

SENECA

SENECA INSURANCE COMPANY, INC.

COMMERCIAL PROTECTION

MAIN ADMINISTRATIVE OFFICE

199 Water Street
New York, NY 10038

Please be sure to read your policy

SENECA INSURANCE COMPANY, INC.

199 WATER STREET, 29th FL.
NEW YORK, NY 10038

COMMON POLICY DECLARATIONS

POLICY NUMBER: CMP 4802719

PREVIOUS POLICY NUMBER: CMP 4802719

COMPANY NAME	7105	PRODUCER NAME	48042
SENECA INSURANCE COMPANY, INC. 199 WATER STREET, 29th FL. NEW YORK, NY 10038		Southwest Risk LP 8144 Walnut Hill Lane Suite 1400 Dallas, TX 75231	

NAMED INSURED: Pin Oak Office Condominiums, an Executive Office Condominium
As Per Named Insured Extension Schedule

MAILING ADDRESS: c/o Bayou Commercial, LLC
P.O. Box 90669
Houston, TX 77290

POLICY PERIOD: FROM 09/08/2024 **TO** 09/08/2025

AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION | Bldg. Owner

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$36,798.00
TERRORISM - CERTIFIED ACTS (PROPERTY)	\$105.00
TOTAL:	\$36,903.00

Attachment A

Named Insured: Pin Oak Office Condominiums, an Executive office
Condominium Community

Carrier: Seneca Insurance Company

Policy Number: CMP4802719

Effective Date: 9/8/2024-9/8/2025

Premium: \$36,903.00

Total Fees: \$1,250.00

Total: \$38,153.00

This insurance contract is with an insurer that is licensed to transact insurance in this state and is therefore not subject to surplus lines forms and taxes

Southwest Risk LP
8144 Walnut Hill Lane, Suite 1400
Dallas, TX 75231

POLICY NUMBER: CMP 4802719

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):
See Schedule of Forms and Endorsements.

Countersigned	By:
(Date)	(Authorized Representative)

NAMED INSURED EXTENSION SCHEDULE

POLICY NUMBER: CMP 4802719	EFFECTIVE DATE: 09/08/2024
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Pin Oak Office Condominiums, an Executive Office Condominium Community

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: CMP 4802719	EFFECTIVE DATE: 09/08/2024
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<u>NUMBER</u>	<u>TITLE</u> COMMON
IL DS 00 (09-08)	Common Policy Declarations
40-075 (10-20)	Claims Notification
IL 00 17 (11-98)	Common Policy Conditions
IL 09 52 (01-15)	Cap on Losses from Certified Acts of Terrorism
IL 09 85 (12-20)	Disclosure Pursuant To Terrorism Risk Insurance Act
IL N 102 (09-19)	Texas Flood Insurance Disclosure Notice
IL P 001 (01-04)	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
40-072 (06-23)	Texas Important Notice

PROPERTY

CP DS 00 (10-00)	Commercial Property Coverage Part Declarations
CP 00 10 (10-12)	Building And Personal Property Coverage Form
CP 00 90 (07-88)	Commercial Property Conditions
CP 01 40 (07-06)	Exclusion Of Loss Due To Virus Or Bacteria
CP 01 42 (03-12)	Texas Changes
CP 02 02 (08-24)	Texas Changes - Cancellation and Nonrenewal
CP 03 20 (04-18)	Multiple Deductible Form
CP 03 21 (10-12)	Windstorm Or Hail Percentage Deductible
CP 10 30 (09-17)	Causes of Loss - Special Form
CP 10 36 (10-12)	Limitations On Coverage For Roof Surfacing
CP 10 75 (12-20)	Cyber Incident Exclusion
17-222 (05-13)	Equipment Breakdown Coverage
17-250 (05-10)	Property Plus Enhancement Endorsement
17-250A (05-10)	Property Plus Enhancement - Additional Definition

SENECA INSURANCE COMPANY, INC.

CLAIMS NOTIFICATION

For immediate claims service (available 24 hours/day – 7 days a week), you may contact the company as follows:

**Telephone: M-F 8am to 5pm: (800) 442-5723
After-hours: (917) 270-2648**

E-Mail: claims@senecainsurance.com

Fax: (855) 840-9682 Attention: Claims Department

In writing, to:

**Seneca Insurance Company, Inc.
Claims Department
199 Water Street, 29th Floor
New York, New York 10038**

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached policy.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"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:

1. 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
2. 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.

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.

B. Application Of 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 any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

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.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I	
Terrorism Premium (Certified Acts)	\$105.00
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
Certified Acts - Property	\$105.00
 Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	80 %
(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.

FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

TEXAS FLOOD INSURANCE DISCLOSURE NOTICE

"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 insurance agent or insurance company, or visit www.floodsmart.gov."

TEXAS PERIOD TO FILE A CLAIM OR BRING LEGAL ACTION AGAINST US NOTICE – WINDSTORM OR HAIL – CATASTROPHE AREA

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

In accordance with Texas Insurance Code Section 2301.010(f), we are notifying you that:

1. With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim; and
2. Any legal action brought against us under the policy for loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, must be 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.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

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

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

SENECA INSURANCE COMPANY, INC.

TEXAS - IMPORTANT NOTICE

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.

Seneca Insurance Company, Inc.

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

Call: **1-212-344-3000**

Toll-free: **1-800-442-5723**

Online: www.senecainsurance.com
Email: claims@senecainsurance.com

Mail: 199 Water St, 29th Fl,
New York, NY 10038

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
E-mail: ConsumerProtection@tdi.texas.gov

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

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros. Si no lo hace, podría perder su derecho para apelar.

Seneca Insurance Company, Inc.

Para obtener información o para presentar una queja ante su compañía de seguros:

Llame: **1-212-344-3000**

Teléfono gratuito: **1-800-442-5723**

En línea: www.senecainsurance.com
Correo electrónico:
claims@senecainsurance.com

Dirección postal: 199 Water St, 29th Fl,
New York, NY 10038

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus pregunta al: **1-800-252-3439**

Presente una queja en: www.tdi.texas.gov
Correo electrónico:
ConsumerProtection@tdi.texas.gov

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

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

POLICY NO. CMP 4802719

EFFECTIVE DATE 09/08/2024

"X" If Supplemental
Declarations Is Attached

NAMED INSURED

Pin Oak Office Condominiums, an Executive Office Condominium
As Per Named Insured Extension Schedule

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Construction And Occupancy
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See Description of Premises Schedule

COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
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See Coverages Provided Schedule

*If Extra Expense Coverage, Limits On Loss Payment

OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Expiration Date	Cov.	Amount	Building	Pers. Prop.	Including Stock

See Optional Coverages Schedule

Inflation Guard (%)	*Monthly Limit Of Indemnity	Maximum Period Of Indemnity	*Extended Period Of Indemnity
Bldg. Pers. Prop.			

*Applies to Business Income Only

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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DEDUCTIBLE

See Property Deductible Forms

Exceptions:



DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Construction And Occupancy
001	001	Bldg. 2 - Units 201-205 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	002	Bldg. 1 - Units 101-104 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	003	Bldg. 3 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	004	Office Condominium 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	005	Bldg. 5 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	006	Office Condominium - Bldg. 6 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	007	Office Condominium - Bldg. 9 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office
001	008	Office Condominium - Bldg. 11 26717 Westheimer Pkwy. Fort Bend Katy, TX 77494 Frame Office

COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
Location Level Coverages					
001	001	Building	\$764,750	Special Form Including Theft	80%
001	002	Building	\$613,500	Special Form Including Theft	80%
001	003	Building	\$764,750	Special Form Including Theft	80%
001	004	Building	\$613,500	Special Form Including Theft	80%
001	005	Building	\$764,750	Special Form Including Theft	80%
001	006	Building	\$613,500	Special Form Including Theft	80%
001	007	Building	\$613,500	Special Form Including Theft	80%
001	008	Building	\$613,500	Special Form Including Theft	80%

OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. Bldg.

No. No.

Equipment Breakdown
 Refer to Equipment Breakdown Coverage Schedule
Property Plus Enhancement Endorsement
 Refer to Property Plus Enhancement Endorsement Coverage
 Schedule

001 001 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$764,750
 Replacement Cost

001 002 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$613,500
 Replacement Cost

001 003 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$764,750
 Replacement Cost

001 004 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$613,500
 Replacement Cost

001 005 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$764,750
 Replacement Cost

001 006 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$613,500
 Replacement Cost

001 007 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$613,500
 Replacement Cost

001 008 Building
 Agreed Value
 Expiration Date: 09/08/2025
 Amount: \$613,500
 Replacement Cost

FORMS APPLICABLE

To All Coverages:

17-250 (05-10)
17-250A (05-10)
CP 10 75 (12-20)

To Specific Premises/Coverages:

Prem. No.	Bldg. No.	Coverages	Form Number
001	001	Building	CP 00 10 (10-12) CP 10 30 (09-17) CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88) CP 01 40 (07-06) CP 01 42 (03-12) CP 02 02 (08-24) CP 03 20 (04-18) CP 03 21 (10-12) CP DS 00 (10-00)
001	002	Building	CP 00 10 (10-12) CP 10 30 (09-17) CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88) CP 01 40 (07-06) CP 01 42 (03-12) CP 02 02 (08-24) CP 03 20 (04-18) CP 03 21 (10-12) CP DS 00 (10-00)
001	003	Building	CP 00 10 (10-12) CP 10 30 (09-17) CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88) CP 01 40 (07-06) CP 01 42 (03-12) CP 02 02 (08-24) CP 03 20 (04-18) CP 03 21 (10-12) CP DS 00 (10-00)
001	004	Building	CP 00 10 (10-12) CP 10 30 (09-17) CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88) CP 01 40 (07-06) CP 01 42 (03-12) CP 02 02 (08-24) CP 03 20 (04-18) CP 03 21 (10-12) CP DS 00 (10-00)
001	005	Building	CP 00 10 (10-12) CP 10 30 (09-17)

FORMS APPLICABLE

To All Coverages:

To Specific Premises/Coverages:

Prem. No.	Bldg. No.	Coverages	Form Number
001	005	Building	CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 01 42 (03-12)
			CP 02 02 (08-24)
			CP 03 20 (04-18)
			CP 03 21 (10-12)
			CP DS 00 (10-00)
001	006	Building	CP 00 10 (10-12)
			CP 10 30 (09-17)
			CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 01 42 (03-12)
			CP 02 02 (08-24)
			CP 03 20 (04-18)
			CP 03 21 (10-12)
			CP DS 00 (10-00)
001	007	Building	CP 00 10 (10-12)
			CP 10 30 (09-17)
			CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 01 42 (03-12)
			CP 02 02 (08-24)
			CP 03 20 (04-18)
			CP 03 21 (10-12)
			CP DS 00 (10-00)
001	008	Building	CP 00 10 (10-12)
			CP 10 30 (09-17)
			CP 10 36 (10-12)
		Equipment Breakdown	17-222 (05-13)
		All Coverages	CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 01 42 (03-12)
			CP 02 02 (08-24)
			CP 03 20 (04-18)
			CP 03 21 (10-12)
			CP DS 00 (10-00)

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. 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, as used in this Coverage Part, means the type of property 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, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, 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;
- (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.

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph **(4)**. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

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

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) 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 was undamaged; and
 - (b) You failed to comply with.

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

- (a) The enforcement of or compliance with 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 "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with 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", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is 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.

- (b) If the building 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, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to 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.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:
\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- 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.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

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

 - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

 - (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii)** Used by the building owner to conduct customary operations.

- (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%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

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

F. Additional Conditions

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

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- 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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part 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 Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's 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 your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, 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 Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance 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:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- 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 for the additional coverage this Optional Coverage provides 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:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

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

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. 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 Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

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

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover 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:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but 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 micro-organism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supercedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** 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 Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part is replaced by the term Policy.

B. Legal Action Against Us

1. The **Legal Action Against Us** Commercial Property Condition is replaced by the following, except as provided in **B.2.** below:

Legal Action Against Us

a. Except as provided in Paragraph **b.**, no one may bring a legal action against us under this Coverage Part unless:

- (1) There has been full compliance with all of the terms of this Coverage Part; and
- (2) The action is brought within 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.

b. With respect to loss or damage in the State of Texas 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 Coverage Part unless:

- (1) There has been full compliance with all the terms of this Coverage Part; 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.

2. Paragraph **B.1.** above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP 00 40**.

C. Appraisal

1. Except as provided in **C.2.** below, the **Appraisal** Loss Condition in the:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM;
BUILDERS RISK COVERAGE FORM;
CONDOMINIUM ASSOCIATION COVERAGE FORM;
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;
EXTRA EXPENSE COVERAGE FORM;
LEASEHOLD INTEREST COVERAGE FORM;
TOBACCO SALES WAREHOUSES COVERAGE FORM; and
STANDARD PROPERTY POLICY

is replaced by the following:

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 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 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:

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

If there is an appraisal:

- a.** You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b.** We will still retain our right to deny the claim.

2. The **Appraisal** Condition in the: BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM; and BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

is replaced by the following:

Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser 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. The appraisers will state separately the amount of Net Income and operating expense and 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:

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

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

D. Under the Duties In The Event Of Loss Or Damage Loss Condition:

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

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved. However, with respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim.

b. The provision requiring signed, sworn proof of loss is replaced by the following:

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.

E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:

1. Claims Handling

a. Within 15 days after we receive written notice of claim, we will:

- (1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
- (2) Begin any investigation of the claim; and
- (3) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

b. We will notify you in writing as to whether:

- (1) The claim or part of the claim will be paid;
- (2) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (3) More information is necessary; or
- (4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.(1) through b.(4) above, within:

- (1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

2. We will pay for covered loss or damage within five business days after:
 - a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
 - b. An appraisal award has been made.

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

The following paragraphs are added:

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 **E.1.** and **E.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 State Board of Insurance.

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

- F.** The following is added to the **Valuation** Loss Condition:

Chapter 862 – Subsection 862.053. Policy A Liquidated Demand. A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

- G.** Paragraphs **d.** and **f.** of the **Mortgageholders** Additional 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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 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 Coverage Part 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 give written notice to the mortgageholder at least:

- (1) 14 days before the effective date of cancellation if we cancel for your nonpayment 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 10th day after the date we mail the notice.

- H.** The following is added to Paragraph **D.1.** in the **Duties In The Event Of Accident, Claim Or Suit** Loss Condition in the Legal Liability Coverage Form:

We will notify the first Named Insured in writing of:

1. An initial offer to settle a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. Paragraphs **2.**, **3.** and **5.** of the **Cancellation** Common Policy Condition are replaced by the following:

2.a. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we may cancel this policy by mailing or delivering written notice of cancellation, at least 30 days before the effective date of cancellation, to:

- (1)** The first Named Insured; and
- (2)** 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.

b. If the policy covers a risk other than the risk described in Paragraph **2.a.**, then 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 10 days before the effective date of cancellation.

c. 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.

(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.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, 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.

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. However, the cancellation will be effective even if we have not made or offered a refund. The notice of cancellation will state that unearned paid premium, if not tendered, will be refunded on demand.

B. The following condition is added and applies unless Paragraph **D.** applies:

Nonrenewal

1. In compliance with Texas law, we will not refuse to renew this policy solely because the policyholder is an elected official.

2. This paragraph, 2., applies unless the policy qualifies under Paragraph 3. below.

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, not later than the 60th day before the expiration date. If notice is mailed or delivered later than the 60th day 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 rate.

3. If this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then:
- a. We will mail or deliver written notice of nonrenewal, at least 60 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.

C. Cancellation – One- And Two-Family Dwellings And Governmental Property

The following applies to all policies that provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:

1. Paragraph A.5. above is replaced by the following:

If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund.

The refund will be pro rata if:

- a. We cancel this policy; or
- b. The first Named Insured cancels this policy because:
 - (1) We refused to provide additional coverage which the first Named Insured requested under the policy; or

- (2) We reduced or restricted coverage under the policy without the consent of the first Named Insured.

The refund may be less than pro rata if the first Named Insured cancels this policy for a reason other than those listed in b.(1) and b.(2) above.

2. The following provisions are added to the **Cancellation** Common Policy Condition:

- a. If this policy has been in effect for less than 90 days and is not a renewal of a policy we issued, we may cancel coverage for any reason.

- b. If this policy has been in effect for 90 days or more or is a renewal of a policy we issued, we may cancel coverage only for the following reasons:

- (1) If the first Named Insured does not pay the premium or any portion of the premium when due;

- (2) 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;

- (3) If the Named Insured submits a fraudulent claim; or

- (4) If there is an increase in the hazard covered by this policy that is within the control of the Named Insured and would produce an increase in the premium rate of this policy.

- c. If such coverage is cancelled, we will, at the request of the Named Insured, provide a written statement of the reason or reasons for such cancellation.

- d. In compliance with Texas law, we will not cancel such coverage solely because the policyholder is an elected official.

- D. The following condition is added:

Nonrenewal – One- And Two-Family Dwellings And Governmental Property

1. If we elect not to renew coverage on one- and two-family dwellings or on governmental units, we will mail or deliver written notice of nonrenewal to the first Named Insured and any mortgageholder shown in the Declarations, at least 60 days before the expiration date. Proof of mailing will be sufficient proof of notice.

We will, at the request of the Named Insured, provide a written statement of the reason or reasons for such nonrenewal.

If we fail to give the first Named Insured proper notice of our refusal to renew, the first Named Insured may require us to renew the policy.

2. We may elect not to renew such coverage for any reason, subject to the exceptions and limitations in Paragraphs 3. and 4. below.
3. We will not refuse to renew coverage:
 - a. Solely because the policyholder is an elected official; or
 - b. Because of claims for losses resulting from natural causes.

4. Claims That Do Not Result From Natural Causes

- a. If we have previously notified you as provided in b. below, we may refuse to renew coverage if the Named Insured has filed under this policy, in any three-year period, three or more claims that do not result from natural causes.
- b. If the Named Insured has filed two such claims in a period of less than three years, we may notify the first Named Insured in writing that, if the Named Insured files a third such claim during the three-year period, we may refuse to renew coverage.
- c. A claim does not include a claim that is filed but is not paid or payable under the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM
(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

- BUILDERS RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY
- TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Premises Number	Building Number	Deductible	Covered Cause(s) Of Loss*
001	001	\$5,000	(4)
		\$5,000	(6)
001	002	\$5,000	(4)
		\$5,000	(6)
001	003	\$5,000	(4)
		\$5,000	(6)
001	004	\$5,000	(4)
		\$5,000	(6)
001	005	\$5,000	(4)
		\$5,000	(6)

* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm Or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM
(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

- BUILDERS RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY
- TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

The Deductibles applicable to any one occurrence are shown below:

Premises Number	Building Number	Deductible	Covered Cause(s) Of Loss*
001	006	\$5,000	(4)
		\$5,000	(6)
001	007	\$5,000	(4)
		\$5,000	(6)
001	008	\$5,000	(4)
		\$5,000	(6)

* For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm Or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm Or Hail and Theft
- (5) Windstorm Or Hail
- (6) Theft

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

The following is added to the **Deductible** section:

- A.** In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B.** The terms of this endorsement do not apply to any Windstorm Or Hail Percentage Deductible provided elsewhere in this policy.

- C.** This policy does not cover Earthquake or Flood unless such causes of loss are added to the policy as covered causes of loss. If Earthquake and/or Flood are added to this policy as covered causes of loss, the terms of this endorsement do not apply to Earthquake or Flood and corresponding deductibles will be shown elsewhere in this policy and identified as such.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE

This endorsement modifies insurance provided under the following:

- BUILDERS RISK COVERAGE FORM
- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY
- TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Windstorm Or Hail Deductible Percentage - Enter 1%, 2% Or 5%
001	001	5%
001	002	5%
001	003	5%
001	004	5%
001	005	5%
001	006	5%
001	007	5%

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

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) Of Insurance are shown in the Declarations.

WINDSTORM OR HAIL DEDUCTIBLE CALCULATIONS

A. Calculation Of The Deductible - All Policies

1. A Deductible is calculated separately for, and applies separately to:
 - a. Each building that sustains loss or damage;
 - b. The personal property at each building at which there is loss or damage to personal property; and
 - c. Personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.

3. When property is covered under the Coverage Extension for Newly Acquired Or Constructed 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 time of loss. The applicable percentage for Newly Acquired Or Constructed Property is the highest percentage shown in the Schedule for any described premises.

B. Calculation Of The Deductible - Specific Insurance Other than Builders' Risk

1. Property Not Subject To Value Reporting Forms

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.

2. Property Subject To Value Reporting Forms

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 value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation Of The Deductible - Blanket Insurance Other Than Builders' Risk

1. Property Not Subject To Value Reporting Forms

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 value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

2. Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

D. Calculation Of The Deductible - Builders' Risk Insurance

1. Builders' Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the actual cash value(s) of that property as of the time of loss or damage.

2. Builders' Risk Reporting Form

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 value(s) of the property that has sustained loss or damage. The value(s) to be used is the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

Examples - Application Of Deductible Example 1 - Specific Insurance (B.1.)

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The actual Limit of Insurance on the damaged building is \$70,000.

The Deductible is 1%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 1\% = \700

Step (4): $\$52,500 - \$700 = \$51,800$

The most we will pay is \$51,800. The remainder of the loss, \$8,200, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

Example 2 - Specific Insurance (B.1.)

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

The value of the damaged building at time of loss is \$100,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the personal property (therefore, no Coinsurance penalty).

The Deductible is 2%.

Building

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

Step (2): $\$60,000 - \$1,600 = \$58,400$

Personal Property

Step (1): $\$64,000 \times 2\% = \$1,280$

Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

Example 3 - Blanket Insurance (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Deductible is 2%.

Building 1

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$40,000 - \$10,000 = \$30,000$

Building 2

Step (1): $\$500,000 \times 2\% = \$10,000$

Step (2): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

Example 4 - Blanket Insurance (C.1.)

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Personal Property at Building 1 (\$250,000) and Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit Of Insurance covering Buildings 1 and 2 and Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore, there is no Coinsurance penalty.

Building 1 and Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Personal Property).

The Deductible is 5%.

Building

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$95,000 - \$25,000 = \$70,000$

Personal Property

Step (1): $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the personal property.

SCHEDULE

Premises Number

001

Building Number

008

**Windstorm Or Hail Deductible Percentage -
Enter 1%, 2% Or 5%**

5%

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

This exclusion, Ordinance Or Law, applies whether the loss results from:

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

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

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

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water 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.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- (2) Mudslide or mudflow;

- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings; or

- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

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

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

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

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.

d.(1) Wear and tear;

(2) Rust or other corrosion, 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. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(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.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. 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.

- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b)** To collapse caused by one or more of the following:
 - (i)** The "specified causes of loss";
 - (ii)** Breakage of building glass;
 - (iii)** Weight of rain that collects on a roof; or
 - (iv)** Weight of people or personal property.
- l.** 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".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **1.** above to produce the loss or damage.
 - b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c.** Faulty, inadequate or defective:
 - (1)** Planning, zoning, development, surveying, siting;
 - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3)** Materials used in repair, construction, renovation or remodeling; or
 - (4)** Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.** Ordinance Or Law;
 - (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
 - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
 2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
 - b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c.** \$2,500 for patterns, dies, molds and forms.
 - d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a.** Results in discharge of any substance from an automatic fire protection system; or
 - b.** Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - d.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
- a.** A building or any part of a building that is in danger of falling down or caving in;
 - b.** A part of a building that is standing, even if it has separated from another part of the building; or
 - c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt 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 of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

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

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

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained 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.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, 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 other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" 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. "Specified causes of loss" means the following:
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON COVERAGE FOR ROOF SURFACING

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM
 BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number	Building Number	Indicate Applicability (Paragraph A. and/or Paragraph B.)
001	001	Paragraph B.
001	002	Paragraph B.
001	003	Paragraph B.
001	004	Paragraph B.
001	005	Paragraph B.
001	006	Paragraph B.

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

A. The following applies with respect to loss or damage by a **Covered Cause of Loss (including wind and hail if covered)** to a building or structure identified in the Schedule as being subject to this Paragraph **A.**:

Replacement Cost coverage (if otherwise applicable to such property) does not apply to roof surfacing. Instead, we will determine the value of roof surfacing at actual cash value as of the time of loss or damage.

B. The following applies with respect to loss or damage by **wind and/or hail** to a building or structure identified in the Schedule as being subject to this Paragraph **B.**:

We will not pay for cosmetic damage to roof surfacing caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

C. For the purpose of this endorsement, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

SCHEDULE

Premises Number	Building Number	Indicate Applicability (Paragraph A. and/or Paragraph B.)
001 001	007 008	Paragraph B. Paragraph B.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion is added to Paragraph B. Exclusions:

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

1. Unauthorized access to or use of any computer system (including electronic data).
2. 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.
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.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

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

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT – OWNERS COVERAGE FORM
- CAUSES OF LOSS -- BASIC FORM
- CAUSES OF LOSS -- BROAD FORM
- CAUSES OF LOSS -- SPECIAL FORM

SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Commercial Property Coverage Part Declarations Page or Supplemental Declarations except as specifically shown below. These coverages apply to all locations covered on the policy, unless otherwise specified.
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COVERAGES	LIMITS
Equipment Breakdown Limit	
Business Income	
Extra Expense	
Expediting Expenses	
Hazardous Substances	
Spoilage	
Data Restoration	
Service Interruption	
"Fungus", Wet Rot, Dry Rot And Bacteria	

DEDUCTIBLES

Combined, All Coverages	
Direct Coverages	
Indirect Coverages	Or _____ days Or _____ times ADV
Spoilage	or ___% of loss, _____ minimum

OTHER CONDITIONS

A. The following is added as an Additional Coverage to the Causes of Loss - Basic Form, Broad Form or Special Form.

Additional Coverage - Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. Unless otherwise shown in a "schedule," the following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.
 - a. Expediting Expenses
With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - (1) Make temporary repairs; and
 - (2) Expedite permanent repairs or permanent replacement.The most we will pay for loss or expense under this coverage is \$25,000 unless otherwise shown in a "schedule."
 - b. Hazardous Substances
We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a "schedule."
 - c. Spoilage
 - (1) We will pay:
 - (a) For physical damage to "perishable goods" due to spoilage;
 - (b) For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
 - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
 - (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$25,000 unless otherwise shown in a "schedule."

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "data."

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000 unless otherwise shown in a "schedule."

e. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) Unless otherwise shown in a "schedule," coverage for any loss of Business Income you sustain resulting from the interruption of utility services will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident." If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the deductible applicable to Business Income will apply.
- (3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage, except that if a limit is shown in a "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

f. "Fungus," Wet Rot, Dry Rot And Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by "fungus," wet rot, dry rot or bacteria resulting from an "accident." This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is "perishable goods" to the extent that such spoilage is covered under Spoilage coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus," wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus," wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one accident" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 unless otherwise shown in a "schedule" even if the "fungus," wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

g. Business Income and Extra Expense

Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a "schedule," then as respects Equipment Breakdown coverage, the "period of restoration" will begin immediately after the "accident," and the deductible shown in the "schedule" will apply. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a "schedule."

3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

a. The following exclusions are modified:

(1) If the Causes of Loss - Basic Form or Causes of Loss - Broad Form applies, the following is added to Exclusion B.2.:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

(2) The following is added to Exclusion B.1.g.:

However, if electrical "covered equipment" requires drying out because of Water, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(3) If the Causes of Loss - Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.d. (1) through (7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

b. The following exclusions are added:

(1) We will not pay for loss, damage or expense caused by or resulting from:

(a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or

(b) Any of the following:

(i) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

(ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

(2) With respect to Service Interruption and "Fungus", Wet Rot, Dry Rot And Bacteria coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

(3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

(a) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or

(b) Any increase in loss resulting from an agreement between you and your customer or supplier.

(4) Except as specifically provided under A.2.f. "Fungus", Wet Rot, Dry Rot And Bacteria coverage, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any "fungus," wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus," wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus," wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that such spoilage is covered under Spoilage coverage.

(5) We will not pay for any loss or damage to animals.

4. DEFINITIONS

The following definitions are added:

a. "Boilers and vessels" means:

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

This term does not appear elsewhere in this endorsement, but may appear in a "schedule."

b. "Covered equipment"

(1) "Covered equipment" means, unless otherwise specified in a "schedule," Covered Property:

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

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) None of the following is "covered equipment":

- (a) Structure, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment; or
- (h) Equipment manufactured by you for sale.

c. "Data" means information or instructions stored in digital code capable of being processed by machinery.

d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

f. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

g. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

h. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in a "schedule."

i. "Schedule" means the Equipment Breakdown Coverage Schedule.

j. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

B. The Building and Personal Property Coverage Form, Condominium Association Coverage Form and Condominium Commercial Unit – Owners Coverage Form are modified as follows.

The definitions stated above also apply to section B. of this endorsement.

1. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "schedule." If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule."
- (2) Unless more specifically indicated in the "schedule":
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the "schedule." We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

(2) Time Deductible

If a time deductible is shown in the "schedule," we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows: The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

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

(4) Percentage of Loss Deductibles

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

2. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit – Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. Coinsurance

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

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

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in a "schedule." Coverage provided under this endorsement does not provide an additional amount of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY PLUS ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Commercial Property Coverage Part
Cause of Loss – Special Form
Water Exclusion Endorsement**

The following additional provisions are applicable to this endorsement:

A. LIMITS OF INSURANCE

The Limits of Insurance stated in the attached schedule are granted by us as additions to your insurance program. These Limits of Insurance apply separately at each of your premises. Unless otherwise noted these limits apply per occurrence.

The total amount payable in any one occurrence shall not exceed the Limit of Insurance or Increased Limit of Insurance specified on the Schedule of this form, regardless of the number of locations insured.

B. DEDUCTIBLE

Each loss shall be adjusted separately and from the amount of such adjusted loss, the sum of \$500.00 (unless otherwise indicated) shall be deducted.

Optional Deductible: \$5,000

List exception, if any, to the application of the optional deductible amount.

- 1.
- 2.
- 3.

C. CONDITIONS

1. When not in conflict with the provisions of this endorsement, all of the conditions of the policy to which this form is attached shall apply.
2. If any of the property covered by this form is also covered under any other provisions of the policy of which this form is made a part, you, in the event of loss or damage, may elect to make claim:
 - a. under such other provisions in which case none of the provisions of this form are applicable; or
 - b. under the provisions of this form in which case coverage as provided by this form becomes sole coverage on such property.
3. Where not otherwise indicated, we shall not pay beyond the actual cash value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for

depreciation and shall in no event exceed what it would cost to repair or replace the same with material of like kind and quality.

4. The total amount payable in any one occurrence shall not exceed the Limit of Insurance or Increased Limit of Insurance specified on the Schedule of this form, regardless of the number of locations insured.

PROPERTY PLUS ENHANCEMENT ENDORSEMENT SCHEDULE

Coverage	Limit of Insurance	Increased Limit of Insurance
Newly Acquired or Constructed Buildings	\$500,000	
Newly Acquired Business Personal Property	\$250,000	
Building Ordinance or Law	\$100,000	
Sewer and Drain Backup	\$25,000	
Business Income and Extra Expense	\$25,000	
Utility Interruption – Business Income	\$25,000	
Utility Interruption – Direct Damage	\$25,000	
Property Off Premises	\$15,000	
Pollutant Clean Up and Removal	\$15,000	
Accounts Receivable	\$25,000	
Valuable Papers and Records-Cost of Research	\$25,000	
Consequential Loss	\$10,000	
Contract Penalty Clause	\$10,000	
Debris Removal	\$20,000	
Personal Effects and Property of Others	\$10,000	
Electronic Data Processing Equipment & Media	\$10,000	
Fire Department Service Charge	\$5,000	
Fine Arts	\$5,000	
Employee Dishonesty	\$5,000	
Temperature – Humidity Change	\$5,000	
Reward	\$5,000	
Inventory or Appraisal	\$5,000	
Property in Transit, on Exhibition or in Custody of Salesperson	\$10,000	
Fire Protection System Recharge	\$2,500	
Money & Securities	\$2,500	
Counterfeit Money & Money Orders	\$2,500	
Outdoor Signs	\$10,000	
Theft of Telephone or Dataline Services	\$2,500	
Lost Key Consequential Loss	\$5,000	
Brand & Label	Incl.	
Credit Card Coverage	\$500	
Inflation Guard	2%	
Business Personal Property Seasonal Increase	25%	

D. Additional Coverages

- a. **Debris Removal** – We will pay up to an additional \$20,000 for each location in any one occurrence if the debris removal expenses exceed the 25% limitation.
- c. **Fire Department Service Charge** – The limit we will pay is increased from \$1,000 to \$5,000.
- d. **Pollutant Clean Up and Removal** – The limit we will pay is increased from \$10,000 to \$15,000

E. Coverage Extension, Limits are amended on the following Coverage Extensions:

- a. **Newly Acquired or Constructed Property**
 - (1) **Buildings** – The most we will pay under this extension is increased from \$250,000 to \$500,000.
 - (2) **Your Business Personal Property** - The most we will pay under this extension is increased from \$100,000 to \$250,000.
- b. **Personal Effects and Property of Others**
The most we will pay for loss or damage under this Extension is increased from \$2,500 to \$10,000.
- c. **Valuable Papers and Records – Cost of Research**
The most we will pay under this Extension is increased from \$2,500 to \$25,000.
- d. **Property Off-Premises**
 - (3) The most we will pay under this Extension is increased from \$10,000 to \$15,000.

