



# STATEMENT

RECEIVED  
OCT 31 2024

MID-CENTURY INSURANCE COMPANY

° WATERWOOD TOWNHOMES  
\*SEE J7104 AMEND TO NAMED INS  
110 NAVARRO DR STE 200  
COLLEGE STA TX 77845-8103

OCTOBER 26, 2024  
Date  
35-31-25L

Agent's Number  
60514-46-49

Policy Number

Loan Number

### This Statement Reflects:

Effective Date: 10/26/24

New Business       Reinstatement       Change Of Coverage       Added Coverage

\$ Previous Balance Owing  
\$ Premium  
\$ Membership, Policy, Reinstatement, Reissue or Service Fees  
\$ Pro Rata Premium Due  
\$ Premium For Renewing Entire Present Coverage From \_\_\_\_\_ To \_\_\_\_\_

\$  
\$  
\$  
\$  
\$  
\$  
\$  
\$  
\$  
\$ \_\_\_\_\_ Total Charges

\$  
\$ Payments  
\$ 17,273.00 Other Credits 10/26/24 TO 10/26/25  
\$ 17,273.00 Total Credits

\$ - NONE - **BALANCE DUE UPON RECEIPT**

\$ \_\_\_\_\_ Optional Amount  
\$ \_\_\_\_\_ Refund

WE WANT TO BE YOUR FIRST CHOICE FOR BUSINESS AND PERSONAL LINES INSURANCE. IF YOU PLACE A PERSONAL LINES POLICY WITH FARMERS YOU MAY BE ELIGIBLE TO RECEIVE A DISCOUNT, CONTACT YOUR AGENT TODAY.

**IMPORTANT- D-O N-O-T P-A-Y T-H-I-S N-O-T-I-C-E  
PREMIUM WILL BE BILLED. ACCT # F003767891-001-00001.**

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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](http://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.

**Hunter Slaton**

**Email: [hslaton@farmersagent.com](mailto:hslaton@farmersagent.com)**

**979-822-6000**

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## Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

**Farmers Insurance Exchange**  
**Farmers Texas County Mutual Insurance Company**  
**Fire Insurance Exchange**  
**Mid-Century Insurance Company**  
**Truck Insurance Exchange**

To get information or file a claim with your insurance company:

**Call toll-free: 1-800-225-0011**

Email: [customer.relations@farmersinsurance.com](mailto:customer.relations@farmersinsurance.com)

Mail: Customer Relations  
P.O. Box 2910  
Shawnee Mission, KS 66201-1310

### **The Texas Department of Insurance**

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: [www.tdi.texas.gov](http://www.tdi.texas.gov)

E-mail: [ConsumerProtection@tdi.texas.gov](mailto:ConsumerProtection@tdi.texas.gov)

Mail: Consumer Protection, MC: CO-CP  
Texas Department of Insurance  
PO Box 12030  
Austin, TX 78711-2030

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**Versión española al dorso.**

## Notice to Policyholders Regarding Limited Exclusion of Acts of Terrorism Other Than Certified Acts of Terrorism

Dear Farmers Customer,

Thank you for choosing Farmers® for your insurance needs. We appreciate your business and want to keep you informed of actions that affect your policy.

In compliance with the Terrorism Risk Insurance Act your policy provides coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of the Act. Your policy's Terrorism coverage is outlined on endorsement J6351, Limited Terrorism Exclusion (Other Than Certified Acts of Terrorism); Cap On Losses From Certified Acts Of Terrorism. For your convenience, the following summary of this endorsement is provided. Please note that this summary is provided for informational purposes only and its contents are not intended to amend, alter or change any of the terms or conditions of the policy.

Endorsement J6351 excludes loss or damage arising out of an "other act of terrorism". An "other act of terrorism" is an act that is not certified by the Secretary of Treasury, as outlined in the Terrorism Risk Insurance Act. The exclusion is limited to acts where:

- The total of all damage to all types of property (including business interruption losses) from a terrorism incident exceeds \$25 million; or
- The terrorism incident is carried out by means of dispersal or application of pathogenic or poisonous biological or chemical materials; or
- Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism incident was to release such materials.

This Notice is designed to alert you to provisions in the Terrorism endorsement in this policy; it does not form a part of your insurance contract. Please read your policy carefully, including the endorsements attached to your policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Should you have any questions about this or on any other matter, please contact your Farmers agent who will be happy to assist you.

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## Texas Notice Regarding Flood Insurance

Thank you for choosing Farmers® for your insurance needs. We appreciate your business and want to keep you informed of any updates related to your policy. Due to a recent change to Texas insurance regulations, insurance carriers that do not provide coverage against loss by flood are now required to provide policyholders with the following notification:

### Flood Insurance

**You may also need to consider the purchase of flood insurance. Your insurance policy does not include coverage for damage resulting from a flood even if hurricane winds and rain caused the flood to occur. Without separate flood insurance coverage, you may have uncovered losses caused by a flood. Please discuss the need to purchase separate flood insurance coverage with your agent, or visit [www.floodsmart.gov](http://www.floodsmart.gov).**

This notice provides a reminder that your policy does not cover damage to your property caused by flooding; it is not a part of your insurance contract. Flood insurance is available for communities and properties that participate in the National Flood Insurance Program as outlined on its website - [www.floodsmart.gov](http://www.floodsmart.gov). Please take a moment to review your policy carefully and its attached endorsements to better understand the terms and conditions of your coverage.

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

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# Privacy Policy

This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

## Information We Collect

We may collect the following categories of information for the purposes identified below. Please note that the examples are not an exhaustive list and may fall into multiple categories. Categories and specific pieces of information collected may vary depending on the nature of your relationship with us.

Category	Examples
<b>Personal Identifiers</b>	Name, alias, address, social security number, date of birth, passport number, unique personal identifier, online identifier, IP address, e-mail address, account name, government issued identification number, phone number, signature.
<b>Personal Characteristics</b>	Gender, demographic, medical and health, convictions, marital status, offspring, driving record, family member/other status, and other descriptions of your physical characteristics.
<b>Commercial Information</b>	Personal property, insurance policy number, medical information, or health insurance information, purchased products or services, considered products or services, purchasing or consuming histories or tendencies.
<b>Biometric Information</b>	Voice print, photo.
<b>Internet or Network Activity</b>	Information regarding your interactions with websites, applications, and advertisements, browser type, electronic communications, IP address, cookies.
<b>Geolocation</b>	IP address, physical address, telephone number, state, municipality, location, devices, applications on mobile and computer devices.
<b>Audio, Electronic, Visual, Thermal, Olfactory</b>	Audio, electronic, photo, visual information, such as a call or video recording, voicemail messages.
<b>Professional Information and Employment Information</b>	Job titles, work history, school attended, employment status, veteran, or military status.
<b>Education Information</b>	Job titles, work history, school attended, marital status, e-mail, telephone recordings.
<b>Inferences</b>	Preferences, behaviors, characteristics, trends, predispositions, attitudes, abilities, and aptitudes.
<b>Sensitive Personal Information</b>	Social security number, drivers license number, state ID card, account login, precise geo-location, bank account number, credit or debit card number, or any other financial information, trade union membership, your communications with us.

