted and replaced with the following:

3. "Claim" means:

- a. A written demand seeking monetary damages or non-monetary relief against an insured;
- b. A civil proceeding seeking monetary damages or non-monetary relief commenced by the service of a complaint or similar pleading;
- c. A criminal proceeding commenced by the return of an indictment; or
- d. A formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document.

2. Item 6. is deleted and replaced with the following:

6. "Loss" means the total amount which the insured becomes legally obligated to pay as damages, judgments or settlements on account of all "claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" does not include:

- a. Defense costs;
- b. Taxes, fines or penalties;
- c. Prevailing party attorney fees;
- d. The cost to comply with any injunctive or other non-monetary relief or any agreement to provide such relief; or
- e. The multiple portion of any multiplied damage award, or punitive or exemplary damages.

3. Item 11. is deleted in its entirety.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.