F. Coverage Extensions, The following coverages are added to Coverage Extensions

g. **Electronic Data Processing Equipment, Data or Media**

You may extend the insurance that applies to your Business Personal Property to apply to your electronic data processing equipment and media.

- (1) Coverage under this Extension includes:
 - (b) Personal computers, work stations, electronic data processing and word processing equipment including their component parts;
 - (c) Media on which the data is stored.
- (2) Electronic Data Processing Equipment and Media loss payment will be determined as follows:
 - (a) Equipment: We will pay the least of the following amounts:
 - (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
 - (ii) The cost of replacing that property with identical property;
 - (iii) The cost of replacing the property with similar property capable of performing the same functions.
 - (b) Media: We will pay to repair or replace the media with material of the same kind and quality.

The most we will pay for loss or damage under this Extension is \$10,000 but if the equipment or media is lost or damaged while in transit or on a vehicle the most we will pay is \$5,000.

For the purposes of this coverage extension the following exclusions on CAUSE OF LOSS – SPECIAL FORM do not apply:

- | | |
|--------------|---|
| B.2.a | Artificially generated electrical current |
| B.2.d.(6) | Mechanical breakdown |
| B.2.d.(7)(a) | Dampness or Dryness of atmosphere |
| B.2.d.(7)(b) | Changes in or extremes of temperature. |

h. Accounts Receivable

You may extend the insurance that applies to Your Business Personal Property to apply to your records of accounts receivable:

- (a) At a described premises or in or on a vehicle in transit between described premises; or
- (b) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.

1. The amount of your Accounts Receivable loss includes:

Debt owed to you from your customers if you are unable to collect the debt as a direct result of covered loss or damage to your accounts receivable records;

- (a) Interest charges on debt you must borrow to offset your reduced cash flow;
- (b) Additional collection costs, over and above your usual collection costs, made necessary because of loss or damage; and
- (c) Reasonable expenses you must incur to re-establish your accounts receivable records.

2. Accounts Receivable loss payment will be determined as follows:

- (a) When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding at the time of the loss, the amount of the loss will be computed as follows:
 - (i) Determine the total of the average monthly amounts of accounts receivable for the 24 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (b) We will deduct from the established total amount of accounts receivable:
 - (i) The amount of any accounts evidenced by records not lost or damaged;
 - (ii) Any other amounts you are able to establish or collect; and
 - (iii) An amount to allow for probable bad debts which you normally would have been unable to collect.
- (c) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

The most we will pay for loss or damage under this Extension is \$25,000 but if accounts receivable records are lost or damaged in transit, the most we will pay is \$5,000.

i. Property in Transit on Exhibition or in the Custody of Salespersons

1. You may extend the insurance that applies to your Business Personal Property to apply to your Covered Property that is more than 100 feet from the property line of the described premises while in transit, at any trade show, fair or exhibition, or in the custody of salespersons. We will pay for shipments by mail only if registered.

2. This Extension also applies to your interest in shipments sold "Free on Board". When the title of a shipment passes to the consignee and if the consignee refuses to pay because the shipment is lost or damaged, you may elect to claim that loss under this insurance. We will not attempt to collect from the consignee unless you:

- (1) Provide us with your written consent to do so; and
- (2) Assign us your right of action.

3. The most we will pay for loss or damage under this Extension is \$10,000.

j. Fire Protection System Recharge

You may extend the insurance provided by this Coverage Form to pay for the cost to recharge or refill any fire protective equipment when discharged:

- (1) To prevent or control a covered loss;
- (2) Accidentally; or
- (3) As a result of malfunction of the equipment.

The most we will pay under this extension is \$2,500.

k. Counterfeit Money and Money Orders

1. You may extend the insurance that applies to your Business Personal Property to apply to loss from the voluntary parting of any Covered Property by you or anyone else to whom you have entrusted the Covered Property due to the acceptance of counterfeit money, money orders or travelers checks.
2. Causes of loss – Special Form, C., Limitations g. does not apply to this coverage.
3. The most we will pay for loss under this Extension is \$2,500.

l. Money and Securities Coverage

You may extend the insurance that applies to your Business Property to pay for loss by any act of stealing, disappearance or destruction of "money" and "securities" as shown by your records that are either:

- (a) Inside the premises, meaning:
 - (1) Inside the premises;
 - (2) Inside a banking premises; or
 - (3) Inside a recognized place of safe deposit; or
- (b) Outside the Premises, meaning:
 - (1) In an armored vehicle; or
 - (2) In the custody of a custodian of such funds; but not while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company

When loss of "securities" occurs, we will pay the actual cash value of the "securities" at the end of the last business day before the loss is discovered or the actual cost of replacing "securities", whichever is less. We will not pay for the loss of income, interest or dividends that occurs as a result of a covered loss.

- (c) The most we will pay for loss or damage under this Extension is \$2,500.

m. Employee Dishonesty

You may extend this insurance provided by this Coverage Form to apply to loss of "money", "securities" and other business personal property by dishonest or fraudulent acts of your employees except you, your officers or your partners subject to the following conditions:

- (1) Coverage ceases for any employee immediately upon discovery by you or any of your officers or partners of any dishonest or fraudulent act committed by that employee.
- (2) Dishonest or fraudulent acts or a series of similar or related acts of any employee acting alone or in collusion with others during the policy period shall be deemed to be one occurrence for the purpose of applying the deductible and the Limit of Insurance.
- (3) Loss is covered only if discovered not later than one year from the end of the policy period, and then this insurance shall apply only to loss sustained during the policy period.
- (4) If more than one Named Insured is covered under this policy, the most we will pay shall not exceed the amount for which we would pay if there was only one insured.
- (5) Causes of Loss – Special Form, B. Exclusions, 2.h., as respects employees does not apply to this coverage.
- (6) The most we will pay for loss or damage under this Extension is \$5,000.

n. Temperature – Humidity Change Coverage

You may extend the insurance that applies to your Business Personal Property to apply to damage to your "stock" caused by or resulting from:

- (1) mechanical or electrical breakdown of heating, cooling or humidity control equipment which is owned or used by you; or
- (2) a power failure beyond your control which causes a change in temperature or humidity.
- (3) We will not pay for any loss or damage if you fail to use reasonable care to maintain all heating, cooling or humidity control equipment in proper operating condition.
- (4) Causes of Loss – Special Form, B. Exclusions, 2.d. (2) does not apply to this coverage.
- (5) The most we will pay for loss or damage under this Extension is \$5,000.

o. Brand and Label

You may extend the insurance that applies to your Business Personal Property to apply to your expenses when you do not want to sell your damaged stock under your brand or label even though the damaged stock has a salvage value.

You have two options. You may:

- (1) Remove the brand or label and then relabel the stock to comply with the law; or
 - (2) Label the damaged "stock" as salvage but, in doing so, cause no further damage to the stock.
- In either case, we will pay the difference between;
- (1) The salvage value of the damaged stock with the brand or label attached; and
 - (2) The salvage value of the damaged stock with the brand or label removed.

p. Fine Arts

You may extend the insurance provided by this Coverage Form to apply to loss or damage to your "Fine Arts".

Loss or damage must be caused by or result from a Covered Cause of Loss. Cause of Loss – Special Form, B. Exclusions 1.a., 1.b., 1.e., and 1.g. do not apply to this coverage extension.

We shall not pay for more than the value of your property as indicated on a sales slip or written appraisal from a qualified appraiser.

The most we will pay under this extension is \$5,000.

q. Reward

You may extend the insurance provided by this Coverage Form to pay a reward to any individual or group (except you, your officers or partners) for information which results in the arrest and conviction of any one person or group for committing or trying to commit any illegal act(s) relating to a loss covered by this policy.

The most we will pay under this Extension is \$5,000. No deductible applies to this coverage.

r. Lost Key Consequential Loss

You may extend the insurance provided by this Coverage Form to pay for consequential loss to locks and keys if a master or grand master key is lost or damaged. This coverage does not apply to keys in the possession of former employees. We will pay for:

- (1) The actual cost of keys; and
- (2) Adjustment of locks to accept new keys, or
- (3) If required, new locks including the cost of their installation.

The most we will pay for loss or damage under this Extension is \$5,000.

s. Theft of Telephone or Dataline Services

You may extend the insurance that applies to your Business Personal Property to apply to theft of your telephone and dataline services by an unauthorized person or group (except you, your officers or your partners).

You must make a claim within 60 days of the close of the month in which the theft or series of thefts commences.

You must take reasonable steps to change access security codes immediately upon discovery of the theft or series of thefts.

Causes of Loss – Special Form, B. Exclusions, 2.h. as respects employees, does not apply to this coverage.

The most we will pay for loss or damage under this Extension is \$2,500.

t. Contract Penalty Clause

You may extend this insurance provided by this Coverage Form to pay the contract penalties you are required to pay your customers as a result of a penalty clause in your contracts for failure to deliver your products according to contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.
The most we will pay for loss under this Extension is \$10,000.

u. Inventory or Appraisal

You may extend the insurance provided under this Coverage Form to apply to the following expenses you incur, as required by this coverage part, to prepare a claim:

- (1) The cost of taking inventories;
- (2) The cost of making appraisals; and
- (3) The cost of preparing a statement of loss and other supporting exhibits.

We will not pay for any expenses billed by and payable to independent or public insurance adjusters or for expenses to prepare claims not covered by this Coverage Part.
The most we will pay under this Extension for any claim is \$5,000.

v. Outdoor Signs

You may extend the insurance provided by this Coverage Form to apply to loss or damage to outdoor signs. Signs must be attached to the building or within 1,000 feet of the property line of the described premises.

The most we will pay for loss or damage under this Extension is \$10,000.

w. Consequential Loss

You may extend the insurance that applies to your Business Personal Property to pay the reduction in value of the remaining parts of "stock" in process of manufacturing when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in the process of manufacture at the described premises and the remaining parts cannot be used in conjunction with other "stock".

In the application of the Coinsurance provision as set forth in the Additional Condition section of the policy, the value of "stock" in process of manufacture at the premises described in the policy Declarations includes the additional value that it represents in "stock" at other locations.

The most we will pay for loss or damage under this Extension is \$10,000.

x. Business Income and Extra Expense

You may extend the insurance provided by this coverage form for direct loss of or damage to Covered Property to apply to:

- (1) The actual loss of Business Income you sustain due to the necessary suspension of your operations at the described premises as a result of covered direct loss or damage; and
- (2) Necessary Extra Expense you incur that you would not have incurred if there had been no such covered direct loss or damage.

This Extension only applies to the amount of loss incurred from the date of direct physical loss or damage to covered Property at or within 1,000 feet of the property line of the described premises by a Covered Cause of Loss. It ends on the date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality, even if this is after the expiration date of this policy. This does not include any increased time needed due to enforcement of any ordinance of law regulating:

- (1) Building or land usage, demolition or construction; or
- (2) Environmental damage or restoration

Business Income means the:

- (1) Net income (Net profit or loss before income taxes) that would have been earned or incurred; and

- (2) Continuing normal operating expenses necessarily incurred including payroll.

Extra expense means expense incurred:

- (1) To avoid or minimize the suspension of business and to continue your operations at any location;
- (2) To minimize the suspension of business if you cannot continue your operations; or
- (3) To repair or replace any property or to research, replace or restore the information on damaged valuable papers and records, but only if those expenses reduced the amounts otherwise payable in this extension.

The most we will pay under this Extension is \$25,000.

We will also pay up to \$25,000 for loss you incur after the first 12 hours due to the necessary suspension of your operations during the period of restoration as a result of direct physical loss or damage by a Covered Cause Of Loss to the following property not at the premises described in the Declarations but used to supply you with services by the following utilities:

a. Water Supply Services, meaning the following types of property supplying water to the described premises:

1. Pumping stations; and
2. Water mains.

b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

1. Communication transmission lines, including optic fiber transmission lines;
2. Coaxial cables; and
3. Microwave radio relays except satellites.

It does not include overhead transmission lines.

c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

1. Utility generating plants;
2. Switching stations;
3. Substations;
4. Transformers; and
5. Transmission lines.

It does not include overhead transmission lines.

y. Utility Services – Direct Damage

1. Coverage

We will pay for loss of or damage to Covered Property described in the Schedule, caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss (as indicated in the Schedule) to the property described in Paragraph **C**. if such property is indicated by an "X" in the Schedule and is located off the described premises.

2. Exception

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in the Coverage Form to which this endorsement applies.

3. Utility Services

a. Water Supply Services, meaning the following types of property supplying water to the described premises:

1. Pumping stations; and

2. Water mains.

b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

1. Communication transmission lines, including optic fiber transmission lines;
2. Coaxial cables; and
3. Microwave radio relays except satellites.

It does not include overhead transmission lines.

c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

1. Utility generating plants;
2. Switching stations;
3. Substations;
4. Transformers; and
5. Transmission lines.

It does not include overhead transmission lines.

The most we will pay loss under this Extension is \$25,000.

z. Credit Card Coverage

You may extend the insurance that applies to your Personal Property to apply to:

- (1) Amounts due from the payers of credit card receipts that you are unable to Collect, and
- (2) Collection charges in excess of your normal collection expenses that are Made necessary by the loss or damage to your records of credit card Receipts.

This extension applies only if loss or damage is caused by a Covered Cause of Loss.

The following additional exclusion applies to this extension:

- (1) Alteration, falsification, concealment or destruction of records of credit card charges done to conceal the wrongful giving, taking or withholding of money, securities or other property;

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Bookkeeping, accounting or billing errors or omissions.
- (3) Electrical or magnetic injury, disturbance or erasure of electronic recordings.
- (4) Unauthorized instruction to transfer property to any person or any inventory computation to prove its factual existence.

We will not pay for loss that requires any audit or record or any inventory computation to prove its factual existence.

Valuation: If you cannot accurately establish the amount of credit card receipts Outstanding as of the time of loss, the following method will be used:

- (1) Determine the total of the average monthly amounts of credit card receipts for the 12 months immediately preceding the month in which the loss occurs; and
- (2) Adjust that total for any normal fluctuations in the amount of credit card receipts for the month in which the loss occurred or for any demonstrated variance from the average for that month.

The following will be deducted from the total amount of credit card charges, however that amount is to establish:

- (1) The amount of the credit card receipts for which there is no loss; and
- (2) The amount of the credit card receipts that you are able to re-establish or collect.

The most we will pay for loss or damage under this extension is \$500.

aa. Inflation Guard

17-250 (05/10)

The Limit of Insurance for Building Property Coverage will automatically increase by 2%.

The amount of increase will be:

- (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
- (2) The 2% annual increase, expressed as a decimal (example: 2% is .02), times the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance divided by 365.

ab. Business Personal Property Limit – Seasonal Increase

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (a) The twelve months immediately preceding the date the loss or damage occurs,
 - or
 - (b) The period of time you have in business as of the date the loss or damage occurs.

ac. Building Ordinance or Law

The most we will pay under this Extension is \$100,000.

- a. If there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a covered building and if enforcement of that ordinance or law affects the repair or rebuilding of that building following damage by a Covered Cause of Loss, you may extend the insurance on Building to cover:
 - (1) Costs to demolish and clear the site of the undamaged portions of the building;
 - (2) The value of the undamaged portions of the building; and
 - (3) The increased cost to repair or rebuild the building with another building of the same size.
- b. We will not pay more under this Extension than if the repaired or replaced building was:
 - (1) Rebuilt at the same location, as soon as reasonably possible.
 - (2) To the same extent the law permits, of the same size as the one it replaces; and
 - (3) Designed for the same type of occupancy as the one it replaces, unless otherwise required by zoning or land use ordinance or law.The increase in rebuilding costs must be kept to the minimum need to satisfy legal requirements.
- c. If you do not repair or replace the damaged building, we will pay under this Extension only to demolish and clear the site of the undamaged portions of the building.
- d. This Extension does not apply to the costs associated with the enforcement of any ordinance or law that requires the 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".

Any Coinsurance penalty applicable to the building will also apply to the amount otherwise payable under this Extension.

Causes of Loss – Special Form, B. Exclusion. 1.a. does not apply to this coverage extension.

ad. Backup of Sewer and Drains

We will pay for loss due to water that backs up from a sewer or drain.

Exclusion 1.g.3 of the Special Cause of Loss Form does not apply to this coverage extension.

Exclusion B.3 of the Water Exclusion Endorsement does not apply to this coverage extension.

The most we will pay for this coverage extension is \$25,000

G. DEFINITIONS

- The following definitions are added:
3. "Fine Arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and similar property or rarity, historical value or artistic merit.
 4. "Money" means:
 - (1) Currency, coins and bank notes, whether or not in current use; and
 - (2) Travelers checks, register checks and money orders held for sale to the public.
 5. "Securities" means:
 - (1) All instruments or contracts that represent either "Money" or other property held by you in any capacity;
 - (2) Tokens, tickets (except lottery tickets held for sale), revenue and other stamps whether or not in current use; and
 - (3) Evidences of debt issued in connection with credit or charge cards, which are not issued by you; but does not include "Money".

SENECA INSURANCE COMPANY, INC.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROPERTY PLUS ENHANCEMENT ENDORSEMENT
Additional Definition**

This endorsement modifies insurance provided under the following:

PROPERTY PLUS ENHANCEMENT ENDORSEMENT

The following additional definition applies wherever the word Employee or Employees occurs in the Property Plus Endorsement:

- a. "Employee" means:
- (1) Any natural person:
 - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent "employee" as defined in Paragraph **a.(1)**, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;
while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **a.(2)**;
 - (4) Any natural person who is:
 - (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
 - (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
 - (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";
 - (7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
 - (8) Any of your "managers", directors or trustees while:
 - (a) Performing acts within the scope of the usual duties of an "employee"; or
 - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **2.a.**

(Attach Declarations / Coverage Part(s), Coverage Form(s) and Endorsements Here)

In Witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by our authorized representative.



Marc Wolin
President and Chief Executive Officer



Michael McTigue
Secretary



The Cincinnati Specialty Underwriters Insurance Company

A Stock Insurance Company

Headquarters: 6200 S. Gilmore Road, Fairfield, OH 45014-5141

Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496

www.cinfin.com ■ 513-870-2000

COMMON POLICY DECLARATIONS

POLICY NUMBER: CSU0239040

PREVIOUS POLICY NUMBER:

NAMED INSURED AND MAILING ADDRESS:

PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM COMMUNITY

Refer to Named Insured Schedule CSIA409
PO BOX 90669
HOUSTON TX 77290

PRODUCER - Your contact for matters pertaining to this policy: 42-140
Insource Insurance Agency
503 MED CT
#100
SAN ANTONIO TX 78258

Surplus Lines Broker:
1616923
CSU Producer Resources, Inc.
6200 South Gilmore Road
Fairfield, OH 45014-5141
Scott Hintze

Policy Period: From 09/08/2024 To 09/08/2025 AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

Form of Business:

Individual Partnership Corporation Joint Venture Limited Liability Company Other **Unknown**

Business Description: Office Condominium Association

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COVERAGE PARTS	DEPOSIT PREMIUM	PREMIUM
Excess Liability	\$	1,352.00
Terrorism Risk Insurance Extension Act	\$	25.00
Broker Fee	\$	50.00
TOTAL POLICY PREMIUM	\$	1,427.00
CANCELLATION MINIMUM EARNED PREMIUM IS 25.0% OF TOTAL POLICY PREMIUM.		
Surplus Lines Taxes	\$	69.21
Stamping Fee	\$.57
Other Taxes or Fees		N/A
TOTAL	\$	1,496.78

Premium is subject to annual audit: Yes No

NOTICE TO POLICYHOLDER:

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of 4.85 percent tax on gross premium.

Billing Method: Direct Bill

THIS IS NOT A BILL. You will receive a separate invoice if a premium charge or return is due.

FORMS AND ENDORSEMENTS ATTACHED TO THIS POLICY AT TIME OF ISSUE:

Refer to Forms and Endorsements Schedule CSIA406

THIS COMMON POLICY DECLARATIONS AND THE SUPPLEMENTAL DECLARATION(S) TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORM(S) AND ENDORSEMENT(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Signed by: _____ Date _____
(Authorized representative or countersignature, where applicable)

POLICY NUMBER CSU0239040

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED SCHEDULE

This Schedule supplements the Declarations.

SCHEDULE

Named Insured: **PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM
COMMUNITY**

Forms and Endorsements Schedule

POLICY NUMBER: CSU0239040

POLICY EFFECTIVE DATE: 09/08/2024

PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM

NAMED INSURED: COMMUNITY

FORMS APPLICABLE

Forms Applicable - Common Forms

CSIA501 (07/14) Common Policy Declarations
CSIA409 (01/08) Named Insured Schedule
CSIA418TX (01/18) Texas Complaint Notice
CSIA417 (01/15) Cap On Losses From Certified Acts Of Terrorism
CSIA448 (09/20) Policyholder Notice Terrorism Insurance Coverage
CSIA403 (11/17) Special Provisions - Premium
CSIA404 (08/07) Service of Suit
CSIA410 (03/08) Notice to Policyholders
CSIA464 (02/23) U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policy
CSIA301TX (02/23) War and Cyber Hostilities Exclusion

Forms Applicable - EXCESS

CSCX404 (06/09) Excess Liability Premises Schedule
CSCX403 (06/09) Calculation Of Premium
IL0017 (11/98) Common Policy Conditions
CSCX500 (06/09) Commercial Excess Liability Coverage Part Declarations
CSCX400 (06/09) Commercial Excess Liability Schedule of Controlling Underlying Insurance
CSCX100TOC (02/13) COMMERCIAL EXCESS LIABILITY COVERAGE FORM TABLE OF CONTENTS
CSCX100 (02/13) COMMERCIAL EXCESS LIABILITY COVERAGE FORM
CSCX207 (10/20) Optional Coverage to Any Additional Insured
CSCX407 (06/09) Limitation - Two or More Coverage Forms or Policies Issued By Us
CSCX315 (04/23) EXCLUSION - BODILY INJURY TO CONTRACTORS OR SUBCONTRACTORS
CSCX3010 (06/23) Cyber Liability Exclusion

Forms and Endorsements Schedule

POLICY NUMBER: CSU0239040

POLICY EFFECTIVE DATE: 09/08/2024

PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM

NAMED INSURED: COMMUNITY

FORMS APPLICABLE

Forms Applicable - EXCESS

CSCX3011 (06/23) Privacy Violation Liability Exclusion

CSCX312 (07/10) Total Auto Exclusion

CSCX340 (04/19) Firearms or Ammunition Exclusion

CX2111 (04/13) Exclusion - Abuse Or Molestation

CSCX327 (06/09) Contractual Liability Exclusion

CSCX3000 (08/09) Damage To Premises Occupied Or Rented To You Exclusion

CSCX3009 (11/22) Exclusion - Perfluorinated Compounds (PFC) and Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

CSIA405(08/09)-A- Employer's Liability Exclusion

CSIA405(08/09)-B- Exclusion - Assault or Battery

The Cincinnati Specialty Underwriters Insurance Company

TEXAS COMPLAINT NOTICE

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO 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 or HMO. If you don't, you may lose your right to appeal.

The Cincinnati Specialty Underwriters Insurance Company

To get information or file a complaint with your insurance company or HMO:

Call: Regulatory and Compliance Department

Toll-free: 1-800-947-4250

Online: cinfin.com

Email: ConsumerRelations@cinfin.com

Mail: P.O. Box 145496

Cincinnati, OH 45250-5496

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

Email: ConsumerProtection@tdi.texas.gov

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

All Commercial Lines Coverage Parts, Coverage Forms, Policies and Endorsements subject to the federal Terrorism Risk Insurance Act and any amendments and extensions thereto

- A.** The following definition is added with respect to the provisions of this endorsement:

"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 the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. 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
2. 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.

- B. Cap On Losses from Certified Acts of Terrorism**

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 ex-

ceeds \$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.

- C. Application of Other Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion, does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Form, Policy or Endorsement such as losses excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;
2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or
3. Any other exclusion,

regardless if the "certified act of terrorism" contributes concurrently or in any sequence to the loss.

- D. Sunset Clause**

If the federal Terrorism Risk Insurance Act expires or is repealed, then this endorsement is null and void for any act of terrorism that takes place after the expiration or repeal of the Act.

POLICYHOLDER NOTICE

TERRORISM INSURANCE COVERAGE

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.

Your policy may contain coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- Refer to the SUMMARY OF PREMIUMS CHARGED or DECLARATIONS PAGE for the portion of your premium that is attributable to coverage for terrorist acts certified under the Act.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, 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.

- **Schedule:**

Federal Share of Terrorism Losses: 80%

Cap on Insurer Participation:

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.

NOTE: IF YOUR POLICY IS A RENEWAL POLICY, THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER TO RENEW THE POLICY AND (2) AT THE TIME THE RENEWAL IS COMPLETED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PROVISIONS - PREMIUM

This endorsement modifies the policy to add the following special provisions:

SCHEDULE

Deposit Premium and Minimum Premium

The minimum premium is equal to 100% of the deposit premium.

Cancellation Minimum Earned Premium

Cancellation minimum earned premium is equal to 25 % of the total policy premium.

We will compute all premiums for coverage in accordance with our rules and rates.

The deposit premium is subject to audit when indicated as such on the declarations. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the due date on the bill.

If the earned premium is less than the deposit premium paid for the policy period, we will return the excess to the first Named Insured, subject to the minimum premium as defined below. If the earned premium is greater than the deposit premium paid for the policy period the additional premium shall become due and payable to the company.

Deposit premium is the premium stated in the Declarations payable in full at the inception of the policy.

Earned premium is computed by applying the policy rates to the actual premium basis for the audit period.

Minimum premium is the lowest amount to be retained as premium for the policy period. The minimum premium is equal to 100% of the deposit premium shown in the Declarations unless otherwise indicated in the Schedule above.

Cancellation minimum earned premium is the minimum amount to be retained as premium if you request cancellation of this policy. Cancellation minimum earned premium is equal to 25% of the total policy premium shown in the Declarations unless otherwise indicated in the Schedule above.

Any premium shown as flat charge is fully earned and is not subject to the cancellation minimum earned premium.

The first Named Insured must keep records of the information we need for premium computations, and send us copies at such times as we may request.

Failure to pay any premium(s) due, including any additional audit premium(s) will subject this policy, and/or any additional or subsequent policies, to cancellation for non-payment of premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

Schedule

Service of Process will be accepted by:

Cincinnati Specialty Underwriters
c/o Richard Hill
6200 South Gilmore Road
Fairfield, OH 45014

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the party shown in the Schedule above and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The party named in the Schedule above is authorized and directed to accept service of process on behalf of the Company in any such suit or upon request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon the Company's behalf in the event such a suit shall be instituted.

Pursuant to any statute of any state, territory or district of the United States of America which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary arising out of this contract of insurance, and hereby designates the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Specialty Underwriters Insurance Company, a subsidiary of The Cincinnati Insurance Company. The information disclosed in the application and all information collected by this company or The Cincinnati Insurance Company, The Cincinnati Casualty Company or The Cincinnati Indemnity Company may be shared among all four companies.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

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

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR AND CYBER HOSTILITIES EXCLUSION

This endorsement modifies insurance provided under the following:

ALL COVERAGE FORMS FORMING A PART OF THE POLICY

A. The following exclusion:

1. Replaces any War, War and Military Action, or War or Military Action exclusion included in any other Coverage Form, Coverage Part or endorsement forming a part of the policy to which this endorsement is attached; and
2. Is added to any other Coverage Form, Coverage Part, insuring agreement included therein or endorsement forming a part of the policy to which this endorsement is attached which does not already include a War, War and Military Action, or War or Military Action exclusion.

War

This insurance does not apply to:

Any form of loss, damage, cost, expense or liability for damages arising directly or indirectly from:

- a. "War" and "warlike action", including undeclared or civil "war" and "cyber hostilities";
- b. Hostile action, including action in hindering or defending against an actual or expected attack, by any state, government, or sovereign using military personnel or other "agents"; or
- c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by a state or government actor in hindering or defending against any of these, including "cyber hostilities" in connection with any of the foregoing.

The attribution of an action will be determined by relying on reasonable evidence such as, but not limited to:

- (1) Statements by an agency or department of the United States government;
- (2) Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any

member of such an international group; or

- (3) Statements by a "recognized commercial authority".

This exclusion applies notwithstanding anything to the contrary in this policy or any appendix or endorsement added to this policy.

B. The following definitions are hereby added with respect to the exclusion in Section **A.** of this endorsement.:

1. "Agents" means any person, entity, organization or collection of persons, entities or organizations that have at any time been associated with or designated as having worked with or acted on behalf of any state, government, or sovereign.

The attribution of the actors' status as "agents" will be determined by relying on reasonable evidence such as, but not limited to:

- a. Statements by an agency or department of the United States government;
 - b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or
 - c. Statements by a "recognized commercial authority".
2. "Computer system" means any computer or network of computers or computer systems, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any configuration of the aforementioned and including any associated input, output, code, program, data, data storage device, networking equipment or back up facility.
 3. "Cyber hostilities" means the use of a "computer system" that causes disruption or harm.

4. "Recognized commercial authority" means a business that provides information technology security or forensics services, including, but not limited to:
- a. Symantec;
 - b. Mandiant;
 - c. Microsoft;
 - d. Apple;
 - e. Cisco; or
 - f. IBM.
5. "War" or "warlike action":
- a. Means physical combat, a state of armed conflict, or "cyber hostilities" engaged in by:
 - (1) Any state, government, or sovereign; or
 - (2) "Agents" of a state, government, or sovereign, against any other:
 - (a) State, government, or sovereign, including an agency or department thereof; or
 - (b) Person or entity targeted by such physical combat, armed conflict, or "cyber hostilities"; and
 - b. Includes any collateral loss, damage, cost, expense or liability for damages of any nature arising out of the physical combat, armed conflict, or "cyber hostilities" or any response to such physical combat, armed conflict, or "cyber hostilities".

EXCESS LIABILITY PREMISES SCHEDULE

POLICY NUMBER: CSU0239040

POLICY EFFECTIVE DATE: 09/08/2024

NAMED INSURED: PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM
COMMUNITY

LOC.	ADDRESS
1	26717 WESTHEIMER PKWY KATY TX 77494

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY COVERAGE PART

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.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Examination of Your Books and Records

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

D. Inspections and Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

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

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer of Your Rights and Duties Under this Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY

**COMMERCIAL EXCESS LIABILITY COVERAGE PART
DECLARATIONS**

Attached to and forming part of POLICY NUMBER: CSU0239040 Effective Date: 09/08/2024

Named Insured: PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM
COMMUNITY

Commercial Excess Liability Coverage Limits of Insurance:

Each Occurrence Limit	\$1,000,000
Aggregate Limit	\$1,000,000

FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:

Refer to Forms and Endorsements Schedule **CSIA 406**

SCHEDULE OF CONTROLLING UNDERLYING INSURANCE:

Refer to form **CSCX 400** which is part of the Commercial Excess Liability policy declarations.

COMMERCIAL EXCESS LIABILITY PREMISES SCHEDULE:

Refer to **CSCX 404**

TOTAL DEPOSIT PREMIUM: \$ 1,352

Premium is subject to audit: Yes No

NOTICES OF CLAIMS OR EVENTS SHOULD BE REPORTED IMMEDIATELY TO:

The Cincinnati Specialty Underwriters Insurance Company:
Claims Department
P.O. Box 145496
Cincinnati, Ohio 45250-5496
Email: ClaimsMainDesk@cinfin.com
Fax: (877) 242-3665

THE CINCINNATI SPECIALTY UNDERWRITERS INSURANCE COMPANY

**COMMERCIAL EXCESS LIABILITY
SCHEDULE OF CONTROLLING UNDERLYING INSURANCE**

Attached to and forming part of POLICY NUMBER: <u>CSU0239040</u> Effective date: <u>09/08/2024</u> PIN OAK OFFICE CONDOMINIUMS, AN EXECUTIVE OFFICE CONDOMINIUM Named Insured: <u>COMMUNITY</u>
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General Liability	Company: <u>The Cincinnati Specialty Underwriters Insurance Company</u>															
	Policy Number: <u>CSU0239038</u>															
	Policy Period: <u>09-28-2024 To 09-28-2025</u>															
	Limits Of Insurance:															
	<table> <tr> <td>Each Occurrence</td> <td>\$1,000,000</td> <td></td> </tr> <tr> <td>Personal And Advertising Injury</td> <td>\$1,000,000</td> <td>Any one person or organization</td> </tr> <tr> <td>Products-Completed Operations</td> <td>\$2,000,000</td> <td></td> </tr> <tr> <td>Aggregate</td> <td></td> <td></td> </tr> <tr> <td>General Aggregate</td> <td>\$2,000,000</td> <td></td> </tr> </table>	Each Occurrence	\$1,000,000		Personal And Advertising Injury	\$1,000,000	Any one person or organization	Products-Completed Operations	\$2,000,000		Aggregate			General Aggregate	\$2,000,000	
	Each Occurrence	\$1,000,000														
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Products-Completed Operations	\$2,000,000															
Aggregate																
General Aggregate	\$2,000,000															

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COMMERCIAL EXCESS LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy or under "controlling underlying insurance". 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 the "controlling underlying insurance".