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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) as permitted by law.

When you are no longer our customer, we continue to share your information as described in this notice.

## Sharing Information with Affiliates

The Farmers Insurance Group<sup>®</sup> of Companies includes 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 above in **Information We Collect**, as permitted by law to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers.
- Non-financial service providers, such as data processors, billing companies and vendors that provide marketing services for us.

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, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

## IMPORTANT PRIVACY CHOICES

You have choices about the sharing of some information with certain parties. These choices may differ based on the particular affiliate(s) with which you do business.

**For 21st Century customers:** We are offering you an opt-out opportunity which is included with your policy documents. If you prefer that we not share your consumer report information with Farmers you may opt-out of such disclosures that is, you may direct us not to make those disclosures - other than as otherwise permitted by law. You may do so by following the procedure explained in the Opt-Out Form. You may opt-out only by returning the Opt-Out Form. We will implement your request within a reasonable time. If it is your decision not to opt-out and to allow sharing of your information with the Farmers affiliates, you do not need respond in any way.

**For Bristol West customers:** If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may use the Opt-Out Form included with your policy documents. Please verify that your Bristol West policy number is listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. We will implement your request within a reasonable time after we receive it. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy. If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to request an opt-out or respond to us in any way.

**For Farmers customers:** If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention. Please verify that all of your Farmers policy numbers are listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy issued by the affiliates listed on the Farmers Privacy Notice. We will implement your request within a reasonable time after we receive the form.

**If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.**

**Additionally, under the California Consumer Privacy Act ("CCPA", California residents have the right to opt out of the sale of personal information to certain third parties.** Although we do not currently share personal information in a manner that would be considered a sale under CCPA, you may still submit a request to opt out by calling us at 1-855-327-6548 or submitting a request through our CCPA Web Form at <https://www.farmers.com/california-consumer-privacy/>.





**Texas Notice - Notification of the availability of Loss Control Information/Services**

Policy Number: 60514-46-49

Date: OCTOBER 26, 2024

Named Insured: WATERWOOD TOWNHOMES  
\*SEE J7104 AMEND TO NAMED INS

**MID-CENTURY INSURANCE COMPANY** is committed to helping policyholders with their efforts to reduce the number of potential claims and losses by providing Texas Commercial Automobile liability, general liability and professional liability policyholders with loss control information and services at no additional cost.

For more information, please call Farmers Loss Control Services at 1-800-531-0450, e-mail [LCHelp@farmersinsurance.com](mailto:LCHelp@farmersinsurance.com) or write to:

Farmers<sup>®</sup> Business Insurance  
Loss Control Services  
6303 Owensmouth Avenue  
Woodland Hills, CA 91367

You can also visit our website, [www.MySafetyPoint.com](http://www.MySafetyPoint.com), to request access to online safety information, videos, and links to loss prevention sites.

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**Mid-Century Insurance Company (A Stock Company)**  
 Member Of The Farmers Insurance Group Of Companies®  
 Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

## COMMON POLICY DECLARATIONS

**Named Insured** WATERWOOD TOWNHOMES  
 \*SEE J7104 AMEND TO NAMED INS

**Mailing Address** 110 NAVARRO DR STE 200  
 COLLEGE STA, TX 77845-8103

F003767891-001-00001

Account No.	Prod. Count
35-31-25L	60514-46-49
Agent No.	Policy Number

**Form of Business**

<input type="checkbox"/> Individual	<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Co.
<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other Organization

**Business Description:**  
 Condominium

**Policy Period** From 10-26-2024 (not prior to time applied for)  
 To 10-26-2025 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	\$203,452.00
Directors And Officers Liability	\$1,199.00
Cyber Liability And Data Breach Expense Coverage	\$35.00
Certified Acts Of Terrorism - See Disclosure Endorsement	Included
Total (See Additional Fee Information Below)	\$204,686.00

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**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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**FARMERS**  
INSURANCE

**J7104**  
1st Edition

POLICY NUMBER: 60514-46-49

**AMENDMENT OF NAMED INSURED**

**SCHEDULE**

The following is/are the Named Insured(s) on this policy:

WATERWOOD TOWNHOMES  
WATERWOOD TOWNHOMES, A CONDOMINIUM HOMEOWNERS ASSOCIATION

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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.

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**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



E2038  
3rd Edition

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

This endorsement modifies insurance provided under the following:

- APARTMENT OWNERS PROPERTY COVERAGE FORM
- APARTMENT OWNERS LIABILITY COVERAGE FORM
- CONDOMINIUM OWNERS PROPERTY COVERAGE FORM
- CONDOMINIUM OWNERS 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):

- |                |            |
|----------------|------------|
| California     | Oregon     |
| Illinois       | Virginia   |
| Iowa           | Washington |
| Missouri       | Wisconsin  |
| North Carolina |            |

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

**A. Coverage is amended as follows:**

**1. Applicability Of The Provisions Of This Endorsement**

**a. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.**

- (1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or**
- (2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:**
  - (a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or**
  - (b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or**
  - (c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.**

**b. If the provisions of this endorsement become applicable, such provisions:**

- (1) Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and**

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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

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph **1.a.** or **1.b.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

**C.** The applicable **Liability Coverage Form** and the **Directors and Officers 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 or any applicable endorsement.

**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 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; or



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



**J6300**  
3rd Edition

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

**SCHEDULE**

<b>SCHEDULE - PART I</b>	
Terrorism Premium (Certified Acts) \$	2,027.00
Additional information, if any, concerning the terrorism premium:	
<b>SCHEDULE - PART II</b>	
Federal share of terrorism losses	<u>80</u> % Year: <u>2024</u>
(Refer to Paragraph B. in this endorsement)	
Federal share of terrorism losses	<u>80</u> % Year: <u>2025</u>
(Refer to Paragraph B. in this endorsement)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Disclosure Of Premium**

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

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

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



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7110**  
2nd Edition

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

This endorsement modifies insurance provided under the:

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

Paragraph 1. **Applicable To Business Liability Coverage** under **B. Exclusions** in the applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM is amended as follows:

**A.** The following exclusion is added:

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

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

1. Any access to or disclosure of any person's or organization's confidential or personal material or information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, biometric information or any other type of nonpublic material or 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 or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion 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.

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.







Mid-Century Insurance Company (A Stock Company)  
Member Of The Farmers Insurance Group Of Companies®

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

## POLICY DECLARATIONS - CONDO/TOWNHOME PREMIER POLICY

**Named Insured** WATERWOOD TOWNHOMES  
\*SEE J7104 AMEND TO NAMED INS

**Mailing Address** 110 NAVARRO DR STE 200  
COLLEGE STA, TX 77845-8103

**Policy Number** 60514-46-49

**Auditable**

**Policy Period** From 10-26-2024  
To 10-26-2025 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.

111/018.000022.0605144649 { 4 } BOT4241026 002391

**Your Agent**

Hunter Slaton  
3402 S College Ave  
Bryan, TX 77801  
(979) 822-6000



**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	1001 Krenek Tap Rd College Sta, TX 77840-5049	

Coverage	Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
sustains loss or damage; and c. Business Personal Property in the open.				