Other words and phrases that appear in quotation marks in this Coverage Part have special meaning. Refer to Section IV - Definitions. Other words and phrases that are not defined under this Coverage Part but defined in the "controlling underlying insurance" will have the meaning described in the policy of "controlling underlying insurance".

The insurance provided under this Coverage Part will follow the same provisions, exclusions and limitations that are contained in the applicable "controlling underlying insurance", unless otherwise directed by this insurance. To the extent such provisions differ or conflict, the provisions of this Coverage Part will apply. However, the coverage provided under this Coverage Part will not be broader than that provided by the applicable "controlling underlying insurance".

There may be more than one "controlling underlying insurance" listed in the Declarations and provisions in those policies conflict, and which are not superseded by the provisions of this Coverage Part. In such a case, the provisions, exclusions and limitations of the "controlling underlying insurance" applicable to the particular "event" for which a claim is made or suit is brought will apply.

SECTION I - COVERAGES

1. Insuring Agreement

- a. We will pay on behalf of the insured, except as stated in this Coverage Part, those sums in excess of the "retained limit" any insured becomes legally obligated to pay as damages to which insurance provided under this Coverage Part applies.

- b. The amount we will pay for "loss" is limited as described in Section II - Limits Of Insurance.
- c. This insurance applies to damages that are subject to an applicable "retained limit". If any other limit, such as, a sublimit, is specified in the "controlling underlying insurance", this insurance does not apply to damages arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "controlling underlying insurance".
- d. If the "controlling underlying insurance" requires, for a particular claim, that the injury or damages occur during its policy period in order for that coverage to apply, then this insurance will only apply to that injury or damages if it occurs during the policy period of this Coverage Part. If the "controlling underlying insurance" requires that the "event" causing the particular damage takes place during its policy period in order for that coverage to apply, then this insurance will apply to the claim only if the "event" causing that damage takes place during the policy period of this Coverage Part.

2. Exclusions

The following exclusions, and any other exclusions added by endorsement, apply to this Coverage Part. The exclusions applicable to any "controlling underlying insurance" apply to this insurance unless superseded by the following exclusions, or superseded by any other exclusions added by endorsement to this Coverage Part.

Insurance provided under this Coverage Part does not apply to:

a. Asbestos

Any liability or damages:

- (1) Caused by or arising out of, attributable to, or in any way related to asbestos in any form or transmitted in any manner; or
- (2) For any asbestos related diseases.

b. Auto

Any loss, cost or expense caused by or resulting from any of the following auto coverages:

- (1) First-party physical damage coverage;
- (2) No-fault coverage;
- (3) Personal injury protection or auto medical payments coverage; or
- (4) Uninsured or underinsured motorists coverage.

c. Recording and Distribution of Material or Information in Violation of Law

Any liability or damages arising out of:

- (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), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (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.

d. E.R.I.S.A.

Any liability or damages arising out of:

- (1) Any insured's activities as a fiduciary under the Employment Retirement Income Security Act of 1974, or any amendments thereof or any regulation or orders issued pursuant thereof; or
- (2) The Pension Benefits Act and the Consolidation Omnibus Budget Reconciliation Act of 1986 (COBRA);

Including any amendments, regulations or enabling statutes pursuant thereto, or any similar federal, state or provincial statute or regulation.

e. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

- (c) Other employment-related practices, policies, acts or omissions including but not limited to coercion, criticism, demotion, evaluation, failure to promote, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (1)(a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (1)(a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

f. Fines, Penalties, Punitive, Exemplary, Multiplied or Uninsurable Damages

- (1) Civil or criminal fines or penalties imposed by law;
- (2) Punitive or exemplary damages;
- (3) The multiplied portion of multiplied damages;
- (4) Any amount for which an insured is not financially liable; or
- (5) Any award that is uninsurable under the law governing this policy,

g. Nuclear

Any liability or damages based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving the hazardous properties, including radioactive, toxic or explosive properties, of any nuclear material. Nuclear material means any source material, special nuclear material, or by-product materials as those terms are defined under the Atomic Energy Act of 1954 or any amendments thereto.

h. Pollutant or Pollutant-Related

- (1) Injury arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or emission of "pollutants" at any time.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutral-

ize, 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".

i. War

Injury, however caused, arising, directly or indirectly, out of:

- (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.

j. Workers' Compensation And Similar Laws

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

3. Defense

- a. We have no duty to defend any insured or participate in the settlement or defense of any claim, suit or proceedings.
- b. We have the right, but not the duty, to be associated with the insured or "controlling underlying insurers" in the investigation, defense or settlement of any claim, suit or proceeding to which we think this Coverage Part may apply.
- c. If the "controlling underlying insurance" limits are exhausted by payment of "loss", we have the right but not the duty to investigate, defend or settle any claim or suit to which we think this Coverage Part may apply. However, at our discretion, if we assume our right to investigate, defend

or settle any claim or suit we may withdraw from such investigation, defense or settlement proceedings after our applicable Limits of Insurance as stated in the Commercial Excess Liability Declarations have been exhausted by payments.

We will not pay any expenses except those we directly incur at our discretion.

SECTION II - LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Commercial Excess Liability Coverage Declarations, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or suits brought, or number of vehicles involved;
 - c. Persons or organizations making claims or bringing suits;
 - d. Coverages provided by this insurance; or
 - e. Limits available under any "controlling underlying insurance."
- 2. The Limits of Insurance of this Coverage Part will apply as follows:
 - a. This insurance only applies in excess of the "retained limit".
 - b. The Aggregate Limit is the most we will pay for the sum of all "loss" for all damages covered under this Coverage Part.
 - c. The Each Occurrence Limit is the most we will pay for the sum of all "loss" under this insurance because of all damages arising out of any one "event". Any amount we pay for damages arising out of an "event" will reduce or exhaust the amount of our applicable aggregate limit of insurance available for payment of any other "event".
 - d. With respect to any claim or suit to which this insurance applies and for which we assume charge of the settlement or defense, if the limits of insurance of any "controlling underlying insurance" are reduced by defense expenses then any defense expense payments we make will reduce our applicable Limits of Insurance in the same manner.
- 3. If any "controlling underlying insurance" has a policy period that is different from the policy period of this Coverage Part then, for the purposes of this insurance, the "retained limit" will only be reduced or exhausted by payments made for damages covered under this insurance.

The Aggregate Limits of this Coverage Part applies separately to each consecutive annual period of this Coverage Part and to any remaining period of this Coverage Part of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional pe-

riod will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION III - CONDITIONS

The following Conditions apply. The Conditions applicable to any "controlling underlying insurance" are also applicable to the coverage provided under this insurance unless superseded by the following conditions.

1. Appeals

If the "controlling underlying insurer" or insured elects not to appeal a judgment in excess of the amount of the "retained limit", we may do so at our own expense. We will also pay for taxable court costs, pre- and post judgment interest and disbursements associated with such appeal. In no event will this provision increase our liability beyond the Limits of Insurance described in Section II - Limits Of Insurance.

2. Bankruptcy

a. Bankruptcy of Insured

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

b. Bankruptcy of Controlling Underlying Insurer

Bankruptcy of the "controlling underlying insurer" will not relieve us of our obligations under this Coverage Part.

However, insurance provided under this Coverage Part will not replace any "controlling underlying insurance" in the event of bankruptcy or insolvency of the "controlling underlying insurer". The insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect and recoverable.

3. Duties in the Event of an Event, Claim or Suit

- a. You must see to it that we are notified in writing as soon as practicable of an "event" which may result in a claim under this insurance.
- b. If a claim is made or suit is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or suit and the date received; and

- (2) Notify us as soon as practicable.

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

c. You and any other insured involved must:

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

- d. No insured will, except at that insured's own cost, voluntarily make a payment, admit to any liability, consent to any judgment, settle any claim or suit, assume any obligation, or incur any expense, other than for first aid, without our consent.

4. First Named Insured Duties

The first Named Insured is the person or organization first named in the Declarations and is responsible for the payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for giving and receiving of notice of cancellation or the receipt of any return premium that may become payable.

At our request, the first Named Insured will furnish us, as soon as practicable, with a complete copy of any "controlling underlying insurance" and any subsequently issued endorsements or policies which may in any way affect the insurance provided under this Coverage Part.

5. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

6. Changes

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

7. Maintenance of Changes to Controlling Underlying Insurance

Any "controlling underlying insurance" must be maintained in full effect without reduction of coverage or limits except for the reduction of aggregate limits in accordance with the provisions of such "controlling underlying insurance" that results from injury or damages to which this insurance applies.

Such exhaustion or reduction is not a failure to maintain "controlling underlying insurance". Failure to maintain "controlling underlying insurance" will not invalidate insurance provided under this Coverage Part, but insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect.

The first Named Insured must notify us in writing, as soon as practicable, if any "controlling underlying insurance" is cancelled, not renewed, replaced or otherwise terminated, or if the limits or scope of coverage of any "controlling underlying insurance" is changed.

8. Other Insurance

- a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to

insurance specifically written as excess over this Coverage Part.

When this insurance is excess, if no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- b. When this insurance is excess over other insurance, we will pay only our share of the "loss" that exceeds the sum of:
 - (1) The total amount that all such other insurance would pay for the loss in the absence of the insurance provided under this Coverage Part; and
 - (2) The total of all deductible and self-insured amounts under all that other insurance.

9. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. If this policy is auditable, the premium shown in this Coverage Part is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premium is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. Loss Payable

Liability under this Coverage Part does not apply to a given claim unless and until:

- a. The insured or insured's "controlling underlying insurer" has become obligated to pay the "retained limit"; and
- b. The obligation of the insured to pay the "loss" in excess of the "retained limit" has been determined by a final settlement or judgment or written agreement among the insured, claimant, "controlling underlying insurer" (or a representative of one or more of these) and us.

11. Legal Action Against Us

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

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against

an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, "controlling underlying insurer" and the claimant or the claimant's legal representative.

12. Transfer of Defense

a. Defense Transferred To Us

When the limits of "controlling underlying insurance" have been exhausted, in accordance with the provisions of "controlling underlying insurance", we may elect to have the defense transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

b. Defense Transferred By Us

If we exercise our right to defend any claim, suit or proceeding, when our limits of insurance have been exhausted our right to provide a defense will cease.

We will cooperate in the transfer of control of defense to any insurer specifically written as excess over this Coverage Part of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

In the event that there is no insurance written as excess over this Coverage Part, we will cooperate in the transfer of control to the insured and its designated representative.

13. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declara-

tions written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION IV - DEFINITIONS

Except as otherwise defined in this Coverage Part or in any endorsement to this Coverage Part, the definition of terms and phrases contained in this Coverage Part and any endorsements will be the same as those terms and phrases are defined in the "controlling underlying insurance".

1. "Controlling underlying insurance" means any policy of insurance or self-insurance listed as such in our Schedule of Controlling Underlying Insurance.
2. "Controlling underlying insurer" means any insurer who provides any policy of insurance listed as such in our Schedule of Controlling Underlying Insurance.
3. "Event" means an occurrence, offense, accident, act, error or omission, or other event to which the applicable "controlling underlying insurance" applies.
4. "Loss" means the total sum, after reduction for recoveries, or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of:

- a. Settlements, judgments, binding arbitration; or
- b. Other binding alternate dispute resolution proceeding entered into with our consent.

"Loss" includes defense expenses if the "controlling underlying insurance" specifies that limits are reduced by defense expenses.

5. "Retained limit" means the available limits of "controlling underlying insurance" applicable to the claim
6. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum, petroleum products and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. "Pollutants" include but are not limited to, that which has been recognized in industry or government to be harmful or toxic to persons, property or the environment, regardless of whether the injury, damage, or contamination is caused directly or indirectly by the "pollutants" and regardless of whether:
 - a. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or
 - b. The insured uses, generates or produces the "pollutant".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OPTIONAL COVERAGE TO ANY ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A.** At the option of the first Named Insured only, and subject to the terms of this insurance, any additional insureds covered in the "controlling underlying insurance" listed in the Schedule of Underlying Insurance are also insureds, but only to the extent that insurance is provided for such additional insureds thereunder.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

The following condition is added to **Section III - Conditions:**

14. Two or More Coverage Forms or Policies Issued by Us

If two or more liability coverage forms, coverage parts or policies issued to you by us or any company affiliated with us apply to the same injury or claim for damages, the maximum Limits of Insurance shall not exceed the highest applicable Limits of Insurance available under any one coverage form, coverage part or policy. This condition does not apply to any coverage form, coverage part or policy issued by us or an affiliated company specifically to apply as excess insurance over this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - BODILY INJURY TO CONTRACTORS OR SUBCONTRACTORS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverages:

Insurance provided by this Coverage Part does not apply to any claim or suit for damage or loss caused by or arising out of injury to:

1. Any "contractor" or "subcontractor"; or
2. Any "employee" of any "contractor" or "subcontractor" arising out of and in the course of employment or performing duties related to the conduct of any insured business or the business of any "contractor" or "subcontractor"; or
3. The spouse, child, parent, brother or sister of any person identified above as a consequence of Paragraph 1. or 2.

This exclusion applies:

1. Whether an insured may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury, including any obligation to pay damages by reason of assumption of liability in any oral or written contract or agreement.

B. The following definitions are added and apply with respect to this endorsement:

1. "Employee" means any person who is hired for a wage, salary, fee or other form of payment to perform work. "Employee" includes any "leased worker" or "temporary worker", loaned worker, "volunteer worker", 1099 worker, "casual worker" or day laborer.
2. "Casual worker" means a person, other than a person furnished to you by a labor union, which acts at the direction of and within the scope of duties determined by any party, and for whom any party, or labor leasing firm acting on behalf of any insured, does not withhold federal income taxes or pay unemployment tax.
3. "Contractor" and/or "Subcontractor" means a person, company or organization who agrees in any oral or written contract or agreement with any person or organization to undertake to perform work; perform a service; or to complete a job.
4. "Volunteer worker" means a person who donates his or her work and acts at the direction of and within the scope of duties determined by any party, and is not paid a fee, salary or other compensation by any party for their work performed.
5. "Leased worker" means a person leased to any insured by a labor leasing firm under an agreement between any insured and a labor leasing firm, to perform duties related to the conduct of your business.
6. "Temporary worker" means a person who is furnished to any insured to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY COVERAGE PART

A. SECTION I - COVERAGE, B. Exclusions is modified to add the following:

This insurance does not apply to:

Any liability, costs, expenses, or damages arising, directly or indirectly, out of or as a consequence of any:

1. "Computer attack";
2. "Network security incident";
3. "Privacy violation"; or
4. Fraudulent communication that impersonates any person or organization that results in the transfer of funds or other property, regardless of the medium or technique used.

B. SECTION IV - DEFINITIONS is amended to add the following:

1. "Biometric information" means any:

- a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or
- b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

2. "Computer attack" means:

- a. Unauthorized access or authorized access for an unauthorized purpose;

- b. A "malware attack"; or

- c. A "denial of service attack";

against any computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems.

3. "Denial of service attack" means an attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede users from gaining access to the target computer or network through the internet.
4. "Malware attack" means an attack that damages a computer, computer system or network of computers or computer systems, including any other machinery or equipment, including their control systems, which are accessed by or integrated into a computer, computer system or network of computers or computer systems, or data contained therein arising from malicious code, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware.
5. "Network security incident" means a security failure or weakness with respect to a computer, computer system or network of computers or computer systems which allowed one or more of the following to happen:
 - a. The propagation or forwarding of malware, including, but not limited to, viruses, worms, Trojans, spyware, keyloggers and ransomware;
 - b. The abetting of a "denial of service attack" against one or more other systems;
 - c. The loss, release or disclosure of data;
 - d. The inability to access a computer system;
 - e. The unauthorized access to a computer system.
6. "Privacy law" means any law, statute or regulation enacted or promulgated by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity that creates legally enforceable responsibilities with respect to:

- a. The collection, use, storage, disclosure, disposal, sharing or disseminating as well as correction or supplementation of personally identifying information, including, but not limited to, "biometric information"; or
 - b. The adoption and communication of, as well as compliance with, a "privacy policy".
- "Privacy laws" include, but are not limited to, the European Union General Data Protection Regulation, the California Consumer Privacy Act, and the Illinois Biometric Information Privacy Act.
- 7. "Privacy policy" means an entity's policy for collection, use, storage, disclosure, disposal, sharing, disseminating and correction or supplementation of personally identifying information, including, but not limited to, "biometric information".
 - 8. "Privacy violation" means failure to comply for any reason with a "privacy law" or "privacy policy".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIVACY VIOLATION LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

EXCESS LIABILITY COVERAGE PART

A. SECTION I - COVERAGE, 2. Exclusions is modified to add the following:

This insurance does not apply to:

Any liability, costs, expenses, or damages arising, directly or indirectly, out of or as a consequence of any "privacy violation".

B. SECTION IV - DEFINITIONS is amended to add the following:

1. "Biometric information" means any:

- a.** Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or
- b.** Information, regardless of how it is captured, converted, stored, or shared, based on an individual's biological measurement or physical characteristic.

2. "Privacy law" means any law, statute or regulation enacted or promulgated by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity that creates legally enforceable responsibilities with respect to:

- a.** The collection, use, storage, disclosure, disposal, sharing or disseminating as well as correction or supplementation of personally identifying information, including, but not limited to, "biometric information"; or
- b.** The adoption and communication of, as well as compliance with, a "privacy policy".

"Privacy laws" include, but are not limited to, the European Union General Data Protection Regulation, the California Consumer Privacy Act, and the Illinois Biometric Information Privacy Act.

- 3.** "Privacy policy" means an entity's policy for collection, use, storage, disclosure, disposal, sharing, disseminating and correction or supplementation of personally identifying information, including, but not limited to, "biometric information".
- 4.** "Privacy violation" means failure to comply for any reason with a "privacy law" or "privacy policy".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL AUTO EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

- A.** Exclusion **b. Auto** of Paragraph **2. Exclusions** of **Section I - Coverages** is deleted and replaced by the following:

Insurance provided by this Coverage Part does not apply to:

- b.** Any liability or damages arising out of the ownership, maintenance, occupancy, operation, use, loading or unloading of any auto that is owned by, leased to, rented to, borrowed by or provided for the use of any insured.

However, this exclusion does not apply to liability or damages arising out of the operation of machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of mobile equipment if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FIREARMS OR AMMUNITION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages**:

Insurance provided by this Coverage Part does not apply to any claim or suit for damage or loss:

1. Arising out of the ownership, rental, use, handling, design, manufacture, distribution, sale, transport, receipt, maintenance or repair, disposal, or advertising of any firearm or ammunition by any insured, their employees, patrons or any other person at any time.

Firearm means any weapon that will or is designed to or may readily be converted to expel a projectile by the action of an explosive, including:

1. The frame or receiver of any such weapon; or
2. Any firearm muffler or silencer.

Ammunition means cartridges or cartridge cases, primers (igniter), bullets or propellant powder designed for use in any firearm, rifle or shotgun including:

1. Tear gas cartridges;
2. Chemical mace; or
3. Any device or instrument which contains or emits a liquid, gas powder or any other substance designed to incapacitate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ABUSE OR MOLESTATION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.
Exclusions of Section I – Coverages:

2. Exclusions

Insurance provided under this Coverage Part does not apply to "injury or damage" arising out of:

- a.** The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured; or
- b.** The negligent:
 - (1)** Employment;

- (2)** Investigation;
- (3)** Supervision;
- (4)** Reporting to the proper authorities, or failure to so report; or
- (5)** Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph **a.** above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTUAL LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages**:

Insurance provided by this Coverage Part does not apply to:

- 1.** Any liability for which any 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 that the insured would have in the absence of the contract or agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DAMAGE TO PREMISES OCCUPIED OR RENTED
TO YOU EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages**:

Insurance provided by this Coverage Part does not apply to any loss or damage to any property or premises:

1. You or any insured rent or lease;
2. You or any insured temporarily occupy; or
3. Loaned to you or any insured

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PERFLUORINATED COMPOUNDS (PFC) AND PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

CLAIMS-MADE EXCESS LIABILITY COVERAGE PART EXCESS LIABILITY COVERAGE PART

A. SECTION I - COVERAGE, 2. Exclusions is modified to add the following:

This insurance does not apply to:

1. Any liability, costs, expenses, damages or any other form of relief, remedy or recovery that may be awarded or incurred arising, directly or indirectly, out of or as a consequence of "PFC/PFAS", including but not limited to:
 - a. Any adverse health effects associated with or arising from the disruption of the endocrine system of any person or animal;
 - b. Manufacturing, handling, sale, distribution, marketing, installation, repair, removal, abatement, replacement or handling of "PFC/PFAS" or products containing "PFC/PFAS";
 - c. An actual, alleged or threatened discharge, dispersal, seepage, migration, release of "PFC/PFAS" whether intentional or unintentional; or
 - d. Consumption, ingestion, presence, inhalation or use of, contact with or exposure to "PFC/PFAS", whether by direct or passive exposure.
2. Any loss, cost or expense arising out of any:
 - a. Request, demand, order, or other requirement, whether statutory or regulatory, that any insured or others test for, investigate for, monitor, clean up, abate, remove, remediate, contain, treat, detoxify or neutralize, dispose of, or in any way respond to, or assess the effects of "PFC/PFAS"; or

- b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, investigating for, monitoring, cleaning up, abating, removing, remediating, containing, treating, detoxifying or neutralizing, disposing of, or in any way responding to or assessing the effects of "PFC/PFAS".

B. For the purpose of this endorsement the following **Definition** is added:

"PFC/PFAS" means:

1. Any substance, material or compound that is or contains perfluorinated compounds or per-and polyfluoroalkyl substances, including but not limited to perfluorobutanoic acid (PFBA), perfluorohexanoic acid (PFHxA), perfluoroheptanoic acid (PFHpA), perfluorooctanoic acid (PFOA), perfluorononanoic acid (PFNA), perfluorodecanoic acid (PFDA), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoDA), perfluorobutane sulfonic acid (PFBS), perfluorohexane sulfonic acid (PFHxS), perfluorooctane sulfonic acid (PFOS), perfluorooctane sulfonamide (FOSA), perfluorodecane sulfonate (PFDS), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoA), perfluorotridecanoic acid (PFTrDA), perfluorotetradecanoic acid (PFTeDA) or 6:2 Fluorotelomer sulfonate (6:2 FTS).
2. Any substance, material or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances

and Disease Registry (ATSDR), the National Institutes for Health (NIH) or the International Agency for Research on Cancer (IARC):

- a.** As or to contain a perfluorinated compound or a per-and polyfluoroalkyl substance; or
- b.** To exhibit or demonstrate the same or similar harmful properties as a perfluorinated compound or a per-and polyfluoroalkyl substance.

- 3.** Any constituents, additives, degradation, break down, or by-products to or of any substance, material or compound set forth in subparagraphs **1.** or **2.** above, including but not limited to homologues, isomers, salts, esters, alcohols, acids, and precursor chemicals, compounds and derivatives.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollutant or pollution exclusion, do not exclude coverage for "PFC/PFAS" related liability, expense, loss, demand, claim or legal obligation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYER'S LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph 2. **Exclusions of Section I - Coverages:**

Insurance provided by this Coverage Part does not apply to any claim or suit for damage or loss caused by or arising out of injury to:

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

B. The following definitions are added and apply with respect to this endorsement.

"Employee" under this endorsement means any person who is hired for a wage, salary, fee or other form of payment to perform work. "Employee" includes any leased worker or temporary worker, loaned worker, volunteer worker, 1099 worker, "casual worker" or day laborer.

"Casual worker" means a person, other than a person furnished to you by a labor union, which acts at the direction of and within the scope of duties determined by any insured, and for whom any insured, or labor leasing firm acting on behalf of any insured, does not withhold federal income taxes or pay unemployment tax.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - ASSAULT OR BATTERY

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE FORM

A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverages:

Insurance provided by this Coverage Part does not apply to any claim or suit for damage or "loss" caused by or arising out of:

- (1) An actual or threatened assault or battery whether caused by or at the instigation or direction of any insured, their employees, patrons or any other person;
- (2) The failure of any insured or anyone else for whom any insured is legally responsible to prevent or suppress assault or battery; or
- (3) The failure to provide an environment safe from assault or battery, including but not limited to the failure to provide adequate security, or failure to warn of the dangers of the environment that could contribute to assault or battery; or
- (4) The failure to render or secure medical treatment or care necessitated by any assault or battery; or
- (5) The negligent investigation, reporting, or failure to report an assault or battery to the proper authorities by any person; or
- (6) The negligent:
 - (a) Employment;
 - (b) Supervision;
 - (c) Training;
 - (d) Retention;of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by the **Assault or Battery** exclusion above.

B. For the purpose of this endorsement the words assault and battery are intended to include, but are not limited to, sexual assault.

USS



PO Box 12058
Austin, TX 78711-2058

Important Insurance Documents Enclosed

RELATION INSURANCE SERVICES INC
DBA: INSOURCE INSURANCE AGENCY
PO BOX 4288
MCALLEN TX 78502-4288

Please forward the Insured's copy to them immediately.

CONFIDENTIALITY NOTICE: This communication may contain confidential, proprietary or privileged information and is intended only for the person to whom the communication is addressed. If you are not the intended recipient, please immediately notify Texas Mutual's information services center at (800) 859-5995 or information@texasmutual.com and destroy all copies of the communication as your use, disclosure, copying or storage of the communication is prohibited and may be a violation of state or federal law.

Important Notice: Your Texas Mutual policy provides coverage for claims made by Texas employees for Texas benefits only. If you have employees that need workers' compensation coverage in other states, notify your agent immediately.

2024-08-22

Print Cover Page

USS



PO Box 12058
Austin, TX 78711-2058

Important Insurance Documents Enclosed

PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC
PO BOX 90669
HOUSTON TX 77290-0669

Please forward the Insured's copy to them immediately.

CONFIDENTIALITY NOTICE: This communication may contain confidential, proprietary or privileged information and is intended only for the person to whom the communication is addressed. If you are not the intended recipient, please immediately notify Texas Mutual's information services center at (800) 859-5995 or information@texasmutual.com and destroy all copies of the communication as your use, disclosure, copying or storage of the communication is prohibited and may be a violation of state or federal law.

Important Notice: Your Texas Mutual policy provides coverage for claims made by Texas employees for Texas benefits only. If you have employees that need workers' compensation coverage in other states, notify your agent immediately.

2024-08-22

Print Cover Page

8/22/24

Information From Your Underwriter

Insured copy

Regarding

PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC

Policy no.

0002082958

Policy period

9/8/24 to 9/8/25

Dear Policyholder,

Thank you for placing your account with Texas Mutual Insurance Company. For your convenience, we are enclosing a copy of your workers' compensation policy along with two claim-reporting forms you may use if one of your employees has a work-related accident.

You can also save time by reporting your injuries online at **texasmutual.com**. Our website also offers services that allow you to view your claim information, create your own customized loss reports, manage your workplace safety programs and stay up-to-date with Texas Mutual[®] news and events.

As the state's leading provider of workers' compensation insurance, we strive to set the standard in Texas for service, communication, and ease of doing business. If you have any questions, please email us at **information@texasmutual.com** or call us at (800) 859-5995.

Sincerely,

Rhonda Austin
Underwriting Team

8/22/24

Welcome Letter
Insured copy

Regarding

PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC

Policy no.

0002082958

Policy period

9/8/24 to 9/8/25

Dear Policyholder,

Enclosed is our policyholder packet. Thank you for choosing Texas Mutual Insurance Company. We know you have a choice of workers' compensation carriers, and we are determined to continue to earn your business. As a policyholder-owned mutual company, Texas Mutual is singularly focused on serving you and your employees.

We work hard to help you control your premium, fight workers' compensation fraud and prevent workplace accidents. If your employees get injured on the job, our professionals are committed to helping them get well and return as productive members of the workforce.

Thank you again for your partnership. Please let us know if there is anything we can do to improve our service to you.

Sincerely,



Jeanette Ward
President & CEO

Making the most of Texas Mutual services

Thank you for choosing Texas Mutual Insurance Company. This brief guide will help you get the most value from your Texas Mutual coverage.

Earn dividends

Dividends reward loyal customers who share Texas Mutual's commitment to preventing workplace accidents. Visit texasmutual.com/OwnershipPays to learn more about dividends

Understand your premium

Your annual premium is an estimate based on your payroll, the type of work your employees perform, your loss history, your safety programs and other factors. At the end of your policy period, we will review your account to determine your actual payroll and/or any operational changes during the policy year. If necessary, we will adjust your premium accordingly. You may get money back, or you may be billed.

Report injuries

- Report injuries the same day they happen, if possible. The fastest way to report injuries is at texasmutual.com. If you cannot report online, you may report by phone at (800) 859-5995, or send a completed DWC-1 form (available on our website – texasmutual.com) by fax to (877) 404-7999 or by mail to Texas Mutual Insurance Company, P.O. Box 12029, Austin, Texas 78711-2029.
- Give the employee a copy of the injury report and the "Employee's Rights and Responsibilities" brochure. The brochure can be located on the Texas Mutual Website or The Texas Department of Insurance Website.
- Keep accurate records of the dates when you take any claim-related action, including when you file a Supplemental Report of Injury (DWC-6 form) or Employer's Wage Statement (DWC-3 form). You are required to give a copy of these forms to the employee at the time of completion.
- You can complete the DWC-3 online by going to Texas Mutual Online (texasmutual.com) and clicking on the Employer Tab. This is the preferred method, but you can also complete the form manually and fax it to our office.
- If you have a network policy, you are required to give the employee a copy of the "Notice of Network Requirements" within three days of new employee hire and at the time of injury. The employer must provide employees with a notice of network requirements, which can be located on our website, in English, Spanish, or any other language common to employees. Additional network requirements can be located on our website.

Prevent workplace accidents

An investment in workplace safety is an investment in your employees and your bottom line. By preventing accidents, you can reduce your workers' compensation costs and improve your productivity. Texas Mutual is your partner in safety. Whether you need help finding free safety resources on our website or advice on a specific safety issue, we are here to help. Simply call us toll-free at 844-WORKSAFE between 8 a.m. and 5 p.m. Central Standard Time (CST) to speak with a knowledgeable, responsive safety services support center representative. You also have access to a multimedia library of 2,000 free training materials in the safety resource center at texasmutual.com.

Launch a return-to-work process When employees miss work due to on-the-job injuries, their employers must find a way to make up for lost production. Meanwhile, injured employees must contend with the depression and financial stress that often come with being away from work. Texas Mutual works with you to get your injured employees well and back on the job. Visit texasmutual.com/safety/rtwtools.shtm for more information and free tools.

Fight fraud Workers' compensation fraud is bad for your business. Our investigators specialize in protecting your premium dollars from the trickle-down effects of fraud. Visit the Fighting Fraud section at texasmutual.com to learn how you can help us stop those who try to cheat the system.

Save time with Texas Mutual[®] online You can handle most of your workers' comp needs at texasmutual.com. Visit our website to report injuries, get free safety training materials, review claim detail reports, submit interim payroll reports and report suspected fraud.

Get Telephone assistance Use our enhanced automated phone services at (800) 859-5995 between 6 a.m. and 9 p.m. CST to:

- Verify quote and policy status, including issue date and policy period
- Check payment status, including amount and receipt date
- Retrieve return payment information, including check number and issue date
- Confirm deposit and/or premium amount due
- Verify claim number and assigned workers' compensation specialist
- Get address and fax information

Representatives are available between 8 a.m. and 5:30 p.m. CST to help with:

- Interim and final audit information
- Information and enrollment for free policyholder workshops
- Access to password-protected online services and password reset
- Workers' comp health care network information
- Any of your workers' comp needs

Did someone get injured on the job? We hope you never experience a workplace accident, but if you do, you need to know some basic information about the claims process. Visit the Employers section at texasmutual.com, and click on Claims to learn what to do if an employee gets injured on the job.

Register for our email newsletter Texas Mutual's free, monthly email newsletter includes tips on workplace safety, return-to-work, and other strategies for reducing your workers' comp costs and improving your productivity. To register, visit texasmutual.com/news/phenews.shtm.

8/22/24

Privacy Notice

Insured copy

Regarding

PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC

Policy no.