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**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
1001 Krenek Tap Rd College Sta, TX 77840-5049	Condominiums / Townhomes Swimming Pool	8641 00097	Incl U	Included 1	Included Included	Included Included

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Policy Forms And Endorsements Attached At Inception

Number	Title
25-2110	Notice - No Workers' Compensation Covg
25-6359	Notice Re Limited Excl Of Acts Of Terror
25-6552ED1	Texas Notice Regarding Flood Insurance
25-9200ED3	Farmers Privacy Notice
25-9344ED2	TX Loss Control Notice
56-5223ED5	Addl Conditions - Reciprocal Provisions
56-6191	Cyber Liability & Data Breach Dec
E0104-ED1	Business Liab Covg - Tenants Liability
E0119-ED5	Back Up Of Sewers And Overflow Of Drains
E0147-ED1	War Liability Exclusion
E0224-ED3	Wind/Hail Percent Ded
E2038-ED3	Conditional Exclusion Of Terrorism
E3015-ED2	Calculation Of Premium
E3024-ED3	Condominium Common Policy Conditions
E3314-ED3	Condominium Liability Coverage Form
E3336-ED2	Hired Auto And Non-Owned Auto Liability
E3422-ED3	Condominium Property Coverage Form
E4009-ED4	Mold And Microorganism Exclusion
E6288-ED3	Exclusion - Conversion Projects
E9122-ED6	D & O Liability Covg - Condos & Co-Ops
E9126-ED5	D & O Liab - Amendment Of Exclusions
J6300-ED3	Disclosure - Terrorism Risk Ins Act
J6316-ED2	Excl Of Loss Due To Virus Or Bacteria
J6350-ED1	Employee Dishonesty - Property Manager
J6351-ED2	Limited Terrorism Exclusion
J6353-ED2	Change To Limits Of Insurance
J6612-ED2	Equipment Breakdown Coverage Endorsement
J6829-ED1	Limited Coverage For Fungi And Bacteria
J6833-ED2	Condominium Premier Package End
J6849-ED2	Deductible Provisions
J7110-ED2	Exclusion Confidential Info
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Exclusion - Expanded Exception
J7139-ED1	Bus Inc & Extra Exp - Partial Slowdown
J7144-ED1	Amendment Of Pers & Advertising Inj Covg
J7158-ED1	Damage To Property Exclusion Revised
J7183-ED1	Limitation - Designated Premises/Project
J7222-ED1	Marijuana Exclusion
J7228-ED1	Drone Aircraft Coverage
J7230-ED1	Supplementary Payments

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Mid-Century Insurance Company (A Stock Company)  
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** WATERWOOD TOWNHOMES  
\*SEE J7104 AMEND TO NAMED INS

**Policy Number** 60514-46-49

**Mailing Address** 110 NAVARRO DR STE 200  
COLLEGE STA, TX 77845-8103

**Policy Period** From: 10-26-2024  
To: 10-26-2025 12:01 A.M. Standard time at your mailing address shown above.

Retroactive Date: 10/26/2013

Continuity Date: 10/26/2013

**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



11/1/22 000022 0605144649 { 4 } BOT 4241026 002395



**TEXAS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the:

CYBER LIABILITY AND DATA BREACH RESPONSE COVERAGE FORM

**A. Section II. DEFENSE AND SETTLEMENT OF CLAIMS** is amended by the addition of the following:

**D.** The Company shall provide written notice to the "named insured" of an initial offer to settle or compromise a "claim" against the "insured", no later than 10 days after the date on which the offer to settle or compromise is made, unless the "named insured" advises us of such initial offer to settle or compromise the "claim". The Company shall also provide written notice to the "named insured" of the settlement of a "claim" against the "insured" no later than 30 days after the settlement.

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

**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.** If this Coverage Form does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 and:

**1.** Has been in effect for 60 days or less and is not a renewal, the Company may cancel this Coverage Form for any reason; or

**2.** Has been in effect for more than 60 days, the Company may only cancel this Coverage Form for one or more of the following reasons:

**a.** Fraud in obtaining coverage;

**b.** Failure to pay Premiums when due;

**c.** An increase in hazard within the "insured's" control that would produce a rate increase;

**d.** Loss of our reinsurance covering all or part of the risk covered by this Coverage Form; or

**e.** If the Company is placed in supervision, conservatorship, or receivership and the cancellation is approved or directed by the supervisor, conservator, or receiver.

**C.** If this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 and:

**1.** Has been in effect for less than 90 days, we may cancel this policy for any reason; or

**2.** Has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel this policy only for the following reasons:

**a.** If the first "named insured" does not pay the premium or any portion of the premium when due;

**b.** If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;

**c.** If the "named insured" submits a fraudulent claim; or

**d.** If there is an increase in the hazard within the control of the "named insured" which would provide an increase in rate.



**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";



- (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**.





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:



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;



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";



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".



- 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".



- 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 "insureds" 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:

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- (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";



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.





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".



### 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.



# CONDOMINIUM PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning.

Refer to Section H - Property Definitions.

## A. COVERAGE

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

### 1. COVERED PROPERTY

Covered Property, used in this policy, means the type of property as described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered if a limit of Insurance is shown in the Declarations for that type of property.

a. Building and structure described in the Declarations, including:

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

But Buildings does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(4)** above.

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

- (1) Personal property owned by you or owned indivisibly by all unit-owners;
- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;



### 3. COVERED CAUSES OF LOSS

Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations; that follow:

### 4. LIMITATIONS

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

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for the loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of the interior of an outdoor sign, we will not pay more than \$500 for the total of all loss or damage in any one occurrence. Subject to the \$500 limit on all loss or damage, we will not pay more than \$100 for each plate, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the interior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

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

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

### 5. ADDITIONAL COVERAGES

#### a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

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

(2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.



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

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs (2)(a), (2)(c) and (2)(d).

- (3) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

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

- (4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (5) This Additional Coverage, Collapse, will not increase the Limits Of Insurance provided in this policy.

#### e. Association Fees and Extra Expense

##### (1) Association Fees

- (a) We will pay for Association fees you have been unable, after reasonable effort, to collect from any unit owner(s) whose unit(s) has been rendered uninhabitable due to direct physical loss or damage caused by or resulting from any Covered Cause of Loss.

We will only pay for loss of Association Fees that you sustain during the "period of restoration" and occurs within 12 consecutive months after the date of direct physical loss or



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

**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 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.

We may extend this period in writing during the two years.