0002082958

Policy period

9/8/24 to 9/8/25

Privacy Policy

The management and staff of Texas Mutual Insurance Company are committed to maintaining the confidentiality of non-public, personal information. We do not disclose any non-public, personal information about our customers to anyone, except as permitted by law. We do not sell any information about our customers to mailing list companies or mass marketing organizations.

What information is collected about our customers?

As a workers' compensation insurance carrier, we may collect non-public, personal information directly from our customers or their agents. We use this information only to serve our customers' insurance needs, conduct company business, and fulfill legal and regulatory requirements. For example, we collect information from our customers and their agents, such as:

- company name, address, and federal identification number;
- payroll, assets, and employee class codes; and
- loss runs (history of the number and severity of workplace injuries and illnesses).

We may obtain information from customer transactions and other dealings with us such as payment history and premium balance. From our customers' injured workers, we may obtain contact information, health information, and information regarding wages and benefits. Also, depending on the nature of the transaction, we may collect information from other third parties, including health care providers, other insurance companies, government agencies, information clearinghouses, courts, and other public records.

Confidentiality and security measures

We treat non-public, personally identifiable customer information, including information related to injured workers, as confidential, and we maintain physical, electronic and procedural safeguards to protect personal information. Texas Mutual Insurance Company employees and contractors who have access to our customers' non-public, personally identifiable information are those who need it for business purposes. We also instruct our employees on the importance of maintaining the confidentiality of our customers' information. We may share customer information with third-party vendors as necessary to perform our business operations.

At Texas Mutual Insurance Company, we respect our current and former customers' privacy. We are proud of the strong relationships we have built over the years, and we value your business.

Information we collect on our website

Texas Mutual Insurance Company collects no personal information about you when you visit our website unless you choose to provide this information to us. However, we do collect and store general usage information about visitors coming to our website to help us improve the quality of our services and provide you with a positive experience, and we may combine your information with information we collect from third parties or public sources. We collect the Internet Protocol addresses (including the city, domain address, and service provider), the session identification, and we create an activity log.

We or third party online advertising and analytics companies may use tools and services to gather, analyze, and store information about users, including for statistical purposes, reporting, attribution, analytics, market research, interest-based advertising, ad delivery, and other purposes described in this Privacy Policy. These third parties use cookies, web beacons, and similar technologies that are placed on your computer to help analyze how you use online services. We use Google Analytics, a web analytics service provided by Google, Inc and, on Texas Mutual Online, we also use Acoustic Experience Analytics (Tealeaf) provided by Acoustic. Please use the following link to understand how Google Analytics collects and processes data <https://www.google.com/policies/privacy/partners/>.

United States only operations

Texas Mutual controls and operates its websites from locations in the United States. By using Texas Mutual's websites, you consent to the transfer of your personally identifiable information within and to the United States.

8/22/24

Safety Services

Insured copy

Notice to Policyholder/Agent:

Pursuant to Texas Labor Code §411.066, Texas Mutual Insurance Company is required to notify its policyholders that accident prevention services are available from Texas Mutual Insurance Company at no additional charge. These services may include surveys, recommendations, training programs, consultations, analyses of accident causes, industrial hygiene, and industrial health services. Texas Mutual Insurance Company is also required to provide return-to-work coordination services as required by Texas Labor Code §413.021 and to notify you of the availability of the return-to-work reimbursement program for employers under Texas Labor Code §413.022.

If you would like more information, contact Texas Mutual Insurance Company at 844-WORKSAFE (967-5723) and safety@texasmutual.com for accident prevention services or 844-WORKSAFE (967-5723) and safety@texasmutual.com for return-to-work coordination services. For information about these requirements call the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) at 1-800-687-7080 or for information about the return-to-work reimbursement program for employers call the TDI-DWC at (512) 804-5000. If Texas Mutual Insurance Company fails to respond to your request for accident prevention services or return-to-work coordination services, you may file a complaint with the TDI-DWC in writing at <http://www.tdi.texas.gov> or by mail to Texas Department of Insurance, Division of Workers' Compensation, MS-8, at P.O. Box 12050, Austin, Texas 78711.

In addition to the services above, Texas Mutual offers thousands of free materials in our Safety Resource Center at texasmutual.com. The resource center is home to an extensive library of free posters, handouts and online videos, many of which are available in Spanish. Texas Mutual regularly enhances the resource center to provide tools that meet your ever-changing needs. We understand, however, that you may need to speak with a professional about specific safety issues. With our safety services support center, help is just a phone call away.

Simply dial 844-WORKSAFE (967-5723) between 8 a.m. and 5 p.m. CST. Our knowledgeable, responsive representatives are ready to:

- Help you access streaming videos, interactive tools and other free safety resources at texasmutual.com
- Identify your industry's top safety hazards and suggest best practices that address those hazards
- Conduct virtual surveys of your workplace
- Suggest specific safety programs that address your unique needs

Thank you for choosing Texas Mutual Insurance Company as your workers' compensation carrier. We value your business and will work hard to continue earning it.

First Fill

Simplifying the prescription process and helping workers take the first step toward getting well

Texas Mutual's First Fill Program enables your employees to get prescribed medication quickly after an injury occurs, even if you haven't had the opportunity to file a claim. Injured workers can get a seven-day supply for each covered prescription with a maximum of \$500 per prescription with just the First Fill form.

Complete the First Fill form on the back of this sheet and advise your employee to present it at a participating Optum pharmacy.

The form is valid for the first fill and cannot be used if the first prescription fill is being requested more than 10 days after the injury occurred.

If additional forms are needed, visit the employer forms section at texasmutual.com.



texasmutual.com | worksafetexas.com



Prescription First Fill Instructions

1. Participating Optum pharmacies include Walgreens, CVS, Walmart, Kroger, Target, Costco, Sam's Club, Brookshire, HEB and Tom Thumb. To locate other participating pharmacies, visit www.texasmutual.com/hcn or www.tmesys.com.
2. Complete the form and take to the pharmacy along with your prescription from the provider.
3. This form allows you to fill your initial prescription(s) with a maximum cost of \$500 per covered prescription and a maximum seven day supply.
4. If you have questions, please call us at **(866) 599-5426**, available 24 hours a day, seven days a week.

Bin #: 004261	PCN#: CAL	Group Number: TXSMFF
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Member ID:Date of injury + SSN combined
as follows: YYMMDD123456789**Member Name:**Injured worker's first and
last name**Employer Name:****Date of Injury:**Pharmacy Help Desk: **(800) 964-2531**

PLEASE NOTE: This form is only **valid within 10 days** of the injury date. Once your claim has been reviewed, you will be sent a new card in the mail. If you do not receive a pharmacy card, please call us **at (866) 599-5426**.

Issuance of this letter or dispensing of a prescription does not constitute acceptance of your claim.

Send the specified copies to your
Workers' Compensation Insurance Carrier
and the injured employee.

*Employers - Do not send this form to the
Texas Department of Insurance, Division of Workers' Compensation,
Unless the Division specifically requests a direct filling.

CLAIM # _____

CARRIER'S CLAIM # _____

EMPLOYERS FIRST REPORT OF INJURY OR ILLNESS

1. Name (Last, First, M.I.)		2. Sex F <input type="checkbox"/> M <input type="checkbox"/>	
3. Social Security Number - -	4. Home Phone ()	5. Date of Birth (m-d-y) - -	
6. Does the Employee Speak English? If No, Specify Language YES <input type="checkbox"/> NO <input type="checkbox"/>			
7. Race White <input type="checkbox"/> Black <input type="checkbox"/> Asian <input type="checkbox"/>		8. Ethnicity Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Other <input type="checkbox"/>	
9. Mailing Address Street or P.O. Box			
City		State	Zip Code County
10. Marital Status Married <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Single <input type="checkbox"/> Divorced <input type="checkbox"/>			
11. Number of Dependent Children		12. Spouse's Name	
13. Doctor's Name			
14. Doctor's Mailing Address (Street or P.O.Box)			
City		State	Zip Code

15. Date of Injury (m-d-y) - -	16. Time of Injury : am <input type="checkbox"/> pm <input type="checkbox"/>	17. Date Lost Time Began (m-d-y) - -	
18. Nature of Injury*		19. Part of Body Injured or Exposed*	
20. How and Why Injury/Illness Occurred*			
21. Was employee doing his regular job? YES <input type="checkbox"/> NO <input type="checkbox"/>		22. Worksite Location of Injury (stairs, dock, etc.)*	
23. Address Where Injury or Exposure Occurred Name of business if incident occurred on a business site			
Street or P.O. Box		County	
City		State	Zip Code
24. Cause of Injury(fall, tool, machine, etc.)*			
25. List Witnesses			
26. Return to work date/or expected (m-d-y) - -	27. Did employee die? YES <input type="checkbox"/> NO <input type="checkbox"/>	28. Supervisor's Name	29. Date Reported (m-d-y) - -

30. Date of Hire (m-d-y) - -	31. Was employee hired or recruited in Texas? YES <input type="checkbox"/> NO <input type="checkbox"/>	32. Length of Service in Current Position Months _____ Years _____	33. Length of Service in Occupation Months _____ Years _____
34. Employee Payroll Classification Code		35. Occupation of Injured Worker	
36. Rate of Pay at this Job \$ _____ Hourly \$ _____ Weekly	37. Full Work Week is: _____ Hours _____ Days	38. Last Paycheck was: \$ _____ for _____ Hours or _____ Days	39. Is employee an Owner, Partner, or Corporate Officer? YES <input type="checkbox"/> NO <input type="checkbox"/>

40. Name and Title of Person Completing Form		41. Name of Business	
42. Business Mailing Address and Telephone Number Street or P.O. Box Telephone ()		43. Business Location (If different from mailing address) Number and Street	
City State Zip Code		City State Zip Code	
44. Federal Tax Identification Number	45. Primary North American Industry Classification System Code:(6 digit)	46. Specific NAICS Code (6 digit)	47. Texas Comptroller Taxpayer No.
48. Workers' Compensation Insurance Company		49. Policy Number	

50. Did you request accident prevention services in past 12 months?
YES NO If yes, did you receive them? YES NO

51. Signature and Title (READ INSTRUCTIONS ON INSTRUCTION SHEET BEFORE SIGNING)
X _____ Date _____





CLAIM #	_____
Carrier #	_____

SUPPLEMENTAL REPORT OF INJURY

Part I EMPLOYER INFORMATION

1. Employer business name	2. Employer phone #
3. Employer mailing address	
4. Insurance carrier name	
5. Does the employer have return to work (RTW) opportunities available based on the injured worker's current capabilities? yes <input type="checkbox"/> no <input type="checkbox"/> If so, identify contact person and phone # _____	
6. Has the insurance carrier provided RTW coordination services within the past 12 months? yes <input type="checkbox"/> Date _____ no <input type="checkbox"/>	
7. Has the employer requested RTW training from DWC or the insurance carrier? yes <input type="checkbox"/> no <input type="checkbox"/>	
8. Has the insurance carrier provided accident prevention services in the past 12 months? yes <input type="checkbox"/> Date _____ no <input type="checkbox"/>	
9. Has the employer requested accident prevention services from the insurance carrier? yes <input type="checkbox"/> no <input type="checkbox"/>	

Part II REASON FOR FILING THIS REPORT (deadlines vary, see instructions)

10. <input type="checkbox"/>	a. The injured worker returned to work in either a full or limited capacity: File this report within 3 days.
<input type="checkbox"/>	b. The injured worker is earning more or less than the pre-injury wage because of the injury: File within 10 days.
<input type="checkbox"/>	c. The injured worker returned, then later had additional lost time or reduced wages as a result of the injury: File within 3 days.
<input type="checkbox"/>	d. The injured worker resigned or was terminated from employment: File within 10 days.

Part III INJURED WORKER INFORMATION

11. Injured worker name	12. SSN (last 4 digits) xxx-xx-	13. DOI
14. Injured worker mailing address and phone #		
15. First day of lost time or reduced wages for this injury (mm/dd/yyyy)	16. First day of additional lost time or reduced wages (mm/dd/yyyy)	
17. Has the injured worker experienced 8 days (cumulative) of lost time or reduced wages as a result of the injury? yes <input type="checkbox"/> no <input type="checkbox"/> If yes, the date of the 8 th day (mm/dd/yyyy) _____		
18. Date of most recent RTW _____ <input type="checkbox"/> Full duty, full pay <input type="checkbox"/> Limited duty, full pay <input type="checkbox"/> Limited duty, reduced pay	19. Has the injured worker resigned, been terminated or died? yes <input type="checkbox"/> no <input type="checkbox"/> date of resignation _____ date of termination _____ date of death _____ 19a. Reason for resignation/termination _____ 19b. Was the injured worker on limited duty when terminated? yes <input type="checkbox"/> no <input type="checkbox"/>	
20. Hours the injured worker was working during the pay period of _____ to _____ : _____ hours per week	21. Weekly/hourly earnings for the pay period of _____ to _____ : \$ _____ weekly or \$ _____	
Indicated hours are: <input type="checkbox"/> Increase from pre-injury <input type="checkbox"/> Same as pre-injury <input type="checkbox"/> Decrease from pre-injury	Indicated wages are: <input type="checkbox"/> Increase from pre-injury wage <input type="checkbox"/> Same a pre-injury wage <input type="checkbox"/> Decrease from pre-injury wage	

This form to be filed with: The employer's insurance carrier and the injured worker in the timeframe as noted in Part II.

22. To the best of my knowledge the information provided in this report is accurate and may be relied upon for evaluation of eligibility for benefits.

Submitted by: Employer Injured Worker (If no longer working for the employer where injury occurred.)

Signature and Title of person completing this form _____

Date _____



NOTICE TO EMPLOYEES CONCERNING ASSISTANCE AVAILABLE IN THE WORKERS' COMPENSATION SYSTEM FROM THE OFFICE OF INJURED EMPLOYEE COUNSEL

Have you been injured on the job? As an injured employee in Texas, you have the right to free assistance from the Office of Injured Employee Counsel (OIEC). OIEC is the state agency that assists unrepresented injured employees with their claim in the workers' compensation system.

You can contact OIEC by calling its toll-free telephone number: 1-866-393-6432. More information about OIEC and its Ombudsman Program is available at the agency's website (www.oiec.texas.gov).

OMBUDSMAN PROGRAM

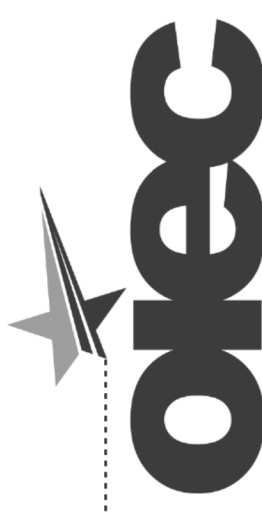
WHAT IS AN OMBUDSMAN? An Ombudsman is an employee of OIEC who can assist you if you have a dispute with your employer's insurance carrier. An Ombudsman's assistance is free of charge. Each Ombudsman has a workers' compensation adjuster's license and has completed a comprehensive training program designed specifically to assist you with your dispute.

An Ombudsman can help you identify and develop the disputed issues in your case and attempt to resolve them. If the issues cannot be resolved, the Ombudsman can help you request a dispute resolution proceeding at the Texas Department of Insurance, Division of Workers' Compensation. Once a proceeding is scheduled an Ombudsman can:

- Help you prepare for the proceeding (Benefit Review Conference and/or Contested Case Hearing);
- Attend the proceeding with you and communicate on your behalf; and
- Assist you with an appeal or a response to an insurance carrier's appeal, if necessary.

CONNECT  @OIEC  @OIECTexas  @OIECtube  [oiec.texas.gov](http://www.oiec.texas.gov)

Figure 28 TAC §276.5(c) - April 2018



AVISO PARA LOS EMPLEADOS SOBRE LA ASISTENCIA DISPONIBLE EN EL SISTEMA DE COMPENSACIÓN PARA TRABAJADORES POR PARTE DE LA OFICINA DE ASESORÍA PÚBLICA PARA EL EMPLEADO LESIONADO

¿Se ha lesionado en el trabajo? Como empleado lesionado en Texas, usted tiene derecho a recibir asistencia gratuita por parte de la Oficina de Asesoría Pública para el Empleado Lesionado (Office of Injured Employee Counsel –OIEC, por su nombre y siglas en inglés). OIEC es la agencia estatal que asiste a los empleados lesionados que no cuentan con representación legal con su reclamación en el sistema de compensación para trabajadores.

Usted puede comunicarse con OIEC llamando a su número de teléfono gratuito: 1-866-393-6432. Más información sobre OIEC y sobre el Programa de Ombudsman se encuentra disponible en el sitio web de la agencia (www.oiec.texas.gov).

PROGRAMA DE OMBUDSMAN

¿QUÉ ES UN OMBUDSMAN? Un Ombudsman es un empleado de OIEC que le puede asistir si usted tiene una disputa con la aseguradora de su empleador. La asistencia por parte del Ombudsman es gratuita. Cada Ombudsman cuenta con una licencia de ajustador de compensación para trabajadores y ha completado un extenso programa de capacitación, el cual ha sido diseñado específicamente para asistirle a usted con su disputa.

Un Ombudsman puede ayudarle a identificar y desarrollar los asuntos en disputa en su caso e intentar resolverlos. Si los asuntos no pueden ser resueltos, el Ombudsman puede ayudarle a solicitar un procedimiento de resolución de disputas ante el Departamento de Seguros de Texas, División de Compensación para Trabajadores (Texas Department of Insurance, Division of Workers' Compensation, por su nombre en inglés). Una vez que el procedimiento ha sido programado, el Ombudsman puede:

- Ayudarle a prepararse para el procedimiento (Conferencia para Revisión de Beneficios [Benefit Review Conference, por su nombre en inglés] y/o Audiencia para Disputar Beneficios [Contested Case Hearing, por su nombre en inglés]);
- Asistir al procedimiento con usted y hablar en su nombre; y
- Ayudarle con una apelación o con una respuesta a la apelación de una aseguradora, si es necesario.

CONÉCTESE  @OIEC  @OIECTexas  @OIECTube  oiec.texas.gov

Título 28 Código Administrativo de Texas §276.5(c) - Abril 2018



NOTICE TO EMPLOYEES CONCERNING WORKERS' COMPENSATION IN TEXAS

COVERAGE:

PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC has workers' compensation insurance coverage from Texas Mutual Insurance Company in the event of work-related injury or occupational disease. This coverage is effective from 9/8/24. Any injuries or occupational diseases which occur on or after that date will be handled by Texas Mutual Insurance Company. An employee or a person acting on the employee's behalf, must notify the employer of an injury or occupational disease not later than the 30th day after the date on which the injury occurs or the date the employee knew or should have known of an occupational disease, unless the Texas Department of Insurance, Division of Workers' Compensation (Division) determines that good cause existed for failure to provide timely notice. Your employer is required to provide you with coverage information, in writing, when you are hired or whenever the employer becomes, or ceases to be, covered by workers' compensation insurance.

EMPLOYEE ASSISTANCE:

The Division provides free information about how to file a workers' compensation claim. Division staff will answer any questions you may have about workers' compensation and process any requests for dispute resolution of a claim. You can obtain this assistance by contacting your local Division field office or by calling 1-800-252-7031. The Office of Injured Employee Counsel (OIEC) also provides free assistance to injured employees and will explain your rights and responsibilities under the Workers' Compensation Act. You can obtain OIEC's assistance by contacting an OIEC customer service representative in your local Division field office or by calling 1-866-EZE-OIEC (1-866-393-6432).

SAFETY VIOLATIONS HOTLINE:

The Division has a 24 hour toll-free telephone number for reporting unsafe conditions in the workplace that may violate occupational health and safety laws. Employers are prohibited by law from suspending, terminating, or discriminating against any employee because he or she in good faith reports an alleged occupational health or safety violation. Contact the Division at 1-800-452-9595.

COVERED EMPLOYER

Texas Workers' Compensation Rule 110.101(e)(1) requires employers who are covered by workers' compensation through a commercial insurance company to advise their employees that they do have workers' compensation insurance coverage and to advise their employees of the Texas Department of Insurance, Division of Workers' Compensation's toll free number to obtain additional information about their workers' compensation rights.

Notices in English, Spanish and any other language common to the employer's employee population must be posted and:

- 1 Prominently displayed in the employer's personnel office, if any;
- 2 Located about the workplace in such a way that each employee is likely to see the notice on a regular basis;
- 3 Printed with a title in at least 26 point bold type, subject in at least 18 point bold type, and text in at least 16 point normal type; and
- 4 Contain the exact words as prescribed in Rule 110.101(e)(1).

The notice on the reverse side meets the above requirements. Failure to post or to provide notice as required in the rule is a violation of the Act and Division rules. The violator may be subject to administrative penalties.

Do Not Post This Side

AVISO A LOS EMPLEADOS SOBRE LA COMPENSACIÓN PARA TRABAJADORES EN TEXAS

COBERTURA: PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC tiene cobertura de seguros de compensación para trabajadores con Texas Mutual Insurance Company para protegerle en caso de una lesión o enfermedad ocupacional relacionada con el trabajo. Esta cobertura está vigente desde 9/8/24. Cualquier lesión o enfermedad ocupacional que ocurra en o después de esta fecha será manejada por Texas Mutual Insurance Company. Un empleado o una persona que actúe en nombre del empleado, debe notificar al empleador sobre una lesión o una enfermedad ocupacional a no más tardar de treinta (30) días, a partir de la fecha en que ocurrió la lesión o en la fecha en la que el empleado se enteró o debería de haberse enterado de la enfermedad ocupacional, al menos que el Departamento de Seguros de Texas, División de Compensación para Trabajadores (Texas Department of Insurance, Division of Workers' Compensation – TDI-DWC, por su nombre y siglas en inglés) (División) determine que existió una buena causa para que no se haya notificado al empleador dentro del tiempo señalado. Su empleador tiene la obligación de proporcionarle a usted información por escrito sobre la cobertura cuando usted es contratado o cuando su empleador adquiere o deja de tener una cobertura de seguro de compensación para trabajadores.

ASISTENCIA AL EMPLEADO: La División proporciona información gratuita sobre cómo presentar una reclamación de compensación para trabajadores. El personal de la División contestará cualquier pregunta que usted pueda tener sobre la compensación para trabajadores y procesará cualquier solicitud de resolución de disputas relacionada con una reclamación. Usted puede obtener este tipo de asistencia comunicándose con su oficina local de la División o llamando al teléfono 1-800-252-7031. La Oficina de Asesoría Pública para el Empleado Lesionado (Office of Injured Employee Counsel – OIEC, por su nombre y siglas en inglés también ofrece asistencia gratuita a los empleados lesionados y ellos le explicarán cuáles son sus derechos y responsabilidades bajo la Ley de Compensación para Trabajadores. Usted puede obtener la asistencia de OIEC comunicándose con un representante de servicio al cliente de OIEC en su oficina local de la División o llamando al 1-866-EZE-OIEC (1-866-393-6432).

LÍNEA DIRECTA PARA REPORTAR VIOLACIONES DE SEGURIDAD: La División cuenta con una línea gratuita telefónica que está en servicio las 24 horas del día para reportar condiciones inseguras en el área de trabajo que podrían violar las leyes ocupacionales de salud y seguridad. La ley prohíbe que los empleadores suspendan, despidan o discriminen en contra de cualquier empleado porque él o ella de buena fe reporta una alegada violación ocupacional de salud o seguridad. Comuníquese con la División al teléfono 1-800-452-9595.

EMPLEADOR CON COBERTURA

El Reglamento 110.101 (e)(1) de Compensación para Trabajadores de Texas requiere que los empleadores que cuentan con una cobertura de compensación para trabajadores mediante una compañía de seguros comercial notifiquen a sus empleados que ellos cuentan con una cobertura de seguro de compensación para trabajadores e informen a sus empleados sobre el número de la línea telefónica gratuita del Departamento de Seguros de Texas, División de Compensación para Trabajadores para obtener información adicional sobre sus derechos de compensación para trabajadores.

Avisos en inglés, español y cualquier otro idioma común para la población de los trabajadores del empleador deben ser puestos a la vista y:

- 1 Mostrarse en un lugar prominente de la oficina de personal del empleador, si es que la hay;
- 2 Ubicar este aviso en el área de trabajo de tal manera que los empleados lo vean regularmente;
- 3 El título debe ser impreso en tamaño 26, en letra negrita de punto, el tema debe ser impreso en tamaño 18, en letra negrita de punto, y el texto, por lo menos en tamaño 16 en letra negrita de punto normal; y
- 4 Contener las palabras exactas según lo señalado en el Reglamento 110.101 (e)(1).

El aviso que se muestra al reverso de esta página cumple con los requisitos que se han señalado en la parte de arriba. El negarse a mostrar o proporcionar esta información, según lo requerido en el reglamento es una falta a la ley y a los reglamentos de la División. El infractor podría estar sujeto a sanciones administrativas.

Have a workers' compensation complaint or need help?

Contact your insurance company if you have a question or problem about your premium or a claim:

Texas Mutual Insurance Company

- **Call: Information Services at (512) 224-3800**
- **Toll-free: (800) 859-5995**
- Email: information@texasmutual.com
- Mail: Texas Mutual Insurance Company
Attn: Information Services Center
2200 Aldrich St
Austin, TX 78723-3474

For problems with your policy

If your problem with the premium is not resolved, contact the National Council on Compensation Insurance, Dispute Resolution Services:

- Mail: 901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
- Fax: (561) 893-5043
- Email: regulatoryoperations@ncci.com
- Phone: (800) 622-4123

If you believe there has been a violation of law related to your workers' compensation policy, file a complaint with the Texas Department of Insurance:

- Call: (800) 252-3439
- Online: www.tdi.texas.gov
- Email: ConsumerProtection@tdi.texas.gov
- Mail: MC 111-1A
P.O. Box 149091
Austin, TX 78714-9091

For employees with claim issues

If one of your employees has a problem with a claim, contact the Texas Department of Insurance, Division of Workers' Compensation, Compliance and Investigations:

- Mail: MS-8
P.O. Box 12050
Austin, TX 78711
- Fax: (512) 490-1030
- Email: DWCCOMPLAINTS@tdi.texas.gov
- Phone: (800) 252-7031

¿Tiene una queja de compensación para trabajadores o necesita ayuda?

Comuníquese con su compañía de seguros si tiene una pregunta o problema relacionado con su prima de seguro o con una reclamación:

Texas Mutual Insurance Company

- **Llame a: Information Services al (512) 224-3800**
- **Teléfono gratuito: (800) 859-5995**
- Correo electrónico: information@texasmutual.com
- Dirección postal: Texas Mutual Insurance Company

Attn: Information Services Center
2200 Aldrich St
Austin, TX 78723-3474

Para problemas con su póliza

Si su problema con la prima de seguro no es resuelto, comuníquese con el Consejo Nacional de Seguros de Compensación (National Council on Compensation Insurance, por su nombre en inglés), Servicios para la Resolución de Disputas:

- Correo postal: 901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
- Fax: (561) 893-5043
- Correo electrónico: regulatoryoperations@ncci.com
- Teléfono: (800) 622-4123

Si usted piensa que ha habido una violación a la ley, la cual está relacionada con su póliza de compensación para trabajadores, presente una queja ante el Departamento de Seguros de Texas:

- Llame al: (800) 252-3439
- En línea: www.tdi.texas.gov
- Correo electrónico: ConsumerProtection@tdi.texas.gov
- Correo postal: MC 111-1A
P.O. Box 149091
Austin, TX 78714-9091

Para empleados que tienen problemas con sus reclamaciones

Si uno de sus empleados tiene un problema con una reclamación, comuníquese con la Sección de Cumplimiento e Investigaciones (Compliance and Investigations, por su nombre en inglés) del Departamento de Seguros de Texas, División de Compensación para Trabajadores (Texas Department of Insurance, Division of Workers' Compensation, por su nombre en inglés).

- Correo postal: MS-8
P.O. Box 12050
Austin, TX 78711
- Fax: (512) 490-1030
- Correo electrónico: DWCCOMPLAINTS@tdi.texas.gov
- Teléfono: (800) 252-7031

Workers' Compensation and Employer's Liability Policy

Information Page

NCCI Carrier Code: 29939

Insured copy

Item 1	PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC PO BOX 90669 HOUSTON TX 77290-0669		Policy number	0002082958																																	
Insured name and address	Other workplaces not shown above See Schedule of Operations attached.		Federal tax ID	Entity																																	
			881117375	Association																																	
			Interim adjustment																																		
			Annual																																		
Producer 53016	RELATION INSURANCE SERVICES INC DBA: INSOURCE INSURANCE AGENCY PO BOX 4288 MCALLEN TX 78502-4288		Branch	Renewal of																																	
			Austin	0002082958																																	
Item 2	The policy period is from: 9/8/24 To: 9/8/25 12:01 a.m. standard time at the insured's mailing address																																				
Item 3	<p>A. Workers' Compensation Insurance: Part One of the policy applies to the Workers' Compensation Law of the states listed here: Texas</p> <p>B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3A. The Limits of our Liability under Part Two are:</p> <table style="width:100%; margin-left: 40px;"> <tr> <td style="text-align: right;">Bodily Injury by Accident</td> <td style="text-align: right;">\$1,000,000.00</td> <td>Each Accident</td> </tr> <tr> <td style="text-align: right;">Bodily Injury by Disease</td> <td style="text-align: right;">\$1,000,000.00</td> <td>Policy Limit</td> </tr> <tr> <td style="text-align: right;">Bodily Injury by Disease</td> <td style="text-align: right;">\$1,000,000.00</td> <td>Each Employee</td> </tr> </table> <p>C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here: None</p> <p>D. This policy includes these endorsements and schedules: see Schedule of Endorsements attached.</p>				Bodily Injury by Accident	\$1,000,000.00	Each Accident	Bodily Injury by Disease	\$1,000,000.00	Policy Limit	Bodily Injury by Disease	\$1,000,000.00	Each Employee																								
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Item 4	<p>The premium for this policy will be determined by our manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.</p> <table style="width:100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Total payroll and estimated manual premium</th> <th style="text-align: center;">Payroll</th> <th style="text-align: center;">Premium</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$1,000.00</td> <td style="text-align: right;">\$33.00</td> </tr> <tr> <td style="text-align: left;">Description</td> <td style="text-align: center;">Factor</td> <td style="text-align: center;">Amount</td> </tr> <tr> <td>Waiver of Subrogation</td> <td></td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>Increased Limits Factor 1,000,000/1,000,000/1,000,000</td> <td style="text-align: center;">0.014</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td>Increased Limits Balance to Minimum Premium (\$150)</td> <td></td> <td style="text-align: right;">150.00</td> </tr> <tr> <td>Premium Incentive For Small Employer Modifier</td> <td style="text-align: center;">0.850</td> <td style="text-align: right;">(28.00)</td> </tr> <tr> <td>Schedule Modifier</td> <td style="text-align: center;">1.400</td> <td style="text-align: right;">62.00</td> </tr> <tr> <td>Balance to Minimum Premium</td> <td></td> <td style="text-align: right;">32.00</td> </tr> <tr> <td>Expense Constant</td> <td></td> <td style="text-align: right;">150.00</td> </tr> <tr> <td>Total estimated annual premium</td> <td></td> <td style="text-align: right;">\$400.00</td> </tr> </tbody> </table> <p>Minimum premium \$250.00</p> <p>Issue date: 8/22/24</p> <p style="text-align: right;">Countersigned by </p>				Total payroll and estimated manual premium	Payroll	Premium		\$1,000.00	\$33.00	Description	Factor	Amount	Waiver of Subrogation		1.00	Increased Limits Factor 1,000,000/1,000,000/1,000,000	0.014	0.00	Increased Limits Balance to Minimum Premium (\$150)		150.00	Premium Incentive For Small Employer Modifier	0.850	(28.00)	Schedule Modifier	1.400	62.00	Balance to Minimum Premium		32.00	Expense Constant		150.00	Total estimated annual premium		\$400.00
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Workers' Compensation and Employer's Liability Policy

Policy number	Issue date	Policy period
0002082958	8/22/24	9/8/24 to 9/8/25

Extension of Information Page
Item 1: Insured Name Extended

Insured copy

Additional named insured	FEIN	Entity
Pin Oak Office Condominiums, an Executive office Condominium	881117375	Association

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

This is not a bill

Workers' Compensation and Employer's Liability Policy

Extension of Information Page

Item 1: Locations

Insured copy

Policy number 0002082958
Issue date 8/22/24
Policy period 9/8/24 to 9/8/25

Location	Address	Effective	Expires
00001	PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC 26717 WESTHEIMER PKWY KATY, TX 77494-5374	9/8/24	9/8/25

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC



Authorized representative

This is not a bill

Workers' Compensation and Employer's Liability Policy

Schedule of Operations

Item 4: Premium Calculation

Insured copy

Policy number 0002082958 **Issue date** 8/22/24 **Policy period** 9/8/24 to 9/8/25

Class codes for primary named insured

State	Location	Code	Classification	Premium basis total estimated annual remuneration	Rate per \$100 of remuneration	Estimated annual premium
9/8/24 to 9/8/25						
42	00001	8810	Clerical Office Employees NOC	If any	0.090	0.00
42	00001	9015	Condominiums-All Employees Engaged in Care, Custody & Maintenance of Premises	1,000.00	3.300	33.00
Estimated manual premium						\$33.00
		0930	Blanket Waiver: All Texas operations 09/08/2024 - 09/08/2025		0.020	1.00
		9812	Increased Limits Factor 1,000,000/1,000,000/1,000,000		0.014	0.00
		9848	Increased Limits Balance to Minimum Premium (\$150)		1.000	150.00
		9885	Premium Incentive For Small Employer Modifier		0.850	(28.00)
		9889	Schedule Modifier		1.400	62.00
		0990	Balance to Minimum Premium		1.000	32.00
		0900	Expense Constant		1.000	150.00
Total payroll and Texas total premium				\$1,000.00		\$400.00

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
 (The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
 This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS ASSOCIATION, INC



Authorized representative

This is not a bill

Workers' Compensation and Employer's Liability Policy

**Extension of Information Page
Item 3: Endorsement Schedule**

Policy number 0002082958
Issue date 8/22/24
Policy period 9/8/24 to 9/8/25

Insured copy

State	Endorsement	Description
42	TM LRC 2008	Limited Reimbursement for Texas Employees Injured in Other Jurisdictions
42	TM MV 2011	Mutuals - Membership and Voting Notice
42	TM PC 2003	Policy Conditions Endorsement
42	WC 00 00 00 C	Policy Conditions Form
42	WC 00 00 01 B	Policy Coverage Document (Declarations Page)
42	WC 00 04 06	Premium Discount Endorsement
42	WC 00 04 14 A	Notification of Change in Ownership Endorsement
42	WC 00 04 22 C	Terrorism Risk Insurance Act Coverage Endorsement
42	WC 42 03 01 L	Texas Amendatory Endorsement
42	WC 42 03 04 B	Blanket Texas Waiver of Our Right To Recover from Others Endorsement
42	WC 42 03 08	Partners, Officers and Others Exclusion Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
 (The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
 This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
 ASSOCIATION, INC



Authorized representative

This is not a bill

NCCI Carrier Code: 29939

8/22/24

In return to the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE – WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance;
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

PART TWO – EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Non-appropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651 et seq.), the Federal Coal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901 - 944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. **Bodily Injury by Accident.** The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. **Bodily Injury by Disease.** The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability.