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.6.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:

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#### **k. Crime Conviction Reward**

We will pay a crime conviction reward to a person or persons (not to include the Named Insured or any person responsible in any way for the subject crime) providing information which leads to a conviction in connection with a loss or damage covered by this policy. The amount of the reward will be equal to the amount of the covered loss, however, in no event will the amount of the reward exceed \$5,000 for any one occurrence.

This limit applies per occurrence regardless of the number of persons providing information.

No deductible applies to this Additional Coverage.

#### **l. Master Key Coverage**

We will pay up to the limits shown in the Declarations for the necessary replacement of locks and keys when a key is lost or stolen.

No deductible applies to this Additional Coverage.

#### **m. Fire Extinguisher Recharge**

We will pay up to \$2,500 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers owned by the insured that are discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

No deductible applies to this Additional Coverage.

### **6. COVERAGE EXTENSIONS**

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

#### **a. Newly Acquired or Constructed Property**

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

Coverage under this Extension for each newly acquired or constructed building or structure will end upon the first to occur of the following:

- (a) This policy expires or is terminated;
- (b) The thirtieth day after you acquire or begin to construct the property; or
- (c) You request that the subject building or structure be covered under the policy.

We will charge you additional premium from the date construction begins or you acquire the property.

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

Deductible:

The deductible applicable to and shown on the Declarations for Building and Structure applies to each loss under this endorsement.

#### **b. Personal Property At Newly Acquired Premises**

You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

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

Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:



For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

(3) Section B. Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.b., Government Action;
- (b) Paragraph B.1.c., Nuclear Hazard;
- (c) Paragraph B.1.e., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3., and
- (g) The Accounts Receivable and "Valuable Papers and Records" Exclusions.

**g. Accounts Receivable**

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable.

We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

(3) Section B. Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.b., Government Action;
- (b) Paragraph B.1.c., Nuclear Hazard;
- (c) Paragraph B.1.e., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3.; and
- (g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

**h. Mechanical Breakdown of Electronic Data Processing Equipment**

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Covered Property.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

The Electrical Apparatus Exclusion B.1.d, B.2.a., B.2.c., B.2.d., B.2.i., B.2.k.(3),(4), and (5) and B.3.b. does not apply to this Coverage Extension.

**i. Artificially Generated Electrical Current**

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated

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

**e. War And Military Action**

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

**f. Water, Mudslide Or Mudflow**

(1) We will not pay for loss or damage caused directly or indirectly by any of the following:

- (a) Water, in any form; or
- (b) Mudslide or mudflow;

Such loss or damage is excluded (including all resulting loss or damage, not limited to rust, wet or dry rot or fungi) regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

(2) However, we will pay for loss or damage, not otherwise excluded, but not for any other resulting damage, caused by:

- (a) 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. We will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (i) Results in discharge of any substance from an automatic fire protection system; or
- (ii) Is directly caused by freezing.

(b) Water damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, if:

- (i) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- (ii) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(c) Water, other liquids, powder, molten material leaking or flowing from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, only if:

- (i) You have taken all necessary measures to maintain heat in the building or structure; or
- (ii) You drain the equipment and shut off the supply if the heat is not maintained.

(d) Hail damage to the exterior of the building or structure.

(e) Water when used to suppress fire.

We will not pay for loss or damage caused by (2)(a), (b), (c) occurring over a period of 14 days or more.

But if loss or damage causes fire or explosion, we will pay for the loss or damage caused by the fire or explosion.

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Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**i. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**j. Other Types of Loss**

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.
  - (b) Marring or scratching.

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

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

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1 above to produce the loss or damage.

**b. Acts or Decisions**

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**c. Negligent Work**

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

**4. Accounts Receivable And "Valuable Papers And Records" Exclusions**

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

Example:

If: the applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is  $\$100,000 \times .08 \times 146 \text{ Divided By } 365 = \$3,200$ .

#### 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. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Additional Coverage - Exterior Building Glass in any one occurrence is the Optional Coverage/Building Glass Deductible shown in the Declarations:
  - a. Money and Securities;
  - b. Employee Dishonesty;
  - c. Interior Glass; and
  - d. Outdoor Signs.

But this Optional Coverage/Exterior Building Glass Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Extra Expense; and
  - c. Association Fees

#### E. PROPERTY LOSS CONDITIONS

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

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



property:

- i. Of comparable material and quality; and
    - ii. Used for the same purpose; or
    - iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
  - (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
    - (i) The actual cash value of the lost or damaged property; or
    - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and with deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
  - (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (d) We will not pay on a replacement cost basis for any loss or damage:
    - (i) Until the lost or damaged property is actually repaired or replaced; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
  - (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts;
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (a) Blank materials for reproducing the records; and
  - (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" and electronic media and records that are actually replaced or restored.
- (6) Applicable only to the Optional Coverages:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.



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

## **b. Vacancy Provisions**

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

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

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

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

## **F. PROPERTY GENERAL CONDITIONS**

### **1. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **2. Mortgageholders**

a. The term "mortgageholder" includes trustee.

b. We will:

- (1) If the condominium is terminated, pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
- (2) In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Loss Condition contained in this Coverage Form.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholders rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholders right to recover the full amount of the mortgageholders claim will not be impaired.

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



- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

### 3. Interior Glass

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:
  - (1) Described in the Declarations as covered under this Optional Coverage; and
  - (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
  - (3) Owned by you, or owned by others but in your care, custody or control.
- b. We will also pay for necessary:
  - (1) Expenses incurred to put up temporary plates or board up openings;
  - (2) Repair or replacement of encasing frames; and
  - (3) Expenses incurred to remove or replace obstructions.
- c. Paragraph 3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:
  - (1) Paragraph B.1.b., Government Action;
  - (2) Paragraph B.1.c., Nuclear Hazard; and
  - (3) Paragraph B.1.e., War and Military Action.
- d. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Corrosion; or
  - (4) Rust.
- e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

### 4. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.
- 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; or
  - (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.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or saving institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities"

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i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

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.

"Employee" also includes your directors, officers, whether compensated or not.

"Employee" does not include any broker, consignee, contractor (such as property management company) or other agent or representative of the same general character.

**Employee Dishonesty** coverage does not apply when your directors, officers and Association managers are performing duties outside the scope of their normal duties as directors, officers or Association managers for the Named Insured.

## H. PROPERTY DEFINITIONS

1. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

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

3. "Period of restoration" means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any COVERED CAUSE OF LOSS at the described premises; and

b. Ends on the earlier of:

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

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

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

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

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

5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".



**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.

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## 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. Policy terms involved.

All bodily injury, personal injury and property damage resulting from one accident or from continuous or repeated exposure to the same general conditions is considered the result of one loss.

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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.