The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE – OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE – PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is cancelled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX – CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflicts with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insured's to change this policy, receive return premium, and give or receive notice of cancellation.

LIMITED REIMBURSEMENT FOR TEXAS EMPLOYEES INJURED IN OTHER JURISDICTIONS

IMPORTANT NOTICE! PLEASE READ THIS ENDORSEMENT CAREFULLY

This policy does not provide "other states" insurance coverage. This endorsement provides reimbursement coverage to you for those Texas employees who are described in the Texas Labor Code §§406.071-.072. Therefore the coverage is for injuries to your Texas employees that occur in another state if (i) the injury would have been compensable had it occurred in Texas and (ii) the employee has significant contacts with Texas or the employment is principally located in Texas. An employee has significant contacts with Texas if the employee was hired or recruited in Texas, and (i) the employee was injured not later than one year after the date of hire; or (ii) has worked in Texas for at least ten working days during the twelve months preceding the date of injury.

Employees hired or recruited by you outside Texas to work in another state are specifically excluded from the terms and provisions of this policy. If you conduct business in states other than Texas, you must comply with those state laws. You must promptly notify your agent before you begin work in any jurisdiction other than Texas. We are **not** authorized to provide workers' compensation insurance in any jurisdiction other than Texas. You are responsible for all of your legal obligations for your failure to comply with requirements of the workers' compensation laws of any jurisdiction other than Texas.

Part Three Other States Insurance of the policy is deleted and replaced with the following:

I. Limited Reimbursement Provision

A. How this endorsement applies

This endorsement will reimburse you after you have made payments for benefits for injuries to your Texas employees required of you in another jurisdiction. This reimbursement provision only applies to bodily injury by accident including death or bodily injury by disease including death incurred by your employee who qualifies for Texas workers' compensation benefits under Sec. 406.071 of the Texas Labor Code.

1. Bodily injury must arise out of and in the course of the injured employee's temporary employment by you in a state other than Texas.
2. Bodily injury by accident must occur during the policy period.
3. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last injurious exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
4. The employee incurring bodily injury must be eligible for Texas workers' compensation benefits and must make a written election of workers' compensation benefits in the state in which the bodily injury occurred in lieu of Texas workers' compensation benefits. You must send us written notice of such election within 10 days of receiving notice yourself. Failure to provide such notice means any reimbursement will be made in accordance with the Texas Labor Code.

B. Reimbursement

1. We will reimburse you for the amount you have paid as workers' compensation benefits for employees, as defined above, under the workers' compensation law of any state listed in the schedule.
2. We will deduct from the benefits so reimbursed any amounts we have paid as Texas benefits to the employee for the same injury for which the other jurisdiction's benefits are required.
3. Sections D through G of Part One of the policy will apply to reimbursement provided by this endorsement. Sections A, B, C and H of Part One of the policy will not apply to reimbursement provided by this endorsement.
4. We will reimburse you for reasonable attorney's fees you have paid to defend the injury claim in another jurisdiction.

II. Exclusions, Limitations and Conditions

The following conditions apply to the reimbursement afforded by this endorsement:

1. Nothing in this endorsement confers jurisdiction in another state or constitutes our doing business in another state.
2. Reimbursement will be made in Texas.
3. Travis County, Texas is the sole venue for any lawsuit involving reimbursement under this endorsement.
4. This endorsement provides reimbursement only in Texas and fully releases and indemnifies us and holds us harmless from any liability arising from your failure to obtain workers' compensation coverage in another jurisdiction.
5. The reimbursement provided by this endorsement excludes:
 - a. bodily injury, including death, to an employee while employed in a jurisdiction where you have secured your obligation under the workers' compensation law by other insurance or by self-insurance;
 - b. bodily injury, including death, to an employee while employed in a state where you affirmatively rejected the workers' compensation law; or
 - c. fines or penalties arising out of your failure to comply with requirements of the workers' compensation law of any state.

III. Premium

The premium basis and rates for work by Texas employees in jurisdictions other than Texas are the same as if the work had been done in Texas.

IV. Schedule

Designated States: All states of the United States of America except North Dakota, Ohio, Washington and Wyoming.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

This is not a bill

MUTUALS - MEMBERSHIP AND VOTING NOTICE

The insured is notified that by virtue of this policy, he is a member of Texas Mutual Insurance Company, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office, 2200 Aldrich Street Austin, Texas 78723-3474, on the fourth Tuesday of June in each year, at 1:00 o'clock p.m. each year unless the Board of Directors of Texas Mutual Insurance Company specifies otherwise.

MUTUALS – PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY

No Contingent Liability: This policy is non-assessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distributions of dividends so fixed and determined.

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Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

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The named insured ratifies and accepts the terms and conditions of the policy to which this endorsement is attached as well as the terms listed below.

1. Policies that are on an interim reporting basis may not be financed. Texas Mutual Insurance Company may cancel coverage if it determines that interim reports have been financed in violation of this prohibition.
2. The named insured certifies that the payroll established by classification codes in the application for coverage is a true and reasonable estimate for the period of coverage requested and will promptly report any material change in payroll exposures to Texas Mutual Insurance Company. Texas Mutual Insurance Company may adjust premium for the policy upon receipt of such information.
3. The named insured and its affiliates permit Texas Mutual Insurance Company access to all of their employment information and records filed with the Texas Workforce Commission, and hereby waive the confidentiality of such information and records.
4. All obligations of the named insured are performable in Travis County, Texas and said county will be the legal venue for any suit arising from this contract. Maintenance of an action in Travis County, Texas does not work an injustice to the named insured and is in the interest of the parties, and transfer of the action would work an injustice to the parties. Any suits must be filed in Travis County, Texas.
5. If the insured defaults on payment of any premiums due under any policy issued, then all premiums due and unpaid shall become due and payable at Texas Mutual Insurance Company's offices in Austin, Travis County, Texas.
6. All information supplied to Texas Mutual Insurance Company by the named insured or its agent in the application for insurance or otherwise is true and complete; nothing material regarding its operations has been omitted; and the named insured intended Texas Mutual Insurance Company to rely on such information in issuing this policy. The named insured assumed the duty of full disclosure of such information and that Texas Mutual Insurance Company has no duty to inquire further regarding such information. The named insured is not violating any provision of the Texas Workers' Compensation Act and is not subcontracting any work to a subcontractor with the intent to avoid liability as an employer.
7. The named insured will not cause any certificate of insurance to be issued for the purpose of satisfying the workers' compensation insurance requirements of any third party, including any governmental entity, unless the remuneration paid to the individual workers performing such work is disclosed to Texas Mutual Insurance Company and included in the premium calculation of the named insured. If the named insured causes a certificate of insurance to be issued for the purpose of allowing the employees of a person other than the named insured to perform work at any job site where workers' compensation is required, and such workers are not covered by workers' compensation insurance, such action by the named insured is a material breach of this insurance policy and constitutes fraud upon Texas Mutual Insurance Company.
8. The named insured has appointed the agent whose name appears on the application as its agent in fact and agrees that any representations made on its behalf by that agent are the representations of the named insured, unless there is an express written agreement between Texas Mutual Insurance Company and the agent that the agent acts on behalf of Texas Mutual Insurance Company.
9. Acceptance of this policy with all endorsements and tender of the deposit premium constitute the insured's agreement with all of the terms and conditions thereof, and the insured's acknowledgement of the obligation to pay all premiums due for the policy.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
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Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

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NCCI Carrier Code: 29939

8/22/24

1 of 1

PO Box 12058, Austin, TX 78711-2058
texasmutual.com | (800) 859-5995 | Fax (800) 359-0650

TM PC 2003

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

Schedule

Estimated Eligible Premium

	First	Next	Next	Balance
1. <u>State</u>	\$5,000	\$95,000	\$400,000	
TEXAS	0.00%	9.50%	11.90%	12.40%
2. Average percentage discount	0.00%			
3. Other Policies:				
4. If there are no entries in Items 1, 2, and 3 of the Schedule see the Premium Discount Endorsement attached to your policy number:				

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Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

This is not a bill

**90-DAY REPORTING REQUIREMENT—NOTIFICATION
OF CHANGE IN OWNERSHIP ENDORSEMENT**

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.
(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

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ASSOCIATION, INC



Authorized representative

This is not a bill

TERRORISM RISK INSURANCE PROGRAM

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

- 1 Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses occurring in any calendar year exceed \$200,000,000 the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
- 2 Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.

3 The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

Schedule

<u>State</u>	<u>Rate</u>	<u>Premium</u>
TEXAS	0.00	\$0.00

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(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
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Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

This is not a bill

TEXAS AMENDATORY ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

GENERAL SECTION

B. Who Is Insured is amended to read:

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership or joint venture, and if you are one of its partners or members, you are insured, but only in your capacity as an employer of the partnership's or joint venture's employees.

D. State is amended to read:

State means any state or territory of the United States of America, and the District of Columbia.

PART ONE - WORKERS' COMPENSATION INSURANCE

E. Other Insurance is amended by adding this sentence:

This section only applies if you have other insurance or are self-insured for the same loss.

F. Payments You Must Make

This section is amended by deleting the words "workers' compensation" from number 4.

H. Statutory Provisions

This section is amended by deleting the words "after an injury occurs" from number 2.

PART TWO - EMPLOYERS LIABILITY INSURANCE

C. Exclusions

Sections 2 and 3 are amended to add:

This exclusion does not apply unless the violation of law caused or contributed to the bodily injury.

Section 6 is amended to read:

6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America, Mexico or Canada who is temporarily outside these countries.

D. We Will Defend

This section is amended by deleting the last sentence.

PART FOUR - YOUR DUTIES IF INJURY OCCURS

Number 6 of this part is amended to read:

6. Texas law allows you to make weekly payments to an injured employee in certain instances. Unless authorized by law, do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE - PREMIUM

- A. **Our Manuals** are amended by adding the sentence:

In this part, "our manuals" means manuals approved or prescribed by the Texas Department of Insurance.

- C. **Remuneration**

Number 2 is amended to read:

2. All other persons engaged in work that would make us liable under Part One (Workers' Compensation Insurance) of this policy. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured workers' compensation insurance.

- D. **Premium Payments** is amended by adding this sentence:

The billing statement or invoice for audit additional premiums and/or retrospective additional premiums establishes the date that the premium is due.

- E. **Final Premium**

Number 2 is amended to read:

2. If you cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.

PART SIX - CONDITIONS

- A. **Inspection** is amended by adding this sentence:

Your failure to comply with the safety recommendations made as a result of an inspection may cause the policy to be canceled by us.

- C. **Transfer of Your Rights and Duties** is amended to read:

Your rights and duties under this policy may not be transferred without our written consent. If you die, coverage will be provided for your surviving spouse or your legal representative. This applies only with respect to their acting in the capacity as an employer and only for the workplaces listed in Items 1 and 4 on the Information Page.

- D. **Cancellation** is amended to read:

1. You may cancel this policy. You must mail or deliver advance notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We may also decline to renew it. We must give you written notice of cancellation or nonrenewal. That notice will be sent certified mail or delivered to you in person. A copy of the written notice will be sent to the Texas Department of Insurance – Division of Workers' Compensation.
3. Notice of cancellation or nonrenewal must be sent to you not later than the 30th day before the date on which the cancellation or nonrenewal becomes effective, except that we may send the notice not later than the 10th day before the date on which the cancellation or nonrenewal becomes effective if we cancel or do not renew because of:
 - a. Fraud in obtaining coverage;
 - b. Misrepresentation of the amount of payroll for purposes of premium calculation;
 - c. Failure to pay a premium when payment was due;
 - d. An increase in the hazard for which you seek coverage that results from an action or omission and that would produce an increase in the rate, including an increase because of failure to comply with reasonable recommendations for loss control or to comply within a reasonable period with recommendations designed to reduce a hazard that is under your control;

- e. A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the law, or would be hazardous to the interests of subscribers, creditors, or the general public.
4. If another insurance company notifies the Texas Department of Insurance - Division of Workers' Compensation that it is insuring you as an employer, such notice shall be a cancellation of this policy effective when the other policy starts.

Add the following to the policy:

PART SEVEN - OUR DUTY TO YOU FOR CLAIM NOTIFICATION

A. Claims Notification

We are required to notify you of any claim that is filed against your policy. Thereafter we must notify you of any proposal to settle a claim or, on receipt of a written request from you, of any administrative or judicial proceeding relating to the resolution of a claim, including a benefit review conference conducted by the Texas Department of Insurance—Division of Workers' Compensation. You may, in writing, elect to waive this notification requirement.

We must, on the written request from you, provide you with a list of claims charged against your policy, payments made, and reserves established on each claim, and a statement explaining the effect of claims on your premium rates. We must furnish the requested information to you in writing no later than the 30th day after the date we receive your request. The information is considered to be provided on the date the information is received by the United States Postal Service or is personally delivered.

COMPLAINT NOTICE:

DISPUTE RESOLUTION SERVICES

NCCI'S DISPUTE RESOLUTION PROCESS DOES NOT APPLY TO WORKERS COMPENSATION CLAIMS.

For workers compensation claim disputes, see "CLAIM COMPLAINT" below. For issues related to a violation of law related to your policy, see "VIOLATIONS OF LAW" below.

Important Note: The dispute resolution services provided through the Dispute Resolution Process (Process) of the National Council on Compensation Insurance (NCCI) are **voluntary**. The Process is not an administrative remedy that must be exhausted before you pursue relief in court. Using the Process does not prevent you or the carrier that issued the policy from pursuing any available legal remedies at any time.

NCCI can assist in the resolution of a dispute regarding your policy that is related to any of the following matters:

- The application or interpretation of rules contained in the various NCCI manuals (including, but not limited to, classification codes and experience rating modifications)
- Rating programs
- Endorsements
- Forms

Contact the carrier that issued the policy and attempt to resolve the dispute directly. If you and the carrier cannot agree, then contact NCCI to ask for assistance. NCCI's **Basic Manual** rule, Dispute Resolution Process, addresses disputes.

You may obtain dispute resolution services only after you have made a reasonable attempt to first resolve the dispute directly with the carrier and after you have paid any undisputed premium due to the carrier.

Send your request for assistance by mail to NCCI, Dispute Resolution Services, 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362; or by fax to 561-893-5043; or by email to disputeresolution@ncci.com.

THIS NOTICE OF THE DISPUTE RESOLUTION PROCESS IS FOR INFORMATION ONLY AND DOES NOT BECOME A PART, TERM, OR CONDITION OF THIS POLICY.

VIOLATIONS OF LAW:

If you believe there has been a violation of law related to your policy, file a complaint with the Texas Department of Insurance.

Phone: 1-800-252-3439

Online: tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC CO-CP, PO Box 12030, Austin, TX 78711-2030

CLAIM COMPLAINT:

If there is a workers compensation claim complaint involving one of your employees, then contact the Texas Department of Insurance—Division of Workers' Compensation, Compliance and Investigations by mail to MC: CI, PO Box 12050, Austin, TX 78711-2050; or by fax to 512-490-1030; or by e-mail to DWCCOMPLAINTS@tdi.texas.gov.

THIS NOTICE IS FOR INFORMATION ONLY AND DOES NOT BECOME A PART, TERM, OR CONDITION OF THIS POLICY.

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(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)
This endorsement, effective on 9/8/24 at 12:01 a.m. standard time, forms a part of:

Policy no. 0002082958 of Texas Mutual Insurance Company effective on 9/8/24

Issued to: PIN OAK OFFICE CONDOMINIUM OWNERS
ASSOCIATION, INC



Authorized representative

This is not a bill

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1. Specific Waiver

Name of person or organization

Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations: All Texas operations

3. Premium:

The premium charge for this endorsement shall be **2.00** percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium: Included, see Information Page

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ASSOCIATION, INC



Authorized representative

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TEXAS PARTNERS, OFFICERS AND OTHERS EXCLUSION ENDORSEMENT

The policy does not cover bodily injury to any person described in the Schedule.

The premium basis for the policy does not include the remuneration of such persons.

You will reimburse us for any payment we must make because of bodily injury to such persons.

Schedule

Name, title

All Board Members

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ASSOCIATION, INC



Authorized representative

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COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

DECLARATIONS

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

POLICY NUMBER: PCAP035984-0322

PRODUCER: GIG Insurance Group, Inc.

RENEWAL OF: PCAP035984-0222

ITEM I. NAME AND ADDRESS OF PARENT ORGANIZATION:

Physical:

Pin Oak Office Condominiums, an Executive Office Cond
2617 Westheimer Parkway
Katy, TX 77290

Mailing: Bayou Commercial, LLC

Pin Oak Office Condominiums, an Executive Office Cond
P O Box 90669
Houston, TX 77290

ITEM II. POLICY PERIOD: Inception Date: 09/08/24 Expiration Date: 09/08/2025
(12:01 A.M. at the address set forth in Item I)

ITEM III. LIMIT OF LIABILITY: \$1,000,000 in the aggregate for the **Policy Year**

ITEM IV. RETENTION: \$1,000 in the aggregate each **Claim**

ITEM V. PRIOR LITIGATION DATE: 09/08/22

ITEM VI. PREMIUM: \$2,290.00 TRIA Premium: \$0.00

ITEM VII. ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:

TX.PCAP-PIBELL1-BELL. TX.PCAP-PICME1-CRISIS. TX.PCAP-PICAP020-ENDORSE PCAP-PICYBE001-CYBER.
PCAP-PICAPETS-OFAC. PCAP-PISLD001-TRIACAPLOSS PCAP-PICAP021-WAGEHOUR. PCAP-PI TERDN1-TRIANOTICE.
PCAP-PICAP022-DEFENSECOS

This Declarations page, together with the **Application**, the attached Community Association Policy Form, and all endorsements thereto, shall constitute the contract between the Insurer and the **Insureds**. This Policy is valid only if signed below by a duly authorized representative of the Insurer.

This policy has been signed by the Company's President and Secretary.

President

Secretary

Authorized Representative

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

(Words and phrases printed in **bold** , other than in the headings, are defined in Section 23 below.)

In reliance upon the truthfulness and accuracy of the statements made in the **Application**, in consideration of, and subject to, the payment of premium when due, and subject to the terms, conditions, and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

1. **Insuring Agreement:** The Insurer shall pay on behalf of the **Insureds** all **Loss** which they shall become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insureds** for a **Wrongful Act** which takes place before or during the **Policy Period**.
2. **Defense Costs and Settlements:**
 - 2.1 It shall be the right and duty of the Insurer to defend any **Claim**. The Insurer may investigate, as it deems appropriate, any **Claim**, circumstance, or **Wrongful Act** involving the **Insureds**.
 - 2.2 The **Insureds** shall not incur any **Defense Costs**, admit any liability, assume any obligation, agree to any settlement, or make any settlement offer with respect to any **Claim** without the Insurer's prior written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any **Defense Costs** incurred or any admissions, obligations, agreements, or settlements made by the **Insureds** without the Insurer's prior written consent.
 - 2.3 The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient, but only with the **Insured's** consent. If the **Insureds** withhold consent to such settlement, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, plus **Defense Costs** covered by the Policy incurred prior to the date of such refusal to settle.
3. **Cooperation:** As a condition precedent to the **Insureds'** rights under this Policy, they shall give to the Insurer all information and cooperation as the Insurer reasonably may require and shall do nothing that may prejudice the Insurer's position or its rights of recovery.
4. **Claim Exclusions:** This Policy does not apply to any **Claim** made against any **Insured** for:

4.1

- (a) bodily injury, sickness, disease, death; or
- (b) emotional distress, mental anguish, false arrest or imprisonment, abuse of process, malicious prosecution, libel, slander, defamation, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction; or
- (c) damage to, destruction of, or loss of use of any tangible property;

provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

4.2 for any error, misstatement, misleading statement, act, omission, neglect or breach of duty by **Insured Persons** of any **Subsidiary** in such capacity or by the **Subsidiary** itself if such error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly occurred, in whole or in part, when such entity was not a **Subsidiary**;

4.3 based upon, arising from, or in any way related to any error, misstatement, misleading statement, act, omission, neglect or breach of duty which has been reported or has been the subject of any notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy which it may succeed in time;

4.4 for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, amendments thereto or similar federal, state, local or common law;

4.5 based upon, arising from, or in any way related to:

- (a) any demand, suit, or other proceeding against any **Insured** which has been made, which existed, or was pending prior to the applicable Prior Litigation Date set forth in Item V of the Declarations; or
- (b) the same or substantially the same facts, circumstances or allegations involved in such demand, suit, or other proceeding;

4.6 brought or maintained by or on behalf of the **Insured Organization**;

4.7 based upon, arising from, or in any way related to the actual, alleged, or threatened discharge, dispersal, release or escape of **Pollutants, Fungi** or **Microbes**, or any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants, Fungi** or **Microbes**;

4.8 based upon, arising from, or in any way related to an **Insured Person** serving as a director, officer, trustee, regent, governor, volunteer, employee, or similar position of any entity other than the **Insured Organization**; or

4.9 based upon, arising from, or in any way related to:

- (a) any **Insureds** gaining in fact any personal profit, remuneration or advantage to which

they were not legally entitled; or

- (b) any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by any **Insured**; provided, however, this exclusion shall only apply if it is finally adjudicated that such conduct in fact occurred.

For purposes of determining the applicability of Section 4.9, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**.

4.10 based upon, arising from, or in any way related to any **Employment Practices Wrongful Act** alleged by or on behalf of an employee of the **Property Manager** .

4.11 based upon, arising from, or in any way related to any **Construction Defect**.

4.12 based upon, arising from, or in any way related to any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self- dealing, or disputes concerning conversion, construction or development.

5. **Loss Exclusions:** The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

5.1 for any obligation of the **Insured Organization** to modify any building or property in order to affect compliance with the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws; or

5.2 for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral, except for employment related obligations which would have attached absent such contract or agreement;

Provided, however, that these exclusions shall not apply to the Insurer's duty to defend and to pay **Defense Costs**.

6. **Application Representations and Severability:**

6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

6.2 The **Insureds** agree that if the **Application** contains any material statements or representations that are untrue, this Policy shall be void as to the **Insured Organization** and any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**.

7. **Reporting Requirements:**

7.1 The **Insureds**, as a condition precedent to their rights under this Policy, shall report every **Claim** to the Insurer as soon as practicable from the date any **Executive Officer** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.

- 7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded to **Philadelphia Insurance Companies, Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, Pa 19004-0950 1.800.765.9749 (phone) 1.800.685.9238 (fax) claimsreport@phly.com**
- 7.3 All notices under this Policy shall be sent in writing by mail, prepaid express courier, or facsimile and shall be effective upon receipt thereof by the addressee.
8. **Notice of Circumstance or Wrongful Act:** If during the **Policy Period** or the **Discovery Period** the **Insureds** become aware of any circumstance or **Wrongful Act** that reasonably may be expected to give rise to a **Claim**, and if such circumstance or **Wrongful Act** is reported to the Insurer during the **Policy Period** in writing with details as to the nature and date of such circumstance or **Wrongful Act**, the identity of any potential claimant, the identity of any **Insured Person** involved in such circumstance or **Wrongful Act**, and the manner in which the **Insureds** first became aware of such circumstance or **Wrongful Act**, then any **Claim** subsequently arising from such circumstance or **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which the circumstance or **Wrongful Act** was first duly reported to the Insurer.
9. **Limit of Liability:**
- 9.1 The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in Item III of the Declarations. Amounts incurred as **Defense Costs** shall be in addition to the Limit of Liability.
- 9.2 All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim** and subject to a single limit of liability. Such **Claim** shall be deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.
- 9.3 With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the Insurer's duty to defend shall cease and any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished and the Insurer shall have no further obligations hereunder of any kind or nature.
10. **Retention:** The Insurer shall be liable to pay only the amount of covered **Loss** in excess of the applicable Retention amount set forth in **Item IV** of the Declarations. Such applicable Retention shall be uninsured, shall not be applicable to **Defense Costs** and shall be borne by the **Insured Organization**.
11. **Allocation:** If a **Claim** gives rise to **Loss** covered under this Policy and loss not covered under this Policy, either because a **Claim** includes both covered and uncovered matters or both covered and uncovered parties, the **Insureds** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss.
12. **Other Insurance:** If any **Loss** arising from any **Claim** is insured by other valid and collectible insurance, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are

stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to this Policy's Policy Number.

13. Discovery Period:

- 13.1** If the Insurer or the **Parent Organization** fails or refuses to renew this Policy or if the **Parent Organization** cancels this Policy, any **Insured** shall have the right to an extension of the coverage granted by this Policy following the effective date of such cancellation or non-renewal. Such extension of coverage shall apply solely with respect to **Wrongful Acts** taking place before the effective date of such cancellation or non-renewal.
- 13.2** If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discover Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period**. Such Discovery Period shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.
- 13.3** If the **Parent Organization** fails or refuses to renew or cancels this Policy, the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date.
- 13.4** The extension of coverage for the **Discovery Period** shall not in any way increase the Limit of Liability set forth in Item III of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.
- 14. Conversion to Automatic Run-off:**
- 14.1** In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims** for **Wrongful Acts** taking place prior to the effective date of such **Change in Control**. The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.
- 14.2** The **Parent Organization** shall give written notice of such **Change in Control** to the Insurer as soon as practicable, together with such information as the Insurer may reasonably require.
- 15. Subrogation:** If the Insurer pays any **Loss** under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insureds**. The obligations of the **Insureds** pursuant to this Section 15 survive the termination of the **Policy Period**.
- 16. Parent Organization as Authorized Representative :** The **Insureds** agree that the **Parent Organization** shall act on their behalf with respect to all matters under this Policy,

including without limitation the giving and receiving of notices hereunder, the payment or return of premiums, and the negotiation and acceptance of endorsements.

17. Amendment, Assignment and Headings:

17.1 Any amendment to this Policy or assignment of an interest in this Policy, in whole or in part, shall be effective only if made by endorsement to this Policy signed by an authorized representative of the Insurer.

17.2 The headings to the provisions in this Policy, including those found in any endorsements attached hereto, are provided for convenience only and do not affect the construction hereof.

18. Territory: This Policy applies to **Wrongful Acts** occurring anywhere in the world, provided that a **Claim** is brought against the **Insured** within the United States of America, its territories or possessions or Canada.

19. Spousal Benefit: If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse where the claimant asserts such claim by reason of spousal status or seeks to obtain recovery against property in which such spouse has an interest, the amount which such spouse becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse.

20. Estates and Legal Representatives: In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** made against the estate, legal representatives, heirs, or the assigns of such **Insured Person** for a **Wrongful Act** by such **Insured Person** shall be deemed to be a **Claim** against such **Insured Person**.

21. Termination:

21.1 The Insurer may not cancel this Policy except for non-payment of premium when due. Such cancellation shall be effective as of the inception date of the **Policy Period**.

21.2 The **Parent Organization** may cancel this Policy by sending notice of cancellation to the Insurer. Such cancellation shall be effective on the date the Insurer receives such notice. The **Parent Organization** may not cancel this Policy in anticipation of or after the effective date of a **Change in Control**. In the event the **Parent Organization** cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

21.3 If the Insurer elects not to renew this Policy, the Insurer shall provide the **Parent Organization** with not less than sixty (60) days advance notice thereof.

22. Action Against Insurer:

22.1 No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, or the amount of the **Insureds'**

obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial, or by written agreement of the **Insureds**, the claimant and the Insurer.

22.2 No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the **Insureds**, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.

23. Definitions:

23.1 “**Application**” means all signed applications, including attachments and materials submitted therewith or as a part thereof, or incorporated therein, for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this Policy.

23.2 “**Change in Control**” means:

- (a) the acquisition by another entity of voting rights resulting in voting control by such other entity of more than 50% of the outstanding voting rights representing the present right to vote for election of directors or equivalent positions of the **Parent Organization**;
- (b) the merger of the **Parent Organization** into another entity such that the **Parent Organization** is not the surviving entity, or the consolidation of the **Parent Organization** with another entity; or
- (c) the loss of the **Parent Organization’s** not-for-profit tax status.

23.3 “**Claim**” means:

- (a) a written demand for monetary or non-monetary relief against an **Insured**;
- (b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured**;
- (c) the commencement of a formal criminal, administrative or regulatory proceeding or investigation against an **Insured**, including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ; or

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

23.4 “**Defense Costs**” means reasonable and necessary fees (including attorneys' fees and experts' fees) and expenses incurred in the defense of a **Claim** and cost of attachment or similar bonds, but shall not include the wages, salaries, benefits or expenses of any directors, officers or employees of the **Insured Organization**.

23.5 “**Discovery Period**” means the period of time set forth in Section 13.

23.6 “**Employment Practices Wrongful Act**” means:

- (a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;
- (b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation or disability;
- (d) sexual or other harassment in the workplace;
- (e) employment related misrepresentation;
- (f) violation of employment laws;
- (g) wrongful failure to employ, promote or grant tenure;
- (h) wrongful discipline; (i) negligent evaluation; (j) retaliation; and/or
- (l) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party, Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

- 23.7 "Executive Officer"** means the president, chief executive officer, chief operating officer, chief financial officer, managing director, any executive vice president and any equivalent executive position of the **Insured Organization**.
- 23.8 "Fungi"** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.
- 23.9 "Insolvency"** means the status of the **Insured Organization** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage, or liquidate the **Insured Organization**, or the **Insured Organization** becoming an insolvent debtor-in-possession.
- 23.10 "Insured(s)"** means the **Insured Persons** and the **Insured Organization**. Insured(s) also means any **Property Manager**, but only if the **Property Manager** is acting pursuant to the written authority granted by the **Parent Organization** or on behalf of and at the direction of the **Parent Organization** or any **Subsidiary**.
- 23.11 "Insured Organization"** means any entity named in Item I of the Declarations and any **Subsidiary**, including any such entity operating as a debtor-in-possession.
- 23.12 "Insured Person(s)"** means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of the **Insured Organization**, or, with respect to a **Subsidiary** operating outside the United States, their functional equivalent, regardless of title. It also means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of any **Property Manager**, but only if

such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Parent Organization** or any **Subsidiary**.

23.13 "Interrelated Wrongful Acts" means **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions, or causes.

23.14 "Loss" means:

- (a) sums which the **Insureds** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including damages, judgments, settlement amounts, legal fees and costs awarded pursuant to judgments, punitive or exemplary damages, and the multiple portion of any multiplied damage award; and
- (b) any excise tax equal to ten percent (10%) of an excess benefit which has been assessed by the Internal Revenue Service against any **Insured Person** pursuant to Section 4658 of the Internal Revenue Code for participation of an organization manager in an excess benefit transaction.

Loss shall not include any other taxes, fines, penalties, or matters uninsurable pursuant to any applicable law.

23.15 "Microbes" means any non-fungal microorganisms or non-fungal colony-form organisms that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

23.16 "Parent Organization" means the **Insured Organization** first named in Item I of the Declarations.

23.17 "Policy Period" means the period from the inception date set forth in Item II of the Declarations to the expiration date set forth in Item II of the Declarations, or its earlier termination pursuant to Section 21.

23.18 "Policy Year" means the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period.

23.19 "Pollutants" means any substance exhibiting hazardous characteristics as is or may be identified on any list of hazardous substances issued by the United States Environmental Protection Agency, or any state, local, or foreign counterpart. This definition shall include, without limitation, any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste (including material to be recycled, reconditioned or reclaimed), and any electric, magnetic or electromagnetic field of any frequency, as well as any air emission, waste water, infectious medical waste, nuclear materials, or nuclear waste.

23.20 "Subsidiary" means any entity which qualifies as a not-for-profit organization under the Internal Revenue Code and for which the **Parent Organization** has or controls the right to elect or

appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity if such right exists:

- (a) prior to inception date of the **Policy Period**;
- (b) after the inception date of the **Policy Period** and the assets of such entity do not exceed thirty- five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement;
- (c) after the inception date of the **Policy Period** and the assets of such entity exceed thirty- five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement but only upon the condition that the **Parent Organization**:
 - (i) give written notice of such transaction to the Insurer within 90 days after the effective date of such transaction;
 - (i) provide the Insurer with such information as the Insurer may require; and
 - (ii) pay any additional premium required by the Insurer.

23.21 "Third Party" means any natural person who is an active or current customer, supplier, vendor, applicant, business invitee or other client of the **Insured Organization**.

23.22 "Wrongful Act" means:

- (a) any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, or **Employment Practices Wrongful Act** committed or attempted by the **Insured Persons** in their capacities as such or by the **Insured Organization**; or
- (b) any matter claimed against the **Insured Persons** solely by reason of their status as **Insured Persons**.

23.23 "Construction Defect" means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:

- (a) faulty or incorrect design or architectural plans;
- (b) improper soil testing;
- (c) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
- (d) the construction, manufacture or assembly of any tangible property;
- (e) the failure to provide construction related goods or services as represented or to pay for such goods or services; or
- (f) the supervision of such activities.

23.24 “Property Manager” means any entity providing real estate property management services to the **Insured Organization** pursuant to a written contract.

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

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000
Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee: \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section I. **SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

B. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
 - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
 - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and
3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

H. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
 - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
 - b. Discovery of their death;
 - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
 - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined.

No deductible applies to this coverage.

I. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for “emergency evacuation expenses” that are incurred as a result of an incident of “political unrest.” This “political unrest” must occur during the policy period. No coverage is granted for travel to countries in a state of “political unrest” at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

J. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured’s primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a “certified act of terrorism” during the policy period which necessitates that he/she incurs “emergency travel expenses.” The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any “non-reimbursable expenses” they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

M. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a “workplace violence” incident at any of the insured’s premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the “workplace violence”;
2. The spouse, “domestic partner,” parents or children of your employees who were victims of, or witnesses to the “workplace violence”; and
3. Any other person or persons who directly witnessed the “workplace violence” incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

- A.** “Certified act of terrorism” means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B.** “Communicable disease” means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire’s Disease.
- C.** “Domestic partner” means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D.** “Emergency evacuation expenses” mean:
1. Additional lodging expenses;
 2. Additional transportation costs;
 3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of “political unrest”; and
 4. Translation services, message transmittals and other communication expenses.
- provided that these expenses are not otherwise reimbursable.
- E.** “Emergency travel expenses” mean:
1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a “certified act of terrorism”; and
 2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a “certified act of terrorism”;
- provided that these expenses are not otherwise reimbursable.
- F.** “Failed donation claim” means written notice to the insured during the policy period of:
1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
 2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.
- G.** “Fundraising expenses” mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.
- H.** “Identity theft” means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or “domestic partner” thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local

law.

- I. "Identity theft expenses" mean:
 - 1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
 - 2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
 - 3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

- J. "Improper acts" means any actual or alleged act of:
 - 1. Sexual abuse;
 - 2. Sexual intimacy;
 - 3. Sexual molestation; or
 - 4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

- K. "Injury" means any physical damage to the body caused by violence, fracture or an accident.

- L. "Key individual replacement expenses" mean the following necessary expenses:
 - 1. Costs of advertising the employment position opening;
 - 2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 - 3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

- M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

- N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:
 - 1. Meals and lodging;
 - 2. Alternative transportation;
 - 3. Clothing and necessary toiletries; and
 - 4. Emergency prescription and non-prescription drug expenses.

- O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

- P.** "Principal location" means the headquarters, home office or main location where most business is substantially conducted.
- Q.** "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.
- R.** "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT**

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	\$25,000
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II. CONDITIONS**A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, 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 Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

D. Duties in the Event of a Claim

Within 15 days after we receive written notice of claim, we will:

- (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
- (b) Begin any investigation of the claim; and
- (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

We will notify you in writing as to whether:

- (a) The claim or part of the claim will be paid;
- (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (c) More information is necessary; or
- (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in Paragraphs **2.(a)** through **2.(d)** above, within:

- (a) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (b) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

We will pay for covered loss or damage within five business days after:

- (a) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- (b) An appraisal award has been made.

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

4. The term "business day", as used in the Duties in the Event of a Claim Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

III. ADDITIONAL COVERAGES

- A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section II. **CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.
- B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

IV. DEFINITIONS

- A.** “Crisis” means the public announcement that an “incident” occurred on your premises or at an event sponsored by you.
- B.** “Crisis management emergency response expenses” mean those expenses incurred for services provided by a “crisis management firm.” However, “crisis management emergency response expenses” shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall “crisis management emergency response expenses” include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C.** “Crisis management firm” means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D.** “Incident” means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E.** “Serious bodily injury” means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COMMUNITY ASSOCIATION ENDORSEMENT
TEXAS**

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

It is agreed that the Policy is hereby amended as follows:

- (1.) It is agreed that **Section 2.3** of the Policy is hereby deleted in its entirety and replaced with the following:

The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient for any amount up to \$15,000. If the **Insureds** withhold consent to any negotiated settlement up to \$15,000, the Insurer shall waive payment of the Retention by the **Insured Organization** up to an amount of \$5,000. The Retention in excess of \$5,000 shall be borne by the **Insured Organization**. In addition, if the **Insureds** withhold consent to any such settlement in excess of \$15,000, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, and 70 percent (70%) of any additional covered **Loss**, including **Defense Costs**, incurred subsequent to such refusal to settle.

- (2.) It is agreed that the preamble to **Section 4**. Is deleted in its entirety and replaced with the following:

4. Claim Exclusions: This Policy does not apply to any **Claim** made against any **Insured**:

- (3.) **Section 4.1** of the Policy is hereby deleted in its entirety and replaced with the following:

4.1 based upon, arising from, or in any way related to:

- (a) bodily injury, sickness, disease, death; or
- (b) emotional distress, mental anguish; or
- (c) damage to, destruction of, or loss of use of any tangible property;

provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

(4.) **Section 4.6** of the Policy is hereby deleted in its entirety and replaced with the following:

brought or maintained by or on behalf of the **Insured** against any **Property Manager**;

(5.) **Section 4** of the Policy is hereby amended as follows:

The last paragraph of **Section 4.9** is deleted and replaced with the following:

For purposes of determining the applicability of **Sections 4.1** through **4.9**, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**.

(6.) **Section 5.** of the Policy is hereby amended by the addition of the following:

5.3 The Insurer shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured** based upon, arising from, or in any way related to the failure or inability of the **Insured** to effect and/or maintain adequate levels or types of insurance or bonds.

(7.) **Section 6** of the Policy is hereby deleted in its entirety and replaced with the following:

6. Application Representations and Severability:

6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

6.2 The **Insureds** agree that if the **Application** contains any material misrepresentations, this Policy shall be void as to:

(a) any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**. This provision shall also apply to the **Insured Organization** to the extent that it indemnifies such **Insured Person**; and/or

- (b) the **Insured Organization**, if it is established that any director or any executive officer of the **Insured Organization** knew the facts that were not truthfully disclosed;

whether or not such director or executive officer knew of such untruthful disclosure in the Application.

Except as set forth above, and solely with respect to **Loss** that is not indemnified due to the **Insured Organization's** financial insolvency or because indemnification is not legally permissible, this Policy shall not be rescinded by the Insurer in whole or in part for any reason, however, such coverage will be subject to all other terms, conditions and exclusions of the Policy.

- (8.) **Sections 7.2 and 7.3** of the Policy are hereby deleted in their entirety and replaced with the following:

7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded in writing by mail, prepaid express courier, or facsimile to [**Philadelphia Insurance Companies Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, PA 19004-0950**] and shall be effective upon receipt thereof by the addressee.

7.3 In addition to the postal address set forth in **Section 7.2**, such notice may also be given in writing to the **Insurer** by email at the following email address:

claimsreport@phly.com

Your email must reference the policy number for this Policy. The date of the **Insurer's** receipt of the emailed notice shall constitute the date of notice.

- (9.) **Section 9** of the Policy is hereby amended by the addition of the following:

9.4 If **Loss** becomes due and payable, the Insurer shall pay such **Loss** in the following order of priority:

- (a) The Insurer shall first pay such **Loss** on behalf of the **Insured Persons**; and
- (b) whatever amount of the Limit of Liability remains after the payment of such **Loss**, the Insurer then shall pay such **Loss** on behalf of the **Insured Organization**.

- (10.) **Sections 13.2 and 13.3** of the Policy are hereby deleted in their entirety and replaced with the following:

13.2 If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discovery Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal to one hundred percent (100%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period**. Such Discovery Period Premium shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.

13.3 If the **Parent Organization** fails or refuses to renew or cancels this Policy the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to one hundred percent (100%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date.

(11) **Section 14** is hereby deleted in its entirety and replaced with the following:

14. Change in Control

14.1 In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims** for **Wrongful Acts** taking place prior to the effective date of such **Change in Control**. No coverage will be available for **Loss**, including **Defense Costs**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such **Change in Control**. The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.

14.2 The **Parent Organization** shall give written notice of a **Change in Control** along with such information that the Insurer deems necessary to the Insurer 30 days after the effective date of such **Change in Control**, but in no event less than 24 hrs prior to this Policy's expiration date.

14.3 In the event of a **Change in Control** prior to the expiration of this Policy, this Policy will automatically become ineligible for renewal, regardless of whether or not the Insurer has been notified of such **Change in Control**. Any policy issued as a renewal of this policy following a **Change in Control**, due to lack of notice to the Insurer of such **Change in Control** or otherwise, shall automatically be void and null,

and no coverage of any kind would be afforded under any such renewal of this Policy. If the provisions in **14.2** are met, the **Parent Organization** will have the right to request an offer from the Insurer for an Extended Reporting Period. Request for an Extended Reporting Period must be made to the Insurer in writing within 30 days of the effective date of the **Change in Control**. Acceptance shall be subject to any additional conditions required by the Insurer. If offered and elected, such Extended Reporting Period shall only apply to **Wrongful Acts** committed prior to the effective date of such **Change in Control** and otherwise covered by this Policy. Payment of additional premium required must be made within 45 days of the **Change in Control**.

(12) **Section 18** of the Policy is hereby deleted in its entirety and replaced with the following:

18. Territory: This Policy applies to **Wrongful Acts** occurring anywhere in the world.

(13) **Section 19** of the Policy is hereby deleted in its entirety and replaced with the following:

19. Spousal Benefit: If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse or domestic partner where the claimant asserts such claim by reason of status as a spouse or domestic partner or seeks to obtain recovery against property in which such spouse or domestic partner has an interest, the amount which such spouse or domestic partner becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse or domestic partner.

(14) The definition of **Claim** under **Section 23.3** of the Policy is hereby deleted in its entirety and replaced with the following:

23.3 "Claim" means:

- (a) a written demand for monetary or non-monetary relief against an **Insured**;
- (b) the commencement of a civil or criminal judicial proceeding or arbitration

against an **Insured**;

- (c) the commencement of a formal criminal, administrative or regulatory proceeding or formal investigation against an **Insured**, including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ;
- (d) a written request to any **Insured** by a prospective claimant to toll or waive any statute of limitation;

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

- (15) The definition of **Employment Practices Wrongful Act(s)** under **Section 23.6** of the Policy is hereby deleted in its entirety and replaced with the following:

23.6 “**Employment Practices Wrongful Act**” means:

- (a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;
- (b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation, marital status, gender identity or expression, disability, health status, military status or other protected status established under federal, state or local law;
- (c) sexual harassment, whether quid pro quo or hostile work environment, or other unlawful harassment or bullying in the workplace;
- (d) employment related misrepresentation;
- (e) violation of employment laws;
- (f) wrongful deprivation of career opportunity, wrongful demotion, or wrongful failure to employ, promote or grant tenure;
- (g) wrongful discipline;
- (h) wrongful evaluation, supervision, training or retention of employees;

- (i) retaliation; and/or
- (j) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party**, **Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

- (16) The definition of **Pollutants** under **Section 23.19** of the Policy is hereby amended as follows:

The word "noise" is deleted.

- (17) The definition of **Third Party** under **Section 23.21** of the Policy is hereby deleted in its follows:

23.21 "Third Party" means any natural person who is not an employee or applicant for employment.

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

PHILADELPHIA INDEMNITY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE
ENDORSEMENT**

This endorsement modifies and is subject to the insurance provided under the following:

Community Association Executive Advantage Policy

The policy is amended as follows:

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY

If aggregate insured losses attributable to terrorist acts certified under the federal 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.

"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 subject to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. 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
2. 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.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy.

PHILADELPHIA INDEMNITY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAGE AND HOUR ENDORSEMENT

This endorsement modifies and is subject to the insurance provided under the following:

Community Association Executive Advantage Policy

The policy is amended as follows:

In consideration of the premium paid, it is hereby understood and agreed that this Policy is amended as follows:

1. The following sublimited coverage shall be added to this Policy subject to all terms and conditions unless noted herein:

WAGE AND HOUR EXPENSE COSTS SUBLIMIT

The Insurer shall pay on behalf of the **Insureds** for **Wage and Hour Expense Costs** incurred by the **Insured Organization** with the Insurer's consent, resulting from a **Wage and Hour Wrongful Act** that is brought and maintained by or on behalf of any past or present full-time, part-time or leased employee of the **Insured Organization**. The **Wage and Hour Wrongful Act** must first be made against such **Insured Organization** during the **Policy Period** for a **Wrongful Act** taking place before or during the **Policy Period**.

2. As respects coverage afforded by this Endorsement, Section 7. REPORTING REQUIREMENTS is amended to include the following:

If an **Insured Organization** chooses to seek coverage for a **Wage and Hour Wrongful Act**, they must notify the Insurer in writing as soon as practicable after any **Executive Officer** becomes aware of such **Wage and Hour Wrongful Act**, but in no event later than 90 days after the end of the **Policy Period**, if applicable.

Notice of any Wage and Hour Wrongful Act shall be forwarded to **[Philadelphia Insurance Companies Attention: Claims Department, One Bala Plaza Suite 100, Bala Cynwyd, PA 19004-0950]** claimsreport@phly.com

All notices under this **Policy** shall be sent in writing by mail, email, prepaid express courier or facsimile and shall be effective upon receipt thereof by the addressee.

3. For purposes of coverage provided by this Endorsement, the following exclusion shall apply:

The Insurer shall not be liable for **Loss** on account of any **Claim** made against any **Insured** for an actual or alleged violation of the responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act) or any other similar state or local law concerning wage and hour practices, including but not limited to any **Claim** for overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices; however, the Insurer shall

PHILADELPHIA INDEMNITY INSURANCE COMPANY

provide an Aggregate Sublimit of Liability of \$150,000 and subject to a Retention of \$1,000 for **Wage and Hour Expense Costs**.

Such Sublimit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to this coverage part.

4. For purposes of this Endorsement, the following definitions shall apply:

Wage and Hour Wrongful Act means any actual or alleged violation of the responsibilities or duties imposed by any federal, state or local statutory or common law (including, but not limited to, the Fair Labor Standards Act) governing wage, hour and payroll practices, including but not limited to any overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices (excluding the Equal Pay Act, as amended).

Wage and Hour Expense Costs means the reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization** or other overhead of the **Insured Organization**) incurred by the **Insureds** in defending a **Wage and Hour Wrongful Act** against such **Insured** and the premium for appeal, attachment or similar bonds although the Insurer has no obligation to apply for or secure such bond.

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

Policy Number: PCAP035984-0322Named Insured: Pin Oak Office Condominiums, an Executive Office Condo

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
 Bala Cynwyd, Pennsylvania 19004
 610.617.7900 Fax 610.617.7940
 PHLI.com

Terrorism Premium (Certified Acts) <u>\$0.00</u>
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PHILADELPHIA INSURANCE COMPANIES DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED ABOVE AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an “X” in the box below.

NOTE 1: If -included is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

NOTE 2: You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

EXCEPTION: If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, ME, MA, MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.

	<p>I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from “certified” acts of terrorism, EXCEPT as noted above.</p>
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You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of “terrorism” coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.

REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)
 The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE _____
 DATE _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEFENSE COSTS IN ADDITION TO LIMITS OF LIABILITY -
SPECIFIED AMOUNT**

This endorsement modifies and is subject to the insurance provided under the following:

COMMUNITY ASSOCIATION EXECUTIVE ADVANTAGE POLICY

The policy is amended as follows:

Section 9.1 is deleted in its entirety and replaced by the following:

The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in **ITEM III** of the Declarations.

Payment by **us** of **Defense Costs** shall not initially erode the Limit of Liability listed in **ITEM III** of the Declarations. The aggregate limit for **Defense Costs** for any / all **Claims** is equal to the limit available for **Loss** set forth in **ITEM III** of the **Declarations** not to exceed \$1,000,000. Once the aggregate limit for **Defense Costs** has been exhausted, any additional **Defense Costs** incurred for any/ all **Claims** shall erode the limit available for **Loss** set forth in **ITEM III** of the **Declarations**.

The Insurer is not obligated to pay **Defense Costs** once the Limit of Liability for **Loss**, listed in **ITEM III** of the Declarations, has been exhausted.

CYBER SECURITY LIABILITY ENDORSEMENT

Effective Date: 09/08/24

Policy Number: PCAP035984-0322

Issued To: Pin Oak Office Condominiums, an Executive Office Condom

NOTICE: INSURING AGREEMENTS B. AND C. INCLUDE CLAIMS MADE AND REPORTED COVERAGE. CLAIMS MADE AND REPORTED COVERAGE REQUIRES CLAIMS TO BE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

CLAIM EXPENSES ARE INCLUDED WITHIN THE APPLICABLE LIMIT OF INSURANCE SHOWN ON THE SCHEDULE ANY CLAIM EXPENSES PAID UNDER THIS COVERAGE FORM WILL REDUCE THE APPLICABLE LIMITS OF INSURANCE AND MAY EXHAUST THEM COMPLETELY.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements and information furnished to **us** including all statements made in the application, its attachments and the material incorporated therein, which are incorporated herein and deemed to be a part of this policy, **we** agree as follows:

SCHEDULE

INSURING AGREEMENTS	
A. Security Event Costs	\$100,000 each Security Event
B. Network Security and Privacy Liability Coverage	\$100,000 each Claim
C. Employee Privacy Liability Coverage	\$100,000 each Claim
D. Customer Notification Expenses Sublimit	\$50,000 each Security Event
E. Public Relations Expenses Sublimit	\$50,000 each Security Event
CYBER SECURITY ENDORSEMENT AGGREGATE LIMIT OF INSURANCE	\$100,000 all Loss
THIS ENDORSEMENT IS SUBJECT TO THE AGGREGATE LIMIT SHOWN IN THE DECLARATIONS OF THE FOLLOWING COVERAGE PART:	
COVERAGE PART: Community Association Executive Advantage	
AGGREGATE LIMIT: \$1,000,000	

I. Deductibles (applicable only to the following)

INSURING AGREEMENTS	DEDUCTIBLE	
A. Security Event Costs	\$1,000	Each Security Event
B. Network Security and Privacy Liability Coverage	\$1,000	Each Claim
C. Employee Privacy Liability Coverage	\$1,000	Each Claim

II. Continuity and Retroactive Dates

INSURING AGREEMENTS	CONTINUITY DATE	RETROACTIVE DATE
A. Security Event Costs	n/a	09/08/22
B. Network Security and Privacy Liability Coverage	09/08/22	09/08/22
C. Employee Privacy Liability Coverage	09/08/22	09/08/22

Unless otherwise stated, the terms and conditions of this endorsement apply only to the coverage provided by this endorsement.

Throughout this endorsement the words "you" and "your" refer to the **Named Insured**. The words "we," "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in bold face type have a special meaning found in Section III. **DEFINITIONS**.

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

We will provide coverage only for those insuring agreements for which a premium has been paid as indicated in the **SCHEDULE** to this endorsement. Our obligation to provide coverage ends when the applicable limit of insurance has been paid.

I. INSURING AGREEMENTS

A. Security Event Costs

We will reimburse you for **security event costs** incurred that are the direct result of a **security breach, privacy breach**, or breach of **privacy regulations** if:

1. the breach first happens after the applicable **retroactive date**;
2. the breach is first discovered by a **knowledgeable person** during the **policy period** and reported to us as soon as practicable but no later than 60 days after the end of the **policy period**; and
3. the breach involves a violation of a statute, rule, or regulation or your failure to provide required notice to affected individuals pursuant to a consent decree, judgment or settlement entered into with our prior written consent.

B. Network Security and Privacy Liability Coverage

We will pay **damages** you are legally obligated to pay and **claim expenses** incurred as a result of a **security breach** or **privacy breach** if:

1. the breach first happens after the applicable **retroactive date**;
2. the **claim** resulting from the breach is first made during the **policy period** and reported to us within 60 days after the end of the **policy period**.

C. Employee Privacy Liability Coverage

We will pay **damages** you are legally obligated to pay and **claim expenses** incurred as a result of injury to your **employee** caused by a **privacy breach** or the breach of **privacy regulations** if:

1. the breach first happens after the applicable **retroactive date**; and
2. the **claim** resulting from the breach is first made during the **policy period** and reported to us within 60 days after the end of the **policy period**.

II. INVESTIGATION, DEFENSE AND SETTLEMENT

A. Our Right to Investigate, Defend and Settle

1. We have the right to retain counsel to investigate and respond to a **security breach, privacy breach**, or breach of **privacy regulations** covered by this endorsement.
2. We have the right and duty to retain counsel to defend a **claim** or suit seeking to recover **damages** covered by this endorsement. If we are

prohibited by applicable law from exercising our right to defend we will pay **reasonable and necessary legal fees**.

3. We have no duty to retain counsel, defend or pay any **loss** after the applicable limit of liability has been paid.

III. DEFINITIONS

The following definitions apply to the singular and plural forms of the words or terms:

- A. **Act of terrorism** means any 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.
- B. **Adverse media report** means a broadcast or publication to the general public of a **newsworthy event**.
- C. **Bodily injury** means physical injury, sickness, disease, disability, mental anguish, mental injury or emotional distress sustained by a person, including death resulting therefrom at any time.
- D. **Claim** means a written demand received by you for **damages** or **non-monetary relief**, including the service of suit, an arbitration demand, an investigation or proceeding brought by a State's Attorney General or an enforcement action brought by the Federal Trade Commission to protect the privacy rights of consumers that results from a **security breach, privacy breach**, or breach of **privacy regulations**.
- E. **Claim expenses** mean:
 1. **Reasonable and necessary legal fees**;
 2. expenses incurred in the investigation, adjustment, defense, resolution or appeal of a **claim** or circumstances a **knowledgeable person** reasonably believes are likely to result in a **claim**; and
 3. the premium required to post a bond to appeal a judgment that is within the applicable limit of liability.
- F. **Computer hardware** means the physical components of any **computer system** including CPU's, memory storage devices, storage media, and input/output devices and other peripheral devices and components including but not limited to cable, connectors, fiber optics, networking equipment, **electronic data** storage

devices, input and output devices, backup facilities, wire, power supply units, keyboards, display monitors and audio speakers.

- G. Computer program(s)** means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. **Computer program(s)** include but are not limited to communications, networking, operating system, and internet hosting applications, data processing and related computer programs used to create, maintain, modify, process, retrieve, store, and/or transmit **electronic data**.
- H. Computer system** means an electronic, wireless, web or similar systems (including all **computer hardware, computer programs and electronic data**) used to process data or information in an analog, digital, electronic or wireless format, including but not limited to, associated input and output devices, data storage devices, networking equipment, wired or wireless peripherals, electronic backup facilities, and media libraries, that is owned or leased, operated and controlled by you or operated by an authorized independent contractor.
- I. Continuity date** means the dates set forth as such in the **SCHEDULE** applicable to the relevant insuring agreement.
- J. Corporate Information breach** means public disclosure of an organization's non-public information that:
1. is in your care, custody or control; and
 2. was provided to you under a written confidentiality/non-disclosure agreement.
- K. Credit protection services** means free credit report, identity theft protection services, credit monitoring services, credit freezes or fraud alerts provided to the affected individuals as appropriate. We will pay only pay for the reasonable and necessary costs and expenses incurred in providing **Credit protection services** to an affected individual for a period of twelve (12) months beginning on the date of your discovery of the **security breach or privacy breach**, unless a longer period is required by a statute, rule, regulation, or agreement entered into with our prior written consent.
- L. Customer notification expenses** means expenses you are obligated to incur to comply with state or federal privacy legislation mandating notification in the event of the actual or suspected **unauthorized access** by a third party to non-public personal, financial or medical information of an individual. **Customer notification expenses** include postage and other expenses you incur to provide the required notification but do not include **public relations expenses** or amounts paid to a consultant or for vendor services.

M. Damages means a monetary judgment, award, or settlement, including punitive damages or exemplary damages where not prohibited by any potentially applicable law.

Damages does not mean:

1. multiplied damage awards, fines, taxes, sanctions, statutory penalties, or attorneys fees whether imposed by law, court or otherwise.
2. future profits, restitution, or disgorgement of profits or lost income; or the cost to comply with orders granting injunctive relief, including specific performance, or any agreement to provide such relief;
3. Return, reduction, loss, restitution or offset of fees, charges, royalties, lost profits or commissions for goods or services already provided or contracted to be provided;
4. Liquidated damages, fines or penalties owed under the terms of a contract, judgment, consent decree or settlement;
5. Any amount that may be deemed uninsurable under the law pursuant to which this policy may be construed;
6. Costs or expenses incurred to comply with injunctive, non-monetary or declaratory relief including specific performance or any agreement to provide such relief;
7. Costs or expenses incurred to convert, re-perform or complete any work;
or
8. Discounts, coupons, refunds or other incentives offered to your customers or clients.

N. Denial of service means unauthorized or unexpected interference or malicious attack by any person(s) or entity(ies) that restricts or prevents access to a **computer system** by persons or entities authorized to gain access to the **computer system** or **digital assets**.

O. Digital assets mean **electronic data** and **computer programs** that exist in a **computer system**. **Digital assets** do not include **computer hardware**.

P. Electronic data means machine-readable information that exists in a **computer system**, including but not limited to your business information and customer information, other than **computer programs**.

Q. Electronic media means floppy disks, CD ROM's, hard drives, magnetic tapes, magnetic discs, or any other media on which **electronic data** is recorded or stored.

- R. Employee(s)** means any individual in your service, including any part-time, seasonal, and temporary **employee**, who is compensated by salary, wages, fees or commissions and whom you have the right to direct and control, but excluding any of your partners, officers or directors. **Employee(s)** also include leased workers and independent contractors while acting on your behalf who you have agreed to indemnify in a written contract. **Employee(s)** also includes volunteers and un-paid interns in your service while performing duties equivalent to those of an employee, who have signed your **privacy policy**.
- S. Endorsement aggregate limit** means the ENDORSEMENT AGGREGATE LIMIT OF INSURANCE for this policy set forth in the **SCHEDULE**.
- T. Insured** means the **Named Insured** and a Director or Officer of a Named Insured for liability that results from his or her performance of the duties owed to the **Named Insured**.
- U. Knowledgeable person** means your Managing Partner, President, Executive Director, Chairman, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager, General Counsel or a person holding a similar position.
- V. Knowingly wrongful conduct** means dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, or gaining of any profit or advantage to which an **insured** is not legally entitled;
- W. Loss** means all amounts we are obligated to pay under this endorsement and includes **claim expenses**. **Loss** does not mean and we have no duty to pay or reimburse you for:
1. Restoring, updating or replacing **digital assets**;
 2. Physical damage to the **computer hardware** or data center
 3. Contractual penalties, liquidated or consequential damages, except those penalties or damages that the **insured** would be liable for in the absence of a contract or agreement;
 4. Economic or market value of **digital assets**; or
 5. Costs or expenses incurred to repair, restore, remediate, replace, reprogram, redesign, reconfigure, maintain, identify, patch, remove, or eradicate software program errors or **computer system** vulnerabilities; or to restore the **computer system**.

- X. **Malicious code** means unauthorized and corrupting or harmful computer code, including not limited to computer viruses, spy ware, Trojan horses, worms, logic bombs, and mutations of any of the preceding.
- Y. **Named Insured** means the entity or entities identified in Item One of the Declarations to this Policy or in this endorsement as a Named **Insured**.
- Z. **Non-monetary relief** means a written demand for non-economic redress of an injury.
- AA. **Newsworthy event** means an actual or potential **privacy breach, security breach**, or violation of **privacy regulations** that has or is reasonably likely to be publicized to the general public through a media outlet.
- BB. **Personally identifiable information** means any individual's name in combination with any one or more of the following, whether in electronic or paper format:
 1. Social security number;
 2. Driver's license number or any other state identification number;
 3. Non-public medical or healthcare data including protected health information;
 4. Any account number, or credit or debit card number in combination with any required password, access or other security code that would permit access to the financial account;
 5. Non-public personal information as defined in any **privacy regulation**; or
 6. An animal's name in combination with veterinary records or details of services deemed confidential under applicable law.
- CC. **Policy period** means the period of time from the effective date to the expiration date specified in the Declarations of the policy to which this endorsement is attached
- DD. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- EE. **Privacy breach** means a common law or statutory breach of confidence or violation of any common law or statutory rights to privacy, including but not limited to breach of your **privacy policy**, breach of a person's right of publicity, false light, intrusion upon a person's seclusion, or public disclosure of a person's or

animal's private information. Privacy breach will also include a **corporate information breach**.

- FF. Privacy policy** means your policies in written or electronic form that govern the collection, dissemination, confidentiality, integrity, accuracy or availability of **personally identifiable information** provided to your **employees** or third parties.
- GG. Privacy regulations** mean statutes and regulations designed and intended to protect the confidentiality and use of **personally identifiable information** including:
1. Health Insurance Portability and Accountability Act of 1996 ("HIPAA");
 2. Gramm-Leach-Bliley Act of 1999 ("G-L-B");
 3. Privacy protection laws enacted by state governments, like the California Database Protection Act of 2003, to control access to and the use of **personally identifiable information**;
 5. Privacy provisions of consumer protection laws, such as the Federal Fair Credit Reporting Act ("FCRA") and the California Consumer Credit Reporting Agencies Act ("CCCRAA");
 6. Children's Online Privacy Protection Act;
 7. EU Data Protection Act; and
 8. Any alleged violation of law regarding the confidentiality of animal records
- HH. Professional services** means those acts or services requiring specialized knowledge, skill or professional judgment, which you render, or for which any person or entity renders on your behalf, to others pursuant to a written agreement and for a fee or other consideration.
- Professional services** do not include an **insured's** obligation to maintain the confidentiality of **personally identifiable information**.
- II. Property damage** means physical injury to tangible property, including all resulting loss of use of such property or loss of use of tangible property that is not physically injured.

JJ. Public relations expenses, means the reasonable and necessary expenses you incur to re-establish your reputation or public image that was damaged as a direct result of **security breach, privacy breach, or breach of a privacy regulation**.

Public relations expenses do not include **customer notification expenses**.

KK. Reasonable and necessary legal fees means amounts incurred to obtain required legal services for rates that are no higher than the rates we would pay to qualified counsel in the region where the breach occurred or the **claim** is pending.

LL. Related claims means **claims** that arise out of a **security breach, privacy breach, or breach of privacy regulation** that share any causal connection.

MM. Retroactive date means those dates as set forth in the **SCHEDULE**

NN. Security breach means:

1. **Unauthorized access** of your **computer system** or **unauthorized use of computer systems** including **unauthorized access** or **unauthorized use** resulting from the theft of a password from your **computer system**;
2. A **denial of service** attack against your **computer systems**; or
3. Infection of your **computer systems** by **malicious code** or transmission of **malicious code** from your **computer systems**.