**s7666**  
TEXAS  
2nd Edition

**TEXAS CONDOMINIUM ASSOCIATION COVERAGE -  
CONDOMINIUM LAW PROVISIONS**

This endorsement modifies insurance provided under the following:

CONDOMINIUM OWNERS POLICY

**A. Section F. PROPERTY GENERAL CONDITIONS** of the CONDOMINIUM PROPERTY COVERAGE FORM is amended as follows:

1. Paragraph **F. 1. Control of Property** is deleted.

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

1. Section **A. Cancellation** is amended as follows:

a. The following is added to Paragraphs **A.2.** and **A.3.:**

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 30 days before the effective date of cancellation, to:

a. The first Named Insured; and

b. Each unit-owner to whom we issued a certificate or memorandum of insurance.

If we cancel this policy, we will, at the request of the Named Insured, provide a written statement of the reason or reasons for such cancellation.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us, then we will also mail or deliver notice of cancellation to each unit-owner to whom we issued a certificate or memorandum of insurance, to each last mailing address known to us.

2. The following is added to paragraph **H. Other Insurance:**

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

3. The following condition is added and supersedes any provision to the contrary:

**M. Nonrenewal**

a. We will mail or deliver written notice of nonrenewal, at least 30 days before the expiration or anniversary date of the policy, to the first Named Insured and to each unit-owner to whom we issued a certificate or memorandum of insurance.

b. We will mail or deliver such notice to each last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. The following condition is added:

**N. Act Or Omission**

No act or omission by any unit-owner will void this policy or be a condition to recovery 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.



**J7222**  
1st Edition

## MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

**A.** The applicable Property Coverage Form is amended as follows:

1. The following is added to Paragraph **A.2. PROPERTY NOT COVERED:**
  - a. "Marijuana".
2. Coverage under this Policy does not apply to that part of Business Income or Association Fees loss, or Extra Expense incurred due to a suspension of your "operations" which involve the design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".
3. Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:
  - a. Ingestion;
  - b. Inhalation;
  - c. Absorption; or
  - d. Consumption.

**B.** The following exclusion is added to the applicable Liability Coverage Form:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
  - a. The design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";
  - b. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or
2. "Property damage" to "marijuana".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

- a. Ingestion;
- b. Inhalation;
- c. Absorption; or
- d. Consumption.

**C.** For the purposes of this endorsement, the following definition is added:

"Marijuana":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC), Cannabidiol (CBD) or any other cannabinoid, regardless of whether any such cannabinoid is natural or synthetic.

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

## **WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS COVERAGE FORM  
CONDOMINIUM COVERAGE FORM

### **SCHEDULE\***

<b>Location No.</b>	<b>Windstorm or Hail Deductible Percentage (enter 1%, 2% or 5%)</b>
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\*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The Windstorm or Hail Deductible, as shown in the Schedule, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than Windstorm or Hail occurs, and that loss or damage would not have occurred but for Windstorm or Hail, such loss or damage shall be considered to be caused by Windstorm or Hail and therefore part of a Windstorm or Hail occurrence.

With respect to Covered Property at a location identified in the Schedule, no other deductible applies to Windstorm or Hail.

The Windstorm or Hail Deductible applies whenever there is an occurrence of Windstorm or Hail.

### **WINDSTORM OR HAIL DEDUCTIBLE CLAUSE**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. This Deductible is calculated separately for, and applies separately to:

1. Each building or structure that sustains loss or damage;
2. The building or structure and to personal property in that building or structure, if both sustain loss or damage;
3. Personal property at each building or structure that sustains loss or damage.

We will not pay for loss or damage until the amount of loss or damage exceeds the Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit(s) of Insurance.

When property is covered under the Coverage Extension for Newly Acquired Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired Property is the highest percentage shown in the Schedule for any described premises.

### **EXAMPLE APPLICATION OF DEDUCTIBLE:**

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property.

The Deductible is 2%.

#### **Building**

Step (1) :  $\$80,000 \times 2\% = \$1,600$



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**W2193**  
1st Edition

## TEXAS BROAD ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

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

- A.** The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** in Section **B. Exclusions** of the Apartment Owners Liability Coverage Form, the Businessowners Liability Coverage Form and the Condominium Liability Coverage Form:

**Abuse or Molestation**

This insurance does not apply to damages arising out of the actual, alleged or threatened abuse or molestation, including, but not limited to, mental abuse, corporal punishment, sexual abuse or sexual molestation, of any person committed by anyone.

This includes, but is not limited to, the actual or alleged negligent hiring, employment, investigation, reporting to the proper authorities, or failure to so report, supervision, training, or retention of any person or organization.

- B.** The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** in Sub-section **B. Exclusions of Section II - Liability** of the Businessowners Coverage Form:

**Abuse or Molestation**

This insurance does not apply to damages arising out of the actual, alleged or threatened abuse or molestation, including, but not limited to, mental abuse, corporal punishment, sexual abuse or sexual molestation, of any person committed by anyone.

This includes, but is not limited to, the actual or alleged negligent hiring, employment, investigation, reporting to the proper authorities, or failure to so report, supervision, training, or retention of any person or organization.

- C.** For the purposes of this endorsement, abuse means an act which is committed with the intent to cause harm.

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.





**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.



**J7228**  
1st Edition

## DRONE AIRCRAFT COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

**A.** The following item is added to Paragraph 5. **Additional Coverages** under Section **A. Coverage** of the applicable Coverage Form:

### Drones Direct Damage Coverage

- a. We will pay for direct physical loss of or damage to drone aircraft that is used in your business caused by or resulting from a Covered Cause of Loss located anywhere in the coverage territory.
- b. The reference to aircraft in Paragraph a. of the Apartment Owners Property Coverage Form and Paragraph b. of the Condominium Property Coverage Form under Section **A.2. Property Not Covered** does not apply to the extent that coverage is provided in this Additional Coverage.
- c. To the extent that coverage is provided in this Additional Coverage, Section **B. Exclusions** is amended as follows:
  - (1) Exclusion **B.2.a. Electrical Apparatus** does not apply.
  - (2) Exclusion **B.2.j.(5)** does not apply to drone aircraft while aloft.
  - (3) Exclusion **B.2.j.(6) Mechanical Breakdown** does not apply. However, we will not pay for mechanical breakdown caused by or resulting from:
    - (a) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
    - (b) Leakage at any valve, fitting, shaftseal, gland packing, joint or connection; or
    - (c) Damage to drone aircraft undergoing a pressure or electrical test.
  - (4) We will not pay for loss or damage caused by or resulting from installation, testing, repair or other similar services performed upon drone aircraft, including its electronic equipment or components.
  - (5) We will not pay for loss or damage to drone aircraft when such loss or damage occurs while drone aircraft is being used to convey merchandise or goods for delivery to others.
  - (6) We will not pay for loss or damage to drone aircraft when such loss or damage is caused by or results from drone aircraft being used in any professional or organized racing or demolition contest or stunting activity. We will also not pay for loss or damage that occurs while drone aircraft is being prepared for such contest or activity.
- d. The most we will pay under this Additional Coverage in any one occurrence is \$10,000, unless a higher limit is shown on the Declarations, but not more than \$2,500 for any one item, unless a higher per item limit is shown on the Declarations. This Additional Coverage will not increase the Business Personal Property Limit of Insurance provided in this policy.