A series of continuing **security breaches**, related or repeated **security breaches**, or multiple **security breaches** resulting from a failure(s) 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**.

OO. Security event costs means:

1. **Reasonable and necessary legal fees**;
2. Reasonable and necessary costs and expenses you incur in providing the notification required by statutes, rule or regulations, or which you incur to comply with the terms of a judgment, consent decree, settlement, or other legal obligation, including a regulatory fine or penalty where required by law;
3. Computer forensic costs of outside experts retained to determine the scope, cause, or extent of any theft or unauthorized disclosure of information, but such expenses do not include amounts paid to or incurred by an **insured** or **employees**;
4. Amounts paid to obtain **credit protection services** for individuals affected by the **security breach**;

5. Expenses incurred to mitigate harm to your brand or reputation following an **adverse media report**;
6. **Customer notification expenses**, but only if an amount is shown in the **SCHEDULE** for the Customer Notification Expenses Aggregate Sublimit; and
7. **Public relations expenses**, but only if an amount is shown in the **SCHEDULE** for Public Relations Expenses Aggregate Sublimit

PP. Unauthorized access means the gaining of access to a **computer system** by an unauthorized person or persons.

QQ. Unauthorized use means the use of a **computer system** by an unauthorized person or persons or an authorized person in an unauthorized manner.

IV. EXCLUSIONS

This endorsement does not provide coverage for any **Loss** arising out of or attributable, directly or indirectly, to:

- A. Any failure, outages, or disruption of power, utility services, satellites, or telecommunications external services not under your direct operational control, including electrical disturbances, surge, brownout, or blackout;
- B. Any seizure, destruction or damage to, or loss of use of, the **computer system** or **electronic data** arising out of any action of a governmental authority, including any delay caused by the restrictions or requirements imposed by any governmental authority;
- C. Fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God, or any other physical event or peril, unless explicitly covered under this policy;
- D. Failure to ensure that the **computer system** is reasonably protected by security practices and systems maintenance procedures;
- E. Any **loss**, circumstance, act, error, or omission committed prior to the inception date, if on or before the inception date of this policy a **knowledgeable person** knew or could reasonably have foreseen such circumstance, act, error, or omission may be the basis of any **loss** under the Insuring Agreements or **covered cause of loss**;
- F. Any loss or circumstance you previously provided notification of to a prior insurer;

- G. Any **act of terrorism**, strike or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder, defend, control, prevent or suppress any of the foregoing;
- H. Any discharge, dispersal, release or escape of any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, spores, fungi, germs, soot, fumes, asbestos, acids, alkalis, chemicals and waste (including but not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials) into or upon land, the atmosphere or any water-course or body of water or any cost or expense arising out of any direction, request or voluntary action to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **pollutants**;
- I. Ordinary wear and tear or gradual deterioration of the **computer system** or **digital assets**;
- J. Any actual or alleged **bodily injury**; provided, however, that this exclusion shall not apply to mental injury, mental anguish or emotional distress with respect to any otherwise covered **claim** under Insuring Agreements **B. Network Security and Privacy Liability Coverage** or **C. Employee Privacy Liability Coverage**;
- K. Infringement, misappropriation or violation of any patent, copyright, trademark, service mark, trade dress, trade name, or other intellectual property right;
- L. Any employment practices or discrimination against or harassment of any person or entity on any basis, including but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, marital status, sexual orientation or pregnancy;
- M. The rendering of or failure to render **professional services**;
- N. Any **knowingly wrongful conduct** on the part of an **insured**, however, we will pay **claim expenses** incurred before a determination is made that the wrongful conduct occurred as evidenced by a finding of fact, judgment, admission, plea of nolo contendere or no contest;
- O. Any guarantee, representation or promise you make relating to contract price, costs, cost savings, return on investment or profitability, including your failure to meet cost guarantees, representations or contract price;
- P. Any contractual liability or obligation or any breach of any contract, including any liability of others assumed by you, unless such liability would have attached to you even in the absence of such contract;

- Q. Any failure to effect or maintain any insurance or bond;
- R. Any violation of the Securities Exchange Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or Securities Law or rules, regulations or amendments issued in relation to such acts, or any similar state, federal or foreign statutes or regulations;
- S. Any **claim** brought by, on behalf of, or at the behest of, or for the benefit of any **insured**;
- T. Any pending or prior litigation as of the **continuity date** of this endorsement as well as all future **claims** or litigation based on the prior litigation derived from the same or essentially the same facts (actual or alleged) that gave rise to the prior or pending litigation;
- U. Any act committed prior to the **policy period** and subsequent to the **retroactive date** for which you gave notice under any prior insurance policy or which any **knowledgeable person** had any basis to believe might reasonably be expected to give rise to a **claim** under this endorsement;
- V. Any unsolicited electronic dissemination of faxes, emails, or other communications to multiple actual or prospective customers by you or any other third party, including actual or alleged violations of:
 1. The Telephone Consumer Protection Act (TCPA) as amended;
 2. The CAN-SPAM Act of 2003 as amended; or
 3. Any other federal, state or foreign anti-spam or telemarketing statute;
- W. Any express warranties or guarantees or any liability you assume under contract unless you would have been legally liable in the absence of such contract;
- X. Any dispute involving your fees or charges, or for any alleged inaccurate, inadequate or incomplete description of the price of your goods, products or services; or
- Y. Any actual or alleged gambling, contest, lottery, promotional game or other game of chance.

V. POLICY TERMS AND CONDITIONS

A. Limits of Insurance

1. We shall not be liable for more than the **endorsement aggregate limit** shown in the **SCHEDULE** during a **policy period**. The **endorsement aggregate limit** shown the **SCHEDULE** is the most we will pay for all **loss** under this

endorsement. The **endorsement aggregate limit** applies without regard to the number of: **security breaches; privacy breaches; breaches of privacy regulations; claims;** or claimants.

2. Any sub-limits shown in the **SCHEDULE** are part of, subject to, included within, and do not increase, the **endorsement aggregate limit**. The limits shown the **SCHEDULE** for each individual Insuring Agreement is the most we will pay for **loss** under that Insuring Agreement.
3. The Customer Notification Expenses Aggregate Sublimit set forth in the **SCHEDULE** is the most we will pay for **customer notification expenses** under this endorsement.
4. The Public Relations Expenses Aggregate Sublimit set forth in the **SCHEDULE** is the most we will pay for **public relations expenses** under this endorsement.
5. All **loss** resulting from, **related claims** is subject to the applicable each **claim** limit of liability in the policy in effect at the time the earliest of the **related claims** was reported.
6. The **endorsement aggregate limit** shall be part of, subject to, and not in addition to, the Aggregate Limit of Liability set forth in the Declarations of the policy to which this endorsement is attached.

B. Deductible

1. We shall be liable only for **loss** or **claim** in excess of the applicable deductible shown in the **SCHEDULE**. The deductible applies separately to each **security event** or **claim**.
2. We have no obligation to pay **loss** until the deductible has been paid.

C. In Case of Loss

1. If a **knowledgeable person** has information from which it may be reasonably concluded that a **security breach, privacy breach, or breach of privacy regulations** has occurred written notice must be provided to us as soon as practicable, but in no event later than 60 days after the end of the **policy period**.
2. No coverage is provided under this endorsement for any **loss** paid or incurred or settlement entered into without our prior written consent, which will not be unreasonably withheld. This consent requirement can be waived, at our sole discretion, if we determine that it was not possible for the **insured** to obtain our consent and the **loss** was paid or incurred to mitigate **loss**.

3. You must provide evidence of the **loss** for which you are seeking coverage under this endorsement. You must provide detailed proof of all circumstances leading to the **loss** event, including the **loss** amount justification, as soon as practicable, but under no circumstances later than sixty (60) days after the **loss** event. You will provide us with details of the **loss**, threat or failure, including a description of the incident and as applicable, a description of the equipment involved, system logs, security logs, statements from outside experts or consultants, and a description of the **digital assets** involved.
4. You must take all reasonable steps to protect the **computer system** to prevent additional **loss** or damage. These reasonable steps include taking all necessary and reasonable measures to ensure that all traces of **malicious code** have been removed prior to using the **computer system**. Any additional loss resulting from the original **malicious code** will be subject to a separate deductible, which will be one hundred and fifty percent (150%) of the original deductible.
5. It is your sole responsibility to report the **loss** to any applicable governmental authorities, if appropriate.
6. To recover **loss** under Insuring Agreement A. you must complete and submit to us a signed Final Statement of Loss, in written or electronic form. Unless we agree to an extension the Final Statement of Loss must be submitted within one hundred and twenty (120) days after the **security breach, privacy breach** or breach of **privacy regulations** is discovered by a **knowledgeable person** and must include completed description of the circumstances that resulted in the **loss** and a calculation of the **loss**. The Final Statement of Loss must be duly sworn to by your Chief Financial Officer or by another officer of equal authority.
7. You must provide us all information and assistance that we reasonably request and cooperate with us and our designated representatives in the investigation and adjustment of any **loss** and the defense or resolution of any **claim**. Once we pay the adjusted covered **loss**, receipt of reimbursement will constitute a full release of our liability under this endorsement.

D. Subrogation, Salvage and Recoveries

It is agreed that upon payment of any **loss** or **claim** under this endorsement, we shall become subrogated to all your rights, title, interest and causes of action with respect to such **loss** or **claim**. You must do nothing after **loss** or **claim** to impair those rights.

In the case of recovery after payment for any **loss** or **claim** under this endorsement, the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding your own labor or establishment costs, shall be applied in the following order:

1. To reimburse you in full for the part, if any, of such **loss** or **claim** that exceeds the amount of **loss** or **claim** paid under this endorsement (excluding the amount of any applicable deductible);
2. The balance if any, or the entire net recovery if no part of such **loss** or **claim** exceeds the amount of **loss** or **claim** paid under this endorsement to reimburse us;
3. To that part of such **loss** or **claim** you sustained by reason of the Deductible shown in the **SCHEDULE** and/or to that part of such **loss** or **claim** is covered by any policy(ies) of insurance to which this endorsement is excess.

E. Other Insurance

Except for **customer notification expenses** and **public relations expenses**, coverage provided under this endorsement shall be excess of any valid and collectible insurance provided to you by other insurers.

Customer notification expenses and **public relations expenses** shall be considered primary insurance under this endorsement.

F. Headings

The descriptions in the headings of this endorsement attached hereto are solely for convenience, and form no part of the terms and conditions of coverage.

G. Coordination Among Insuring Agreements

Coverage exists only for those Insuring Agreements designated as included in the **SCHEDULE** and for which a premium was paid. Each Insuring Agreement contains terms which limit coverage.

In the event that **loss** is covered by Insuring Agreement B. and C. we will not pay more than the lesser of the actual **loss** or the highest available Limit of Liability. In no event will we be required to pay more than the **endorsement aggregate limit** identified in the **SCHEDULE**.

If coverage is provided under more than one Insuring Agreement for the same **claim** or loss, the maximum applicable deductible shall be the highest applicable deductible that applies under any Insuring Agreement providing coverage.

In the event that **loss** is covered by more than one Insuring Agreement **of** the endorsement, the policy to which it is attached or any other policy issued by us we will not pay more than the lesser of the actual **loss** or the highest available Limit of Liability of the applicable Insuring Agreement or policy.

H. Extended Reporting Periods – Applicable to Insuring Agreements B and C.

1. If we or you cancel or refuse to renew this endorsement for reasons other than non-payment of premium, we will provide to you a sixty (60) day Automatic Extension of the coverage granted by this endorsement, at no additional charge, for any **claim** first made against you and reported to us during the sixty (60) day extension period but only as respects acts, errors or omissions committed after the **retroactive date** (if any) stated in the **SCHEDULE** and prior to the date of cancellation or non-renewal. In the event you purchase replacement coverage for this endorsement or a Supplemental Extended Reporting Period under 2. below, said sixty (60) day Automatic Extension period will terminate upon the effective date of said replacement coverage or extended reporting period.

2. If we or you cancel or refuse to renew this endorsement for reasons other than non-payment of premium, you shall have the right to purchase an optional Supplemental Extended Reporting Period for twelve months (12) for 100% of the expiring annual premium; twenty-four months (24) for 125% of the expiring annual premium; thirty-six months (36) for 150% of the annual expiring premium; forty-eight months (48) for 175% of the expiring annual premium; sixty months (60) for 200% of the expiring annual premium; seventy-two months (72) for 225% of the expiring annual premium. This extension will provide coverage granted by this endorsement for any claim first made against you and reported to us during the Supplemental Extended Reporting Period. This Supplemental Extended Reporting Period only applies to acts, errors or omissions committed after the **retroactive date** (if any) stated in the **SCHEDULE** and prior to the date of cancellation or non-renewal. You must apply for this extension in writing accompanied by payment of the appropriate premium prior to the expiration of the sixty (60) day Automatic Extension period under 1. above, such premium for the Supplemental Extended Reporting Period shall be fully earned at inception.

3. Terms and Conditions of Basic and Supplemental Extended Reporting Period

- a. At policy renewal, our offer of a different premium, deductible, limit of insurance, or change in policy language shall not constitute non-renewal for the purposes of granting the optional extended reporting period.

- b. The right to the extended reporting period shall not be available to you when cancellation or non-renewal is due to non-payment of premium.

- c. The limit of insurance for the extended reporting period shall be part of, and not in addition to, our limit of insurance for the **policy period**.



A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

Philadelphia Indemnity Insurance Company

Commercial Lines Policy

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.

A handwritten signature in black ink, appearing to read "Rovner" followed by a stylized flourish.

President & CEO

A handwritten signature in black ink, appearing to read "Ed Sar" followed by a long horizontal flourish.

Secretary

PHILADELPHIA INSURANCE COMPANIES PRIVACY POLICY NOTICE

Philadelphia Indemnity Insurance Company

The Philadelphia Insurance Companies value your privacy and we are committed to protecting personal information that we collect during the course of our business relationship with you. The collection, use and disclosure of certain nonpublic personal information are regulated by law.

This notice is for your information only and requires no action on your part. It will inform you about the types of information that we collect and how it may be used or disclosed. This does not reflect a change in the way we do business or handle your information.

Information We Collect:

We collect personal information about you from the following sources:

- Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- Information about your transactions with us, our affiliates or others; and
- Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties.

Information We Disclose:

We will only disclose the information described above to our affiliates and non-affiliated third parties, as permitted by law, and when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- Your agent or broker (producer);
- Parties who perform a business, professional or insurance function for our company, including our reinsurance companies;
- Independent claims adjusters, investigators, attorneys, other insurers or medical care providers who need information to investigate, defend or settle a claim involving you;
- Regulatory agencies in connection with the regulation of our business; and
- Lienholders, mortgagees, lessors or other persons shown on our records as having a legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes. We do not disclose the personal information of persons who have ceased to be our customers.

Protection of Information:

The Philadelphia Insurance Companies maintain physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

Use of Cookies and Opt-Out:

We may place electronic "cookies" in the browser files of your computer when you access our website. Cookies are text files placed on your computer to enable our systems to recognize your browser and so that we may tailor information on our website to your interests. We or our third party service providers or business partners may place cookies on your computer's hard drive to enable us to match personal information that we maintain about you so that we are able to pre-populate on-line forms with your information. We also use cookies to help us analyze traffic on our website to better understand your interests. Although we do not use your non-public personal information for this purpose, you may opt-out of cookies and advertising features through one of the available options including but not limited to Ads Settings in Google.com or the Network Advertising Initiative (NAI) Consumer Opt-out. Opting out

does not mean you will no longer receive online advertising. It does mean that companies from which you opted out will no longer customize ads based on your interests and web usage patterns using cookies.

How to Contact Us: Philadelphia Insurance Companies, One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 Attention: Chief Privacy Officer



A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PHLY.com

COMMON POLICY DECLARATIONS

Policy Number: PCAC016949-0322

Named Insured and Mailing Address:

Pin Oak Office Condominiums, an Executive office Condominium Community

Bayou Commercial, LLC

P O Box 90669

Houston, TX 77290

Producer:

GIG Insurance Group, Inc.
750 East Prospect Road
Fort Lauderdale, FL 33334

Policy Period From: 09/08/24 **To:** 09/08/2025 at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description: Non-Profit Community Association

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Businessowners	
Workers Compensation	
Crime Protection Plus	\$341.00
Total	\$341.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (06/14)

Secretary

President and CEO



PHILADELPHIA INDEMNITY INSURANCE COMPANY
 One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004
 610.617.7900 Fax: 610.617.7940

CRIME PROTECTION PLUS DECLARATIONS

Policy Number: PCAC016949-0322

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

DECLARATIONS

ITEM 1. Named Insured: Pin Oak Office Condominiums, an Executive office Condominium Community

ITEM 2. Mailing Address: Bayou Commercial, LLC
 P O Box 90669
 Houston, TX 77290

ITEM 3. Policy Period: From: 09/08/24 To: 09/08/2025
 (12:01 A.M. Standard Time at Your Mailing Address)

ITEM 4. Coverages, Limits of Insurance and Deductibles:

Coverage Basis: Loss Sustained
 (If left blank, the Loss Sustained Option shall apply.)

Insuring Agreements, Limit of Insurance and Deductible Amounts shown below are subject to all of the terms of this policy that apply.

Insuring Agreements Forming Part of This Policy	Limit of Insurance	Deductible Amount
A1. EMPLOYEE THEFT AND CLIENT PROPERTY	\$50,000	\$500
A2. ERISA FIDELITY	\$50,000	\$ NIL
B. FORGERY OR ALTERATION, including Credit, Debit, or Charge Card Extension (\$25,000 limit)	\$50,000	\$500
C. INSIDE THE PREMISES	\$50,000	\$500

D. OUTSIDE THE PREMISES	\$50,000	\$500
E. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD	\$50,000	\$500
F. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY	\$50,000	\$500

ITEM 5. Form Numbers of Endorsements Forming Part of This Policy When Issued: SEE SCHEDULE

ITEM 6. Cancellation of Prior Insurance: By acceptance of this policy, you give us notice cancelling prior policies or bonds numbered:

The cancellations to be effective at the time this policy becomes effective.

This policy has been signed by the Company's President and Secretary.



President and CEO



Secretary



CRIME PROTECTION PLUS

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is or 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 **BOLD** have special meaning. Refer to the Definitions Section.

I. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations:

A1. EMPLOYEE THEFT AND CLIENT PROPERTY

1. We will pay for loss of or damage to **MONEY, SECURITIES** and **OTHER PROPERTY** resulting directly from **THEFT** committed by an **EMPLOYEE**, whether identified or not, acting alone or in collusion with other persons.
2. We will pay for loss of or damage to **MONEY, SECURITIES** and **OTHER PROPERTY** sustained by your **CLIENT** resulting directly from **THEFT** committed by an identified **EMPLOYEE**, acting alone or in collusion with other persons.

A2. ERISA FIDELITY

We will pay for direct loss of and direct loss from damage to **MONEY, SECURITIES** and **OTHER PROPERTY** of any **EMPLOYEE BENEFIT PLAN(S)** sponsored exclusively by the **INSURED** resulting from **THEFT** by an **EMPLOYEE**.

B. FORGERY OR ALTERATION

1. We will pay for loss resulting directly from **FORGERY** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **MONEY** that are:
 - a. Made or drawn by or drawn upon you; or
 - b. Made or drawn by one acting as your agent;
 or that are purported to have been so made or drawn.
2. If you are sued for refusing to pay any instrument covered in Paragraph 1. above, 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 and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Credit, Debit, or Charge Card Extension
 - a. Covered instruments in 1. above, checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **MONEY** includes written instruments required in conjunction with any credit, debit or charge card issued to you or any **EMPLOYEE** for business purposes.
 - b. The most we will pay in any one **OCCURRENCE** is \$25,000. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

C. INSIDE THE PREMISES

1. We will pay for loss of **MONEY** and **SECURITIES** inside the **PREMISES** or **BANKING PREMISES** resulting directly from **THEFT**, disappearance or destruction.
2. We will pay for loss of or damage to **OTHER PROPERTY**:
 - a. Inside the **PREMISES** resulting directly from an actual or attempted **ROBBERY** of a **CUSTODIAN**; or
 - b. Inside the **PREMISES** in a safe or vault resulting directly from an actual or attempted **SAFE BURGLARY**.
 - c. We will pay for loss from damage to the **PREMISES** or its exterior resulting from an actual or attempted:
 - (i) **THEFT** of **MONEY** or **SECURITIES**; or
 - (ii) **ROBBERY** or **SAFE BURGLARY** of **OTHER PROPERTY** if the **INSURED** is the owner of the **PREMISES** or is liable for damage to it.
 - d. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **PREMISES** resulting directly from an actual or attempted **THEFT** or unlawful entry into those containers.

D. OUTSIDE THE PREMISES

1. We will pay for loss of **MONEY** and **SECURITIES** outside the **PREMISES** in the care and custody of a **MESSENGER** or an armored motor vehicle company resulting directly from **THEFT**, disappearance or destruction.
2. We will pay for loss of or damage to **OTHER PROPERTY** outside the **PREMISES** in the care and custody of a **MESSENGER** or an armored motor vehicle company resulting directly from an actual or attempted **ROBBERY**.

E. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, **MONEY** or services:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; and
2. **COUNTERFEIT** paper currency that is acquired during the regular course of business from any country in which you maintain a physical **PREMISES**.

F. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

We will pay for loss of or loss from damage to:

1. **MONEY, SECURITIES and OTHER PROPERTY** resulting directly from **COMPUTER FRAUD**, and
2. **MONEY and SECURITIES** contained in a **TRANSFER ACCOUNT** on deposit at a **FINANCIAL INSTITUTION** resulting directly from **FUNDS TRANSFER FRAUD**.

We will pay for loss of **FUNDS** resulting directly from a **FRAUDULENT INSTRUCTION** directing a **FINANCIAL INSTITUTION** to transfer, pay, or deliver **FUNDS** from your **TRANSFER ACCOUNT**.

II. LIMIT OF INSURANCE

The most we will pay for loss in any one **OCCURRENCE** is the applicable Limit of Insurance shown in the Declarations.

III. DEDUCTIBLE

We will not pay for loss in any one **OCCURRENCE** unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event that more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.

IV. EXCLUSIONS

This policy does not apply to:

A. Loss resulting from **THEFT** or any other dishonest act committed by:

1. You; or
2. Any of your partners or **MEMBERS**; or
3. Any officer or **EMPLOYEE** who has a 25% interest or greater ownership interest in any one or more of those entities named as **INSUREDS**;

whether acting alone or in collusion with other persons.

B. Loss resulting from **THEFT** or any other dishonest act committed by any of your **EMPLOYEES, MANAGERS**, directors, trustees or authorized representatives:

1. Whether acting alone or in collusion with other persons; or
2. While performing services for you or otherwise;

except when covered under Insuring Agreement A1. or A2.

C. Loss resulting from seizure or destruction of property by order of governmental authority.

D. Loss that is an indirect result of any act or **OCCURRENCE** covered by this policy including, but not limited to, loss resulting from:

1. Your inability to realize income that you would have realized had there been no loss of or damage to **MONEY, SECURITIES** or **OTHER PROPERTY**.
 2. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
 3. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.
- E. Expenses related to any legal action, except when covered under Insuring Agreement B.
- F. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- G. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- H. Loss sustained by one **INSURED** to the advantage of any other **INSURED**.
- I. Loss resulting directly or indirectly from contractual or extra contractual liability sustained by the **INSURED** in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.
- J. Loss of trade secrets, confidential processing methods, confidential information or intangible property of any kind.
- K. Insuring Agreements A1. and A2. do not apply to:
1. Loss caused by any **EMPLOYEE** of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation unless the amount of such loss is \$1,000 or less.
 2. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - a. An inventory computation; or
 - b. A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and an actual physical count of inventory in support of the amount of loss claimed.
 3. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
 4. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling, or failing to cancel, a warehouse receipt or any papers connected with it.
- L. Insuring Agreement B. does not apply to:
1. Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

M. Insuring Agreements C. and D. do not apply to:

1. Loss resulting from accounting or arithmetical errors or omissions.
2. Loss resulting from the giving or surrendering of property in any exchange or purchase.
3. Loss resulting from fire, however caused, except:
 - a. Loss of or damage to **MONEY** and **SECURITIES**; and
 - b. Loss from damage to a safe or vault.
4. Loss of property contained in any money operated device unless the amount of **MONEY** deposited in it is recorded by a continuous recording instrument in the device.
5. Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
6. Transfer or Surrender of Property
 - a. Loss of or damage to property after it has been transferred or surrendered to a person or place outside the **PREMISES** or **BANKING PREMISES**:
 - (i) On the basis of unauthorized instructions;
 - (ii) As a result of a threat to do bodily harm to any person; or
 - (iii) As a result of a threat to do damage to any property.
 - b. But, this Exclusion does not apply under Insuring Agreement D. to loss of **MONEY**, **SECURITIES** or **OTHER PROPERTY** while outside the **PREMISES** in the care and custody of a **MESSENGER** if you:
 - (i) Had no knowledge of any threat at the time the conveyance began; or
 - (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
7. Loss from damage to the **PREMISES** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **OTHER PROPERTY** by vandalism or malicious mischief.
8. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

N. Insuring Agreement F. does not apply to:

1. Loss resulting from the giving or surrendering of property in any exchange or purchase.
2. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - a. An inventory computation; or
 - b. A profit and loss computation.

3. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

V. CONDITIONS

A. Cancellation as to any **EMPLOYEE**

1. This policy is cancelled as to any **EMPLOYEE**:

- a. Immediately upon discovery by:

- (i) You; or

- (ii) Any of your partners, **MEMBERS, MANAGERS**, officers, directors or trustees not in collusion with the **EMPLOYEE**;

of **THEFT** or any other dishonest act committed by the **EMPLOYEE** whether before or after becoming employed by you unless, the amount of such loss is \$1,000 or less.

2. On the date specified in a notice mailed to the first Named Insured. That date will be at least 60 days after the date of mailing.

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

B. Cancellation of Policy

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

- b. 60 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.

C. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms

of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

D. Concealment, Misrepresentation or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other **INSURED**, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The property covered under this policy;
3. Your interest in the property covered under this policy; or
4. A claim under this policy.

E. Consolidation – Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become **EMPLOYEES**, or you acquire the use and control of any additional **PREMISES**:

1. You must give us written notice and obtain our written consent to extend this insurance to such additional **EMPLOYEES** or **PREMISES**. We may condition our consent upon payment of an additional premium;
2. For the first 90 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities, any insurance afforded for **EMPLOYEES** or **PREMISES** also applies to these additional **EMPLOYEES** or **PREMISES** for acts committed or events occurring within this 90-day period.

However, we agree to automatically extend such coverage, without the payment of an additional premium for the remainder of the policy period, as is afforded under this policy to any consolidation or merger with, or purchase of assets of, some other entity which has less than 15% of your annual revenues, and a three year, loss free Employee Theft claims history.

F. Discovery Option

If the Discovery option in ITEM 4. of the Declarations page is executed, this general condition shall apply.

1. We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
 - a. During the policy period shown in the Declarations; or
 - b. During the period of time provided in V. CONDITION K. Extended Period To Discover Loss.
2. Discovery of loss occurs when you first become aware of facts, which would cause a reasonable person to assume that a loss covered by this policy has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this policy.

G. Loss Sustained Option

If the Loss Sustained option in ITEM 4. of the Declarations page is executed, this general condition shall apply.

We will pay for loss sustained by you during the policy period stated in ITEM 3. of the Declarations Page.

1. If you, or a predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - b. The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
2. The insurance under this agreement is part of, and not in addition to, the Limits of Insurance applicable to this insurance and is limited to the lesser of the amount recoverable under:
 - a. This insurance as of its effective date; or
 - b. The prior insurance had it remained in effect.

In the event that a loss is covered by this policy and a preceding policy, it is agreed that the Insuring Agreement deductible for this policy shall be reduced by the applicable deductible of the preceding policy.

If any loss is covered partly by this insurance and partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest, the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

H. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to **MONEY**, **SECURITIES** or **OTHER PROPERTY** you must:

1. Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreements A1., A2. or B.) involves a violation of law, you must also notify the local law enforcement authorities.
2. Submit to examination under oath at our request and give us a signed statement of your answers.
3. Give us a detailed, sworn proof of loss within 120 days.
4. Cooperate with us in the investigation and settlement of any claim.

I. Employee Benefit Plan(s)

1. If any one or more **EMPLOYEE BENEFIT PLANS** are insured jointly with any other entity under this policy, you or the plan administrator must select a Limit of Insurance for Insuring Agreement A2. that is sufficient to provide a Limit of Insurance for each Plan, which is at least equal to that required if each Plan were separately insured.
2. If the first Named Insured is an entity other than a Plan, any payments we make to the **INSURED** for loss sustained by any Plan will be held by that **INSURED** for the use and benefit of the Plan(s) sustaining the loss.
3. If two or more Plans are insured under this policy, any payment which we make for loss sustained by two or more Plans, or of commingled **FUNDS** or **OTHER PROPERTY** of two or more Plans, which arises out of one **OCCURRENCE**, is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.
4. This policy insures those Plans, which are named as additional **INSUREDS** in the Declarations or on any attached Schedule for loss through fraud or dishonesty as defined in Section 2580.412-9 of the Employee Retirement Income Security Act (ERISA) as amended. For any Plans not specifically named as **INSUREDS**, this policy is deemed to be in compliance with, and satisfy the bonding requirements of Section 2580.412-11 of the Act. This insurance provides a Limit of Insurance which is equal to 10% of the amount of the **FUNDS** handled or \$500,000., whichever is less, for each Plan bonded and the minimum Limit of Insurance for any Plan shall be \$1,000. The Limit of Insurance available for any Plan loss will be determined by the amount of **FUNDS** handled on the date when any covered loss occurs subject to the foregoing limitations.
5. The Deductible provision which applies to Insuring Agreement A2. ERISA FIDELITY shall not apply to loss which is sustained by any Plan subject to ERISA and which Plan is covered under this insurance.

J. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to 3 years afterward or until any claim made under this policy has been settled, whichever is later.

K. Extended Period to Discover Loss

1. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is discovered by you:
 - a. No later than 120 days following termination or cancellation of the Insuring Agreement or termination of this policy as to an **INSURED**; and
 - b. As respects, any **EMPLOYEE BENEFIT PLAN(S)**, no later than twelve months from the date of that termination or cancellation.
2. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

L. Inspections and Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections nor do we undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. above apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

M. Joint Insured

1. If more than one **INSURED** is named in the Declarations, the first Named Insured will act for itself and for every other **INSURED** for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
2. If any **INSURED**, or partner, **MEMBER** or officer of that **INSURED** has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every **INSURED**.
3. An **EMPLOYEE** of any **INSURED** is considered to be an **EMPLOYEE** of every **INSURED**.
4. If this policy or any of its coverages is cancelled or terminated as to any **INSURED**, loss sustained by that **INSURED** is covered only if discovered by you during the period of time provided in V. CONDITION K. Extended Period to Discover Loss.

However, this extended period to discover loss terminates as to that **INSURED** immediately upon the effective date of any other insurance obtained by that **INSURED** replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

5. We will not pay more for loss sustained by more than one **INSURED** than the amount we would pay if all the loss had been sustained by one **INSURED**.

N. Legal Action Against Us

You may not bring any legal action against us involving loss:

1. Unless you have complied with all the terms of this policy;

2. Until 90 days after you have filed proof of loss with us; and
3. Unless brought within 2 years from the date you discover the loss.

If any limitation is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

O. Liberalization

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

P. Loss Covered Under More Than One Coverage of this Policy

If two or more coverages of this policy apply to the same loss, we will pay the lesser of:

1. The actual amount of loss; or
2. The sum of the Limits of Insurance applicable to those coverages.

Q. Non-Cumulation of Limit of Insurance

Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

R. Other Insurance

This policy does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.

However, this policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

S. Ownership of Property; Interests Covered

The property covered under this policy is limited to property:

1. That you own or lease;
2. That you hold for others; or
3. For which you are legally liable, except for property inside the **PREMISES** of a **CLIENT** of yours.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

T. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

U. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

V. Recoveries

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this policy will be distributed as follows:
 - a. To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - b. Then to us, until we are reimbursed for the settlement made; and
 - c. Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
2. Recoveries do not include any recovery:
 - a. From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - b. Of original **SECURITIES** after duplicates of them have been issued.

W. Territory

This policy applies to loss occurring anywhere in the world.

X. Transfer of Your Rights and Duties Under this Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

Y. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

Z. Valuation – Settlement

1. Subject to Section II. Limit Of Insurance, we will pay for:
 - a. Loss of **MONEY** but only up to and including its face value. We may, at our option, pay for loss of **MONEY** issued by any country other than the United States of America:

- (i) Its face value in the **MONEY** issued by that country; or
 - (ii) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.
- b. Loss of **SECURITIES** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
- (i) Pay the value of such **SECURITIES** or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **SECURITIES**; or
 - (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **SECURITIES**. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - a) Value of the **SECURITIES** at the close of business on the day the loss was discovered; or
 - b) Limit of Insurance.
- c. Loss of or damage to **OTHER PROPERTY** or loss from damage to the **PREMISES** or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
- (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

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.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

2. We may, at our option, pay for loss of or damage to property other than **MONEY**:
 - a. In the **MONEY** of the country in which the loss occurred; or
 - b. In the United States of America dollar equivalent of the **MONEY** of the country in which the loss occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.
3. Any property that we pay for or replace becomes our property.