**B.** The following item is added to Paragraph 5. **Additional Coverages** under Section **A. Coverage** of the Apartment Owners Property Coverage Form:

### Drones Business Income and Extra Expense Coverage

- a. We will pay for the actual loss of Business Income you sustain due to the suspension of your business activities requiring the use of drone aircraft. The suspension must be caused by direct physical damage to drone aircraft used in your business located anywhere in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.
  - (1) The coverage period for Business Income under this Additional Coverage:
    - (a) Begins 72 hours after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and
    - (b) Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7546**  
1st Edition

## EXCLUSION - PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

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

The Apartment Owners Liability Coverage Form, the Businessowners Liability Coverage Form and the Condominium Liability Coverage Form, and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM, are amended as follows:

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

This insurance does not apply to:

**Perfluoroalkyl And Polyfluoroalkyl Substances**

- a. "Bodily injury" or "property damage" which would not have occurred, or "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

**B. For the purposes of this endorsement, the following is added to Paragraph F. Liability And Medical Expenses Definitions:**

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
  - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
  - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
  - c. Perfluoropolyethers (PFPE);
  - d. Fluorotelomer-based substances; or
  - e. Side-chain fluorinated polymers; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph B.1.

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.





## CONDOMINIUM LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under Section C - WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning.

Refer to Section F - LIABILITY AND MEDICAL EXPENSES DEFINITIONS.

### A. COVERAGES

#### 1. BUSINESS LIABILITY

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

- (1) The amount we will pay for damages is limited as described in Section D - LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

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

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
  - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
  - (b) The "bodily injury" or "property damage" occurs during the policy period.
  - (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" know, 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.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. WHO IS AN INSURED or any "employee" authorized by you to give or receive notice of an occurrence or claim,



(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph B.1.b.(2) of the EXCLUSIONS, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or

b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above are no longer met.

## 2. MEDICAL EXPENSES

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations; provided that:

(a) The accident takes place in the "coverage territory" and 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 reasonable require.

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

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

## B. EXCLUSIONS

### 1. Applicable To Business Liability Coverage

This insurance does not apply to:

#### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

#### b. Contractual Liability

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

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or



- (i) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

Subparagraph **(d)(i)** does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.

This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

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

**(2)** Any loss, cost or expense arising out of any:

- (a)** Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (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.

#### **g. Asbestos**

- (1)** "Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused by or contributed to asbestos or exposure to asbestos;
- (2)** Any loss, cost or expenses arising out of any request, demand, order, claim, "suit" or statutory or regulatory requirement that any insured or others test for, monitor, abate, remove, clean up, contain, treat, or neutralize, or in any way respond to, or assess the effects of asbestos;
- (3)** Any supervision, instructions, recommendation, warnings or advice given or which should have been given in connection with **(1)** and **(2)** above; and
- (4)** Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

For purposes of this exclusion, "bodily injury" includes mental injury, anguish, distress or fear of any injury, illness or disease caused by, or believed to be caused by, or related to asbestos or exposure to asbestos.

#### **h. Aircraft, Auto Or Watercraft**

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

This exclusion does not apply to:

- (1)** A watercraft while ashore on premises you own or rent;
- (2)** A watercraft you do not own that is:
  - (a)** Less than 26 feet long; and
  - (b)** Not being used to carry persons or property for a charge.
- (3)** Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not



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".

**m. Damage To Your Product**

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

**n. Damage To Your Work**

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

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

**o. Damage To Impaired Property Or Property Not Physically Injured**

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

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

**p. Recall Of Products, Work Or Impaired Property**

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

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

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

**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 of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your

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

## 2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

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

## 3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage - Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
  - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association Of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
    - (b) The insured is or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency there of, with any person or organization.
    - (c) Under Business Liability Coverage, to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
  - (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (b) Has been discharged or dispersed therefrom;
  - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or behalf of an insured; or
  - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:



**2. Each of the following is also an insured:**

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

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of the co-"employee" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraphs **(1)(a)** or **(1)(b)**; or
- (d)** Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are pharmacists in your retail druggist or drugstore operation, they are insureds with respect to their providing or failing to provide professional health care services; or

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

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

**b.** Any person (other than your "employee"), or any organization while acting as your real estate manager.  
**c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

**d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

**3.** With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a.** "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b.** "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

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

**4.** The developer in the developer's capacity as a unit-owner, but only with respect to the developer's liability arising out of:

- a.** The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or
- b.** The developer's membership in the Association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

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(2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

### 4. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy 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 policy 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.

### 5. Separation Of Insureds

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

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

## F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - (a) Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - (b) Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting



change orders, designs or specifications; or  
(b) Giving direction or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

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

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

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

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

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





**20. "Your product" means:**

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

"Your product" includes":

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

**21. "Your work" means:**

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

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**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.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7144**  
1st Edition

## 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";





**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.



This endorsement changes the policy. Please Read it carefully.

## **MOLD AND MICROORGANISM EXCLUSION**

This endorsement modifies insurance provided under the following

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

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.

## HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

### SCHEDULE

#### Coverage

#### Additional Premium

Hired Auto Liability

Non-Owned Auto Liability

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 Section II Liability, 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 Coverages** in the applicable **Liability Coverage Form**, other than Exclusions **a., b., d., f. and i.** 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





**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.

W2172  
1st Edition

## TEXAS LOSS PAYMENT CONDITION - PROFIT AND OVERHEAD

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 on a replacement cost basis, unless you have incurred 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.





**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**

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

**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

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

## **TEXAS CHANGES CONDITIONS REQUIRING NOTICE**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

With regard to "bodily injury" or "property damage" liability, unless we are prejudiced by the failure to comply with the requirement, any provision of this policy requiring you or any insured to give notice of occurrence, claim or suit, or forward demands, notices, summonses or legal papers in connection with a claim or suit, will not bar liability under this policy.

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**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) 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.





## 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.



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.

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

(5) Paragraph E.6.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".



- (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.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J6849**  
2nd Edition

## 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.

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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.





**TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

CONDOMINIUM OWNERS POLICY

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

1. Section **B. Exclusions** is amended as follows:

a. Paragraph **B.2.j.(4)** is replaced by the following:

(4) Settling, cracking, shrinking, expansion or contraction;

b. The following is added to Paragraph **B.2.j.**, **Other Types Of Loss**:

(8) Release, discharge or dispersal of contaminants or pollutants.

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

2. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

**2. Appraisal**

a. If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss.

Each party will:

(1) Pay its chosen appraiser; and

(2) Bear the other expenses of the appraisal and umpire equally.

b. If there is an appraisal:

(1) You will retain your right to bring a legal action against us, subject to the provisions of Paragraph **E.4. Legal Action Against Us**; and

(2) We will still retain our right to deny the claim.

3. The provision requiring a signed, sworn proof of loss in Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Condition is replaced by the following:

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

4. Paragraph **E.4. Legal Action Against Us** Property Loss Condition is replaced by the following, except as provided in 7. below:

**4. Legal Action Against Us**

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

a. There has been full compliance with all of the terms of this insurance, and

b. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

This Paragraph **4.** does not apply to Paragraph **E.4. Legal Action Against Us** Liability And Medical Expenses General Condition in the CONDOMINIUM LIABILITY COVERAGE FORM.



However, if payment of the claim or part of the claim is conditioned on your compliance with any terms of this policy, we will make payment within five business days after the date you have complied with such terms.

### **(3) Catastrophe Claims**

If a claim results from a weather-related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **c.(1)** and **c.(2)** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather-related event which:

- (a)** Is declared a disaster under the Texas Disaster Act of 1975; or
- (b)** Is determined to be a catastrophe by the Texas Department of Insurance.

**(4)** The term "business day", as used in the **Loss Payment** Property Loss Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

## **6. The following is added to Paragraph F. Property General Conditions:**

### **5. Loss to Real Property**

The amount of insurance applicable to loss to real property by fire will be reduced by the amount of such loss. As repairs are made, the amount reduced will be reinstated to the extent of the value of the repairs. The reinstatement will not increase the specified Limits of Insurance.

No other loss insured against in CONDOMINIUM PROPERTY COVERAGE FORM will reduce the specified Limits of Insurance.

## **7. Paragraphs F.2.d. and F.2.f. of Mortgageholders Property General Condition are replaced by the following:**

**d.** If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1)** Pays any premium due under this policy at our request if you have failed to do so;
- (2)** Submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so; and
- (3)** Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

**f.** If this policy is cancelled, we will give the mortgageholder named in the Declarations written notice of cancellation.

If we cancel this policy, we will notify the mortgageholder at least:

- (1)** 14 days before the effective date of cancellation if we cancel for your non-payment of premium; or
- (2)** 30 days before the effective date of cancellation if we cancel for any other reason.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the tenth day after the date we mail the notice.

## **8. Paragraph G.5.j. of Employee Dishonesty Optional Coverage, is replaced by the following:**

**j.** With respect to coverage provided under this Optional Coverage, employee means:

- (1)** Any natural person:
  - (a)** While in your service or 30 days after termination of service;
  - (b)** Who you compensate directly by salary, wages or commission; and
  - (c)** Who you have the right to direct and control while performing services for you;



- b. For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 Tex. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
  - (1) If this policy has been in effect for 60 days or less, we may cancel for any reason except, that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official; or
  - (2) If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
    - (a) Fraud in obtaining coverage;
    - (b) Failure to pay premiums when due;
    - (c) An increase in hazard within the control of the insured which would produce an increase in rate;
    - (d) Loss of our reinsurance covering all or part of the risk covered by the policy; or
    - (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:
  - (1) If this policy has been in effect for less than 90 days, we may cancel this policy for any reason.
  - (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel this policy only for the following reasons:
    - (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
    - (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
    - (c) If the Named Insured submits a fraudulent claim; or
    - (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

2. The following paragraph is added and supersedes any provision to the contrary:

**M. Nonrenewal**

- 1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
- 2. If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.
- 3. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 4. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

3. Paragraph 3. under **I. Premiums** 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.





**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;



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.

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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.

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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.

# CONDOMINIUM COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

## A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a covered cause of loss, permanent repairs to the building:
      - (a) Have not started, and
      - (b) Have not been contracted for, within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
    - (5) Failure to:
      - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
      - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
  - b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. No Act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association.

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## H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

## I. Premiums

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

## J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Condominium Property Coverage:

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

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:



# Additional Conditions



Applicable only if this policy is issued by the Truck Insurance Exchange or the Farmers Insurance Exchange:

**RECIPROCAL PROVISIONS - SPECIAL DEFINITIONS AND PROVISIONS - PLAN OF OPERATION.** Wherever the words "Policy," "Insured," "Company," "Premium," and "President" occur herein they shall be taken and construed to mean "Contract," "Subscriber," "Reciprocal or Inter-Insurance Exchange," "Deposit" and "Attorney-in-Fact," respectively.

This policy is issued as an Inter-Insurance Exchange, by the Truck Underwriters Association or the Farmers Underwriters Association as Attorney-in-Fact for the Truck Insurance Exchange or the Farmers Insurance Exchange in accordance with the powers vested in it by an agreement executed by the subscribers.

**NO CONTINGENT LIABILITY.** No policyholder in this Exchange incurs any liability other than Deposit Premium or Premium Paid, the Exchange having a free surplus in the amount defined by Article 19.03 of the Texas Insurance Code of 1951, as amended, and in accordance with the Exchange's Articles of Agreement.

**PARTICIPATION.** The insured is by virtue of this policy a member of the Exchange, subject to the Articles of Agreements reference to which is had and shall be entitled to such unabsorbed premium or dividend as may be declared by the advisory committee, subject however, to approval in accordance with the provisions of the Texas Insurance Code of 1951, as amended.

Applicable only if this policy is issued by the Mid-Century Insurance Company:

**DIVIDEND PROVISION - PARTICIPATING COMPANIES.** The named insured shall be entitled to participate in a distribution of the surplus of the Company, as determined by its Board of Directors from time to time after approval in accordance with the provisions of the Texas Insurance Code of 1951, as amended.

**THIS POLICY IS MADE AND ACCEPTED SUBJECT TO THE FOREGOING STIPULATIONS AND CONDITIONS,** together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto; and no officer, agent or other representative of this Company shall have power to waive or be deemed to have waived any provision or condition of this Policy unless such waiver, if any, shall be written upon or attached hereto, nor shall any privilege or permission affecting the insurance under this Policy exist or be claimed by the Insured unless so written or attached.

This Policy shall not be effective unless countersigned on the Declarations Page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below.

**FARMERS INSURANCE EXCHANGE**  
By Farmers Underwriters Association,  
Attorney-in-Fact

**MID-CENTURY INSURANCE COMPANY**

**TRUCK INSURANCE EXCHANGE**  
By Truck Underwriters  
Association,  
Attorney-in-Fact



*Doren E. Hall*  
Secretary

*[Signature]*  
President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



W2182  
1st Edition

## TEXAS CHANGES - WINDSTORM OR HAIL LOSS CONDITIONS

This endorsement modifies insurance provided under the:

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

**A. Section E. Property Loss Conditions** in the Apartment Owners Property Coverage Form, Businessowners Special Property Coverage Form and Condominium Property Coverage Form is amended as follows:

1. Paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete sub-paragraph **a.(2)** and replace it with the following:
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims, unless good cause is shown by the person filing the claim more than one year after the date of the loss or damage.
2. The following is added to Paragraph **4. Legal Action Against Us**:
  - c. With respect to loss or damage caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this insurance, unless:
    - (1) There has been full compliance with all of the terms of this insurance; and
    - (2) The action is brought within the earlier of the following:
      - (a) Two years and one day from the date we accept or reject the claim; or
      - (b) Three years and one day from the date of the loss or damage that is the subject of the claim.