AA. Conditions Applicable To Insuring Agreement B.

1. Deductible

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement B.

2. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

BB. Conditions Applicable To Insuring Agreement D.

1. Armored Motor Vehicle Companies

a. Under Insuring Agreement D., we will only pay for the amount of loss you cannot recover:

- (i) Under your contract with the armored motor vehicle company; and
- (ii) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one **OCCURRENCE** of loss of or damage to:

- (i) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (ii) Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

CC. Conditions Applicable To Insuring Agreement F.

1. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one **OCCURRENCE** of loss of or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

VI. DEFINITIONS

- A. **BANKING PREMISES** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- B. **CLIENT** means any entity or individual for whom you perform services under a written agreement.
- C. **COMPUTER FRAUD** means **THEFT** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **PREMISES** or **BANKING PREMISES** to a person (other than a **MESSENGER**) outside those **PREMISES** or to a place outside those **PREMISES**.

D. **COUNTERFEIT** means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

E. **CUSTODIAN** means you, or any of your partners or **MEMBERS**, or any **EMPLOYEE** while having care and custody of property inside the **PREMISES**, excluding any person while acting as a **WATCHPERSON** or janitor.

F. **EMPLOYEE:**

1. Any natural person:

- a. While in your service or for 60 days after termination of service;
- b. Whom you compensate directly by salary, wages or commissions; and
- c. Whom you have the right to direct and control while performing services for you;

2. Any natural person who is furnished temporarily to you:

- a. To substitute for a permanent **EMPLOYEE** as defined in Paragraph 1. above, who is on leave; or
- b. To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **PREMISES**.

3. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary **EMPLOYEE** as defined in Paragraph 2. above;

4. Any natural person who is:

- a. A trustee, officer, **EMPLOYEE**, administrator or **MANAGER**, except an administrator or **MANAGER** who is an independent contractor, of any **EMPLOYEE BENEFIT PLAN(S)** insured under this policy; and
- b. Your director or trustee while that person is handling **FUNDS** or **OTHER PROPERTY** of any **EMPLOYEE BENEFIT PLAN(S)** insured under this policy.

5. Any natural person who is a former **EMPLOYEE**, director, partner, **MEMBER**, **MANAGER**, representative or trustee retained as a consultant while performing services for you; or

6. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the **PREMISES**; or

7. Any natural person who is a **VOLUNTEER** who is not compensated, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an **EMPLOYEE**; or

8. Any natural person who is performing services for you as the chairman, or a member of any committee and whether compensated or not; or

9. Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees to perform on your behalf, specific, as distinguished from general directorial acts; or
 10. Any natural person who is a non-compensated officer.
- G. **EMPLOYEE** does not mean:
1. Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 2. Any **MANAGER**, director, or trustee except while performing acts coming within the scope of the usual duties of an **EMPLOYEE**.
- H. **EMPLOYEE BENEFIT PLAN(S)** means, any welfare, or pension Plan listed in the Declarations, on an attached schedule or for which automatic coverage is afforded, that is subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended.
- I. **FINANCIAL INSTITUTION** means:
1. A banking, savings, or thrift institution, or
 2. A stock brokerage firm, mutual fund, liquid assets fund or similar investment institution where the **INSURED** maintains a **TRANSFER ACCOUNT**.
- J. **FORGERY** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- K. **FRAUDULENT INSTRUCTION** means:
1. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
 2. A written instruction (other than those described in Insuring Agreement B.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
 3. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an **EMPLOYEE** but which was in fact fraudulently transmitted by someone else without your or the **EMPLOYEE'S** knowledge or consent.
- L. **FUNDS** means **MONEY** and **SECURITIES**.
- M. **FUNDS TRANSFER FRAUD** means:
1. Electronic, telegraphic, cable, teletype or telephone instructions fraudulently transmitted to a **FINANCIAL INSTITUTION** directing such institution to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from such **TRANSFER ACCOUNT** which instructions purport to have been transmitted by the **INSURED** but were in fact fraudulently transmitted by someone other than the **INSURED** without its knowledge or consent; or

2. Fraudulent written instructions (other than those covered under Insuring Agreement B.) issued to a **FINANCIAL INSTITUTION** directing such institution to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from such **TRANSFER ACCOUNT** by use of an electronic funds transfer system at specified intervals or under specified conditions which instructions purport to have been issued by the **INSURED** but were in fact fraudulently issued, forged or altered by someone other than the **INSURED** without its knowledge or consent.
- N. **INSURED** means the Named Insured as stated in the Declarations page and, with respect to Insuring Agreement A2. only, any Welfare Plan or Pension Plan sponsored exclusively by the Named Insured.
- O. **MANAGER** means a person serving in a directorial capacity for a limited liability company.
- P. **MEMBER** means an owner of a limited liability company represented by its membership interest, who also may serve as a **MANAGER**.
- Q. **MESSENGER** means you, or a relative of yours, or any of your partners or **MEMBERS**, or any **EMPLOYEE** while having care and custody of property outside the **PREMISES**.
- R. **MONEY** means:
1. Currency, coins and bank notes in current use and having a face value; and
 2. Travelers checks, register checks and money orders held for sale to the public.
- S. **OCCURRENCE** means:
1. As respects the Employee Theft Insuring Agreement, all loss caused by, or involving, one or more **EMPLOYEES**, whether the result of a single act or a series of acts.
 2. As respects the Forgery or Alteration Insuring Agreement, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 3. As respects all other Insuring Agreements, an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person.
- T. **OTHER PROPERTY** means any tangible property other than **MONEY** and **SECURITIES** that has intrinsic value but does not include any property excluded under this policy.
- U. **PREMISES** means the interior of that portion of any building you occupy in conducting your business.
- V. **ROBBERY** means the unlawful taking of property from the care and custody of a person by one who has:
1. Caused or threatened to cause that person bodily harm; or
 2. Committed an obviously unlawful act witnessed by that person.
- W. **SAFE BURGLARY** means the unlawful taking of:
1. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

2. A safe or vault from inside the **PREMISES**.
- X. **SECURITIES** means negotiable and non-negotiable instruments or contracts representing either **MONEY** or property and includes:
1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
- but does not include **MONEY**.
- Y. **THEFT** means the unlawful taking of **MONEY**, **SECURITIES** or **OTHER PROPERTY** to the deprivation of the **INSURED**.
- Z. **TRANSFER ACCOUNT** means an account maintained by you at a **FINANCIAL INSTITUTION** from which you can initiate the transfer, payment or delivery of **FUNDS**:
1. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 2. By means of written instructions (other than those described in Insuring Agreement B.) establishing the conditions under which such transfers are to be initiated by such **FINANCIAL INSTITUTION** through an electronic funds transfer system.
- AA. **WATCHPERSON** means any person you retain specifically to have care and custody of property inside the **PREMISES** and who has no other duties.

Philadelphia Indemnity Insurance Company

Form Schedule – Crime Protection Plus

Policy Number: PCAC016949-0322

Forms and Endorsements applying to this Coverage Part and made a part of this policy at time of issue:

Form	Edition	Description
PCAC-BJP1901-12-98-PolicyJacket.pdf		
PCAC-PP2015-06-15-PhiladelphiaPrivacyPolicyNotice.pdf		
PCAC-CPDPIIC-06-14-CommonPolicyDeclarations.pdf		
TX.PCAC-PICRP01-01-06-CrimeProtectionPlusDeclarations.pdf		
PCAC-PICRP02-06-05-CrimeProtectionPlusCoverageForm.pdf		
PCAC-FORMSCHEDULE.pdf		
TX.PCAC-PIBELL1-11-09-BellEndorsement.pdf		
TX.PCAC-PICME1-06-16-CrisisManagementEndorsement.pdf		
PCAC-PICRP09-06-05-DesignatedPersonsOrClassesOfPersonsAsEmployees.pdf		
PCAC-PICRP25-07-17-FraudulentInducementExclusion.pdf		
PCAC-PICRP023-11-19-CrimeProtectionPlusProPak.pdf		
TX.PCAC-CRNOTICETX-01-06-TexasImportantNoticeDiscoveryOption.pdf		

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

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

COVERAGE	LIMITS OF INSURANCE
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000
Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee: \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

II. CONDITIONS

A. Applicability of Coverage

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

B. Limits of Liability or Limits of Insurance

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section I. **SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

III. ADDITIONAL COVERAGES

A. Conference Cancellation

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

B. Donation Assurance

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
 - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
 - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

C. Emergency Real Estate Consulting Fee

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

D. Fundraising Event Blackout

We will reimburse the insured for "fundraising expenses" that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

E. Identity Theft Expense

We will reimburse any present director or officer of the named insured for "identity theft expenses" incurred as the direct result of any "identity theft" first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured's first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

F. Image Restoration and Counseling

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of "improper acts" by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of "improper acts"; and
3. The costs of restoring the named insured's reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

G. Key Individual Replacement Expenses

We will pay "key individual replacement expenses" if the Chief Executive Officer or Executive Director suffers an "injury" during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

H. Kidnap Expense

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, "domestic partner," parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
 - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
 - b. Discovery of their death;
 - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
 - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined.

No deductible applies to this coverage.

I. Political Unrest Coverage

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for “emergency evacuation expenses” that are incurred as a result of an incident of “political unrest.” This “political unrest” must occur during the policy period. No coverage is granted for travel to countries in a state of “political unrest” at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

J. Temporary Meeting Space Reimbursement

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured’s primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

K. Terrorism Travel Reimbursement

We will reimburse any present director or officer of the named insured in the event of a “certified act of terrorism” during the policy period which necessitates that he/she incurs “emergency travel expenses.” The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

L. Travel Delay Reimbursement

We will reimburse any present director or officer of the named insured for any “non-reimbursable expenses” they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

M. Workplace Violence Counseling

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a “workplace violence” incident at any of the insured’s premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the “workplace violence”;
2. The spouse, “domestic partner,” parents or children of your employees who were victims of, or witnesses to the “workplace violence”; and
3. Any other person or persons who directly witnessed the “workplace violence” incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

IV. DEFINITIONS

For the purpose of this endorsement, the following definitions apply:

- A.** “Certified act of terrorism” means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B.** “Communicable disease” means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire’s Disease.
- C.** “Domestic partner” means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D.** “Emergency evacuation expenses” mean:
1. Additional lodging expenses;
 2. Additional transportation costs;
 3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of “political unrest”; and
 4. Translation services, message transmittals and other communication expenses.
- provided that these expenses are not otherwise reimbursable.
- E.** “Emergency travel expenses” mean:
1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a “certified act of terrorism”; and
 2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a “certified act of terrorism”;
- provided that these expenses are not otherwise reimbursable.
- F.** “Failed donation claim” means written notice to the insured during the policy period of:
1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
 2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.
- G.** “Fundraising expenses” mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.
- H.** “Identity theft” means the act of knowingly transferring or using, without lawful authority, a means of identification of any director or officer (or spouse or “domestic partner” thereof) of the named insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local

law.

- I. "Identity theft expenses" mean:
 - 1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
 - 2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
 - 3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

- J. "Improper acts" means any actual or alleged act of:
 - 1. Sexual abuse;
 - 2. Sexual intimacy;
 - 3. Sexual molestation; or
 - 4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

- K. "Injury" means any physical damage to the body caused by violence, fracture or an accident.

- L. "Key individual replacement expenses" mean the following necessary expenses:
 - 1. Costs of advertising the employment position opening;
 - 2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
 - 3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

- M. "Natural catastrophe" means hurricane, tornado, earthquake or flood.

- N. "Non-reimbursable expenses" means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:
 - 1. Meals and lodging;
 - 2. Alternative transportation;
 - 3. Clothing and necessary toiletries; and
 - 4. Emergency prescription and non-prescription drug expenses.

- O. "Political unrest" means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

- P.** "Principal location" means the headquarters, home office or main location where most business is substantially conducted.
- Q.** "Unforeseeable destruction" means damage resulting from a "certified act of terrorism," fire, collision or collapse which renders all of the insured's "principal locations" completely unusable.
- R.** "Workplace violence" means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily "injury" or death of any person while on the insured's premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT**

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	\$25,000
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II. CONDITIONS**A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

B. Limits of Liability or Limits of Insurance

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, 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 Liability or Limit of Insurance.

C. Claim Expenses

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

D. Duties in the Event of a Claim

Within 15 days after we receive written notice of claim, we will:

- (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
- (b) Begin any investigation of the claim; and
- (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

We will notify you in writing as to whether:

- (a) The claim or part of the claim will be paid;
- (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (c) More information is necessary; or
- (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in Paragraphs **2.(a)** through **2.(d)** above, within:

- (a) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (b) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

We will pay for covered loss or damage within five business days after:

- (a) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- (b) An appraisal award has been made.

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

4. The term "business day", as used in the Duties in the Event of a Claim Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

III. ADDITIONAL COVERAGES

- A. We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section II. **CONDITIONS, B. Limits of Liability or Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.
- B. We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

IV. DEFINITIONS

- A.** “Crisis” means the public announcement that an “incident” occurred on your premises or at an event sponsored by you.
- B.** “Crisis management emergency response expenses” mean those expenses incurred for services provided by a “crisis management firm.” However, “crisis management emergency response expenses” shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall “crisis management emergency response expenses” include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C.** “Crisis management firm” means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D.** “Incident” means an accident or other event, including the accidental discharge of pollutants, resulting in death or serious bodily injury to three or more persons.
- E.** “Serious bodily injury” means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE DESIGNATED PERSONS OR CLASSES OF PERSONS AS EMPLOYEES

This endorsement modifies the insurance provided under the following:

CRIME PROTECTION PLUS

A. Schedule*

Persons Or Classes Of Persons
<p>Officers, directors, trustees and employees including any MANAGER and/or PROPERTY MANAGER hired by the Named Insured who handles or is responsible for handling the funds belonging to or administered by the Named Insured.</p> <p>However, this Policy does not cover loss resulting from an EMPLOYEE who is also serving as General Counsel, counsel or legal representative to the Named Insured for "theft" or any other dishonest acts in their capacity as such.</p> <p>PROPERTY MANAGER means any entity, including its employees, providing real estate property management services to the Named Insured pursuant to a written contract.</p>
<p>*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>

B. Provisions

The Definition of **EMPLOYEE** is amended to include any natural person or group of persons named or described in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**FRAUDULENT INDUCEMENT EXCLUSION**

This endorsement modifies the insurance provided under the following:

CRIME PROTECTION PLUS

I. Section IV. EXCLUSIONS is amended to include the following:

This Policy Does Not Apply To:

1. Loss resulting directly or indirectly from:

- a. your transfer, payment, or delivery of **MONEY, SECURITIES, OTHER PROPERTY**, or property of any kind including, but not limited to intangible property that is the direct, or indirect, result of **FRAUDULENT INDUCEMENT**;
- b. the giving or surrendering of **MONEY, SECURITIES, OTHER PROPERTY**, or property of any kind including, but not limited to intangible property in any exchange or purchase, whether genuine or fictitious; or
- c. any other giving or surrendering of, or voluntary parting with, **MONEY, SECURITIES, OTHER PROPERTY**, or property of any kind including, but not limited to intangible property

whether or not induced by any dishonest or fraudulent act, except when covered under:

- i. Insuring Agreement A1.;
- ii. Insuring Agreement E.;

II. Section IV. EXCLUSION N. is amended to read:

N. Insuring Agreement F. does not apply to:

1. Loss resulting from the giving or surrendering of **MONEY, SECURITIES, OTHER PROPERTY**, or property of any kind including, but not limited to intangible property.
2. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - a. An inventory computation; or
 - b. A profit or loss computation.

3. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **MONEY, SECURITIES, OTHER PROPERTY**, or property of any kind including, but not limited to intangible property.

III. Section VI. DEFINITIONS is amended to include the following:

AUTHORIZED PERSON means any officer or employee who has a 25% interest or greater ownership in any one or more of those entities named as **INSUREDS**, sole proprietor, director, trustee, natural person partner, LLC Manager or LLC Member who is authorized by the **Insured** to transfer, pay, or deliver **MONEY** or **SECURITIES** or to instruct **EMPLOYEES** to transfer, pay or deliver **MONEY** or **SECURITIES**.

COMMUNICATION means an electronic, telegraphic, cable, teletype, telephonic voice, telefacsimile, or written instruction received by an **EMPLOYEE** that:

1. directs the **EMPLOYEE** to transfer, pay, or deliver **MONEY** or **SECURITIES**;
2. contains a misrepresentation of a material fact; and
3. is relied upon by the **EMPLOYEE**, believing the material fact to be true.

COMPUTER PROGRAM means a set of related electronic instructions that direct the operations and functions of a **COMPUTER SYSTEM** or devices connected to it that enable the **COMPUTER SYSTEM** or devices to receive, process, store, retrieve, send, create or otherwise act upon **ELECTRONIC DATA**.

COMPUTER SYSTEM means:

1. any computer; and
2. any input, output, processing, storage or communication device, or any related network, cloud service, operating system, or application, that is connected to, or used in connection with such computer, that is rented by, owned by, leased by, licensed to, or under the direct operational control of, the **INSURED**.

ELECTRONIC DATA means facts or information converted to a form:

1. usable in a **COMPUTER SYSTEM**;
2. that does not provide instructions or directions to a **COMPUTER SYSTEM**; or
3. that is stored on electronic processing media for use by a **COMPUTER PROGRAM**.

FRAUDULENT INDUCEMENT means the intentional misleading of an **EMPLOYEE** by a person purporting to be:

1. a **VENDOR**
2. a **CLIENT**;
3. an **EMPLOYEE**; or
4. an **AUTHORIZED PERSON**,

through the use of a **COMMUNICATION**.

FRAUDULENT INDUCEMENT does not include **COMPUTER FRAUD** or **FUNDS TRANSFER FRAUD**.

VENDOR means an entity or natural person that has provided goods or services to the **Insured** under a genuine, preexisting:

1. written agreement; or
2. other agreed upon arrangement.

VENDOR does not include any **FINANCIAL INSTITUTION**, asset manager, armored motor vehicle company or similar entity.

IV. The following replaces section VI. DEFINITIONS, B. CLIENT:

B. **CLIENT** means any entity or individual for whom you provide goods or services under a written agreement or other agreed upon arrangement.

V. The following replaces section VI. DEFINITIONS, C. COMPUTER FRAUD:

C. **COMPUTER FRAUD** means **THEFT** of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **PREMISES** or **BANKING PREMISES** to a person (other than a **MESSENGER**) outside those **PREMISES** or to a place outside those **PREMISES**.

COMPUTER FRAUD does not include **FRAUDULENT INDUCEMENT** or **FUNDS TRANSFER FRAUD**.

VI. The following replaces section VI. DEFINITIONS, M. FUNDS TRANSFER FRAUD:

M. **FUNDS TRANSFER FRAUD** means:

1. an electronic, telegraphic, cable, teletype or telephone instruction fraudulently transmitted to a **FINANCIAL INSTITUTION** directing such institution to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from the **TRANSFER ACCOUNT** which instruction purports to have been transmitted by the **INSURED**, but was in fact fraudulently transmitted by someone other than the **INSURED** without the **INSURED's** knowledge or consent; or
2. a fraudulent written instruction, other than one covered under Insuring Agreement B., issued to a **FINANCIAL INSTITUTION** directing such **FINANCIAL INSTITUTION** to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from such **TRANSFER ACCOUNT** by use of an electronic funds transfer system at specified intervals or under specified conditions, which written instruction purports to have been issued by the **INSURED** but was in fact fraudulently issued, the result of **FORGERY**, or altered by someone other than the **INSURED** without the **INSURED's** knowledge or consent.

FUNDS TRANSFER FRAUD does not include **FRAUDULENT INDUCEMENT** or **COMPUTER FRAUD**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME PROTECTION PLUS PRO-PAK

This endorsement modifies the insurance provided under the following:

CRIME PROTECTION PLUS

I. Schedule of Additional Coverages and Condition Amendments:

The following is a summary of additional coverages and condition amendments provided by this endorsement. This endorsement is subject to the provisions of your policy. Specific exclusionary endorsements attached to the policy supersede coverage provisions contained in this endorsement.

Additional Coverages	Limit of Insurance	Page #
Include Expenses Incurred To Establish Amount of Covered Loss	The Lesser of \$100,000 or 25% of the Covered Loss	1
Computer Violation and Data Reconstruction Expense	The Lesser of \$50,000 or 25% of the Covered Loss	2
Condition Amendments	Revision	Page #
Insuring Agreement A.D. ERISA Fidelity Amendments	Amending Exclusions A, H, J and K to comply with ERISA requirements	3
Cancellation As To Any Employee	\$25,000	3
Consolidation – Merger	30% of your total assets	3
Loss Notice Threshold	Exceeds 25% of the applicable Deductible Amount	4
Definition Amendment	Amends definition of Employee to include terminated employees for 90 days	4

II. Additional Coverages

A. Include Expenses Incurred to Establish Amount of Covered Loss

The following is added to I. INSURING AGREEMENTS, A1. EMPLOYEE THEFT AND CLIENT PROPERTY:

3. Include Expenses Incurred to Establish Amount of Covered Loss

- a. We will pay for reasonable costs, fees or other expenses that you incur and pay to an independent accounting, auditing, or other similar service used to determine the amount of loss covered under this insurance.

- b. We will pay for reasonable costs, fees or other expenses after settlement of covered loss.
- c. Section IV. EXCLUSIONS, D.3., is deleted in its entirety and replaced with the following:
 "Payment of costs, fees or other expenses you incur in establishing the existence of loss under this policy."
- d. We will have no liability to pay any such costs, fees or other expenses if the amount of the covered loss does not exceed the Deductible Amount of the applicable Insuring Agreement. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance, shown in e. below.
- e. The most that we will pay for reasonable costs, fees or other expenses is limited to the lesser of the Limit of Insurance of \$100,000 or 25% of the Covered Loss. The amount that we will pay is part of, not in addition to, the Limit of Insurance for the EMPLOYEE THEFT AND CLIENT PROPERTY Insuring Agreement shown in the DECLARATIONS.

B. Computer Violation and Data Reconstruction Expense Coverage

The following is added to I. INSURING AGREEMENTS, F. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD:

3. Computer Violation and Data Reconstruction Expense Coverage

- a. We will pay for reasonable costs, fees or other expenses, other than your internal costs (such as **EMPLOYEE** salary or costs associated with restoring **DATA** from backup), incurred by you, with our prior written consent, to reproduce or duplicate **DATA** or computer programs damaged or destroyed by a **COMPUTER ATTACK**. If such **DATA** or computer programs cannot be duplicated from other **DATA** or computer programs, then we will also pay reasonable costs incurred for computer time, computer programmers, technical experts or consultants to restore such **DATA** or computer programs to substantially the same level or operational capability existing immediately before the covered loss. However, we will not pay for any expenses incurred by a **CLIENT**.
- b. We will pay for reasonable costs, fees or other expenses after restoration of **DATA** is completed.
- c. The following, when used in this section, are defined as follows:
 1. **COMPUTER ATTACK** means **UNAUTHORIZED ACCESS OR USE** or transmission or receipt of a **CYBERTOXIN** that alters, corrupts, destroys, disrupts, deletes, or damages **DATA**, provided any of the foregoing is intentional, and specifically targeted at you. Recurrence of the same **CYBERTOXIN** after the insured **COMPUTER NETWORK** has been restored shall be considered a separate **OCCURRENCE**.
 2. **COMPUTER NETWORK** means computer hardware, software, firmware, storage media, and components thereof, including electronic **DATA** stored thereon, which are linked together through a network of two or more computers, including such networks accessible through the **INTERNET** and any extranets, intranets, or virtual private networks. **COMPUTER NETWORK** shall also include off-line media libraries.
 3. **CYBERTOXIN** means an unauthorized corrupting or harmful piece of code. **CYBERTOXIN** includes, but is not limited to, computer viruses, adware, spyware, Trojan horses, worms, nematodes and time or logic bombs.

4. **DATA** means information electronically stored or processed in a **COMPUTER NETWORK**.
 5. **INTERNET** means a worldwide network of computer networks that facilitate data transmission and exchange, including any future form the **INTERNET** might take.
 6. **UNAUTHORIZED ACCESS OR USE** means the gaining of access to a **COMPUTER NETWORK** by an unauthorized person or persons or the use of a **COMPUTER NETWORK** by an unauthorized person or persons or an authorized person or persons in an unauthorized manner.
- d. We will have no liability to pay any such costs, fees or other expenses if the amount of the covered loss does not exceed the Deductible Amount of the applicable Insuring Agreement. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance, shown in e. below.
 - e. The most that we will pay for reasonable costs, fees or other expenses is limited to the lesser of the Limit of Insurance of \$50,000 or 25% of the Covered Loss. The amount that we will pay is part of, not in addition to, the Limit of Insurance for the **COMPUTER FRAUD AND FUNDS TRANSFER FRAUD** Insuring Agreement shown in the **DECLARATIONS**.

III. Insuring Agreement A2. ERISA Fidelity Amendments

The following amendments apply solely as respects coverage afforded under Insuring Agreement A.2. ERISA FIDELITY:

- A. Exclusion A. is deleted and replaced by the following:
 - A. Loss resulting from **THEFT** or any other dishonest or fraudulent act committed by:
 1. You; or
 2. Any of your partners or **MEMBERS**; or
 3. Any officer or employee who has a 25% interest or greater ownership interest in any one or more of those entities named as **INSUREDS**

Whether acting alone or in collusion with other persons, except while handling **MONEY**, **SECURITIES**, or **OTHER PROPERTY** of an **EMPLOYEE BENEFIT PLAN(S)**.

- B. Exclusion H is deleted in its entirety.
- C. Exclusion J. is deleted and replaced with the following:
 - J. 1. The disclosure or use of another person's or organization's confidential or personal information, except as provided in Paragraph 2
 2. The disclosure of your or an **EMPLOYEE BENEFIT PLAN** participant's confidential or personal information. However, this Paragraph (2) does not apply to loss otherwise covered under Insuring Agreement A.1. that results directly from the use of your or an **EMPLOYEE BENEFIT PLAN** participant's confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, retirement or health savings account information or any other type of nonpublic information.

D. Exclusion K. 3 and K.4. are deleted in their entirety.

IV. Section V. Conditions Amendments

A. Amended Cancellation As To Any Employee

Section V. CONDITIONS, Paragraph A., is deleted in its entirety and replaced with the following:

A. Cancellation as to any **EMPLOYEE**

1. This policy is cancelled as to any **EMPLOYEE**:

a. Immediately upon discovery by:

(i) You; or

(ii) Any of your partners, **MEMBERS, MANAGERS**, officers, directors or trustees not in collusion with the **EMPLOYEE**;

of **THEFT** or any other dishonest act committed by the **EMPLOYEE** whether before or after becoming employed by you, unless the amount of such loss is \$25,000 or less.

2. On the date specified in a notice mailed to the first Named Insured. That date will be at least 60 days after the date of mailing.

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

B. Amended Consolidation – Merger Condition

Section V. CONDITIONS, Paragraph E., is deleted in its entirety and replaced with the following:

E. Consolidation – Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become **EMPLOYEES**, or you acquire the use and control of any additional **PREMISES**:

1. You must give us written notice and obtain our written consent to extend this insurance to such additional **EMPLOYEES** or **PREMISES**. We may condition our consent upon payment of an additional premium;

2. For the first 90 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities, any insurance afforded for **EMPLOYEES** or **PREMISES** also applies to these additional **EMPLOYEES** or **PREMISES** for acts committed or events occurring within this 90-day period, or prior to the end of the policy period, whichever occurs first.

If the consolidation or merger with, or purchase of assets of some other entity exceeds 30% of your assets, we require the insured to notify us within 90 days and provide any

underwriting information the underwriter requires, at which time the underwriter will determine whether coverage will be extended for this transaction and whether an additional premium will apply.

However, we agree to automatically extend such coverage, without the payment of an additional premium for the remainder of the Policy Period, as is afforded under this policy to any consolidation or merger with, or purchase of assets of, some other entity which has less than 30% of your total assets as reflected on your most recent fiscal year-end financial statement.

C. Amended Loss Notice Threshold

Section V. CONDITIONS, Paragraph H., is deleted in its entirety and replaced with the following:

H. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to **MONEY**, **SECURITIES**, or **OTHER PROPERTY** that exceeds 25% of the applicable Deductible Amount, you must:

1. Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreements A1., A2. or B.) involves a violation of law, you must also notify the local law enforcement authorities.
2. Submit to examination under oath at our request and give us a signed statement of your answers.
3. Give us a detailed, sworn proof of loss within 120 days.
4. Cooperate with us in the investigation and settlement of any claim.

V. Definition Amendment

Section VI. DEFINITIONS, Paragraph F. 1 and 2 are deleted in their entirety and replaced with the following:

F. **EMPLOYEE:**

1. Any natural person:
 - a. While in your service or for 90 days after termination of service;
 - b. Whom you compensate directly by salary, wages or commissions; and
 - c. Whom you have the right to direct and control while performing services for you;
2. Any natural person who is furnished temporarily to you:
 - d. To substitute for a permanent **EMPLOYEE** as defined in Paragraph 1. above, who is on leave; or
 - e. To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **PREMISES**.

All other terms and conditions remain unchanged.

IMPORTANT NOTICE DISCOVERY OPTION

When Discovery Option in Item 4. of the Declarations Page is executed, please note the following:

1. We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
 - a. During the policy period shown in the Declarations; or
 - b. During the period of time provided in V. CONDITION K. Extended Period to Discover Loss
2. Discovery of loss occurs when you first become aware of facts, which would cause a reasonable person to assume that a loss covered by this policy has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

CRIME PROTECTION PLUS

A. The following is added to Paragraph (2) of the Cancellation Of Policy Condition:

We may cancel this policy 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.

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

NONRENEWAL

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.

C. The following is added as Section V. Conditions A.1 a. (iii):

(iii) Any official or employee authorized to manage, govern or control your "employees" who is not in collusion with the "employee";

D. The following is added with respects to any Governmental Property and supersedes any language to the contrary:

1. If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund.

The refund will be pro rata if:

- a. We cancel this policy; or
- b. The first Named Insured cancels this policy because:
 - (1) We refused to provide additional coverage which the first Named Insured requested under the policy; or
 - (2) We reduced or restricted coverage under the policy without the consent of the first Named Insured.

The refund may be less than pro rata if the first Named Insured cancels this policy for a reason other than those listed in b.(1) and b.(2) above.

2. The following provisions are added to the Cancellation Condition:

- a. If this policy has been in effect for 90 days or less and is not a renewal of a policy we issued, we may cancel coverage on one – and two-family dwellings and on governmental units for any reason.

- b. If this policy has been in effect for more than 90 days or is a renewal of a policy we issued, we may cancel coverage on one – and two-family dwellings and on governmental units only for the following reasons:
 - (1) If the first Named Insured does not pay the premium or any portion of the premium when due;
 - (2) 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;
 - (3) If the Named Insured submits a fraudulent claim; or
 - (4) If there is an increase in the hazard covered by this policy that is within the control of the Named Insured and would produce an increase in the premium rate of this policy.
- c. If such coverage is cancelled, we will, at the request of the Named Insured, provide a written statement of the reason or reasons for such cancellation.
- d. In compliance with Texas law, we will not cancel such coverage solely because the policyholder is an elected official.

E. The following condition is added:

NONRENEWAL GOVERNMENTAL PROPERTY

- 1. If we elect not to renew coverage on one – and two-family dwellings or on governmental units, we will mail or deliver written notice of nonrenewal to the first Named Insured and any mortgageholder shown in the Declarations, at least 30 days before the expiration date. Proof of mailing will be sufficient proof of notice.

We will, at the request of the Named Insured, provide a written statement of the reason or reasons for such nonrenewal.

If we fail to give the first Named Insured proper notice of our refusal to renew, the first Named Insured may require us to renew the policy.
- 2. We may elect not to renew such coverage for any reason, subject to the exceptions and limitations in Paragraphs 3. and 4. below.
- 3. We will not refuse to renew coverage:
 - a. Solely because the policyholder is an elected official; or
 - b. Because of claims for losses resulting from natural causes.
- 4. Claims That Do Not Result From Natural Causes
 - a. If we have previously notified you as provided in b. below, we may refuse to renew coverage if the Named Insured has filed under this policy, in any three-year period, three or more claims that do not result from natural causes.
 - b. If the Named Insured has filed two such claims in a period of less than three years, we may notify the first Named Insured in writing that, if the Named Insured files a third such claim during the three year period, we may refuse to renew coverage