**B. Paragraph E. Property Loss Conditions in Section I - Property** of the Businessowners Coverage Form is amended as follows:

1. Sub-paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete item **a.(2)** and replace it with the following:
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims, unless good cause is shown by the person filing the claim more than one year after the date of the loss or damage.
2. The following is added to Sub-paragraph **4. Legal Action Against Us**:
  - c. With respect to loss or damage caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this insurance, unless:
    - (1) There has been full compliance with all of the terms of this insurance; and
    - (2) The action is brought within the earlier of the following:
      - (a) Two years and one day from the date we accept or reject the claim; or
      - (b) Three years and one day from the date of the loss or damage that is the subject of the claim.

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.





Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers® agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers. We appreciate your business.



**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.**

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**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.





**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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7507**  
1st Edition

## CYBER INCIDENT EXCLUSION

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**

**A. Paragraph B. Exclusions** is amended as follows:

1. The following exclusion is added:

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

### **Cyber Incident**

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

2. **Exceptions And Limitations**

#### **a. Fire Or Explosion**

If a cyber incident as described in Paragraphs **A.1.a.** through **A.1.c.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

#### **b. Computer Fraud And Funds Transfer Fraud Coverage**

The exclusion in Paragraph **A.1.** does not apply to Computer Fraud And Funds Transfer Fraud Coverage when attached to your policy.

#### **c. Cyber Liability And Data Breach Response Coverage Form**

The exclusion in Paragraph **A.1.** does not apply to the Cyber Liability And Data Breach Response Coverage Form when attached to your policy.

#### **d. Social Engineering Coverage**

The exclusion in Paragraph **A.1.** does not apply to Social Engineering Coverage when attached to your policy.

3. **Vandalism**

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.1.**

**B.** For the purposes of this endorsement, the following definitions apply:

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



J7504  
1<sup>st</sup> Edition

# COSMETIC DAMAGE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the:

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

## SCHEDULE

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

**A.** The following provision applies with respect to the building(s) identified in the Schedule above:

We will not pay for "cosmetic damage" caused by windstorm or hail to metal roof surfaces, "metal roof materials", or "metal exterior building surfaces" that are part of the buildings and structures.

**B.** For purposes of this endorsement, the following definitions apply:

**1.** "Cosmetic damage" means:

Marring, pitting or other superficial damage that has altered the exterior appearance of the metal roof surfaces, "metal roof materials", "metal exterior building surfaces", and/or their finishes, caused by windstorm or hail. This includes, but is not limited to, any disfigurement, blemish, discoloration, weathering, stretching, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning.

**2.** "Metal roof materials" include:

- a. All metal component parts of the roof which are exposed to the weather, including those which extend above the surface of the roof, including, but not limited to all vents, vent caps, turbines and piping;
- b. Any materials that are installed when repairing or replacing "metal roof materials", including, but not limited to, sheathing, decking, and flashing.

**3.** "Metal exterior building surfaces" include:

- a. HVAC unit enclosures, covered parking structures, skylights, flashings, chimney caps, siding, doors, roofs, walls, window frames and gutters.

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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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7544**  
1st Edition

## CYBER INCIDENT LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

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

The applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM are amended as follows:

- A.** The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions**:

This insurance does not apply to:

**Cyber Incident**

"Bodily injury", "property damage", or "personal and advertising injury" arising out of a "cyber incident".

This exclusion applies even if damages are claimed for notification costs, credit or identity monitoring expenses, forensic expenses, public relations expenses, data restoration expenses, extortion expenses or any other similar cost or expense incurred by you or others arising out of a "cyber incident".

- B.** For the purposes of this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions**:

"Cyber incident" means any:

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

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.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

The following is added:

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

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### 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



6351  
2nd Edition

**LIMITED TERRORISM EXCLUSION  
(OTHER THAN CERTIFIED ACTS OF TERRORISM);  
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the policy number indicated above.

**SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph B.2.) applies to property located in the following state(s):
California, Hawaii, Iowa, Illinois, Massachusetts, Maine, Missouri, North Carolina, New Jersey, New York, Oregon, Rhode Island, Virginia, Washington, Wisconsin, West Virginia
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. The following definitions are added with respect to the provisions of this endorsement:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less.

**B. The Property Coverage Form attached to this policy is amended as follows:**

1. The following exclusion is added:

**EXCLUSION OF AN "OTHER ACT OF TERRORISM"**

We will not pay for loss or damage caused directly or indirectly by an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

- a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or

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2. The following definition is added:

- a. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

**D. APPLICATION OF OTHER EXCLUSIONS**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

**E. CAP ON CERTIFIED TERRORISM LOSSES**

The following limitation applies to property and liability coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of Paragraph D.

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

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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.



**J7230**  
1st Edition

## SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

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

Paragraph **d.** or **f.** **Coverage Extension Supplementary Payments** of the applicable coverage form is deleted and replaced with the following:

### **Coverage Extension Supplementary Payments**

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

These payments will not reduce the limit of liability.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - (b) This insurance applies to such liability assumed by the insured;
  - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - (f) The indemnitee:
    - (i) Agrees in writing to:

11/105 000022 0605144649 (4) BOT4241026 002478





THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7545**  
1st Edition

## **EXCLUSION - VIOLATION OF LAWS ADDRESSING RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION AND DATA PRIVACY**

This endorsement modifies insurance provided under the following:

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

The following exclusion is added to Paragraph **1. Applicable To Business Liability Coverage** under **B. Exclusions** in the applicable Liability Coverage Form and **Section II - Liability** of the BUSINESSOWNERS COVERAGE FORM:

This insurance does not apply to:

### **Violation of Laws Addressing Recording And Distribution Of Material Or Information And Data Privacy**

"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 any of the following:

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law.
2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law.
3. The Fair Credit Reporting Act (FCRA), any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA).
4. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
5. Any federal, state or local statute, ordinance, regulation or other law that addresses, prohibits, or limits access to, use of or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric or other nonpublic material or information.

Any such federal, state or local statute, ordinance, regulation or other law includes but is not limited to:

- (a) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
  - (b) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law.
6. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation or other law described in Paragraph a. above, including but not limited to the European Union's General Data Protection Regulation.

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 ENDORSMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



E9122  
6th Edition

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

Policy Number: 60514-46-49

Effective Date: 10/26/24

Retroactive Date: 10/24/12

(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 \$	1,000,000	Each "Claim"
	\$ 1,000,000	Annual Aggregate
Retention	\$ 1,000	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 "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:



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

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 the 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 organizations 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.



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

The optional 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 optional 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.



- (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); or
  - (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 insureds become 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**E9126**  
5th Edition

**DIRECTORS AND OFFICERS LIABILITY COVERAGE -  
AMENDMENT OF B. EXCLUSIONS**

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM (CONDOMINIUMS AND COOPERATIVES)

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

Under B. EXCLUSIONS, exclusion 6. is deleted in its entirety.

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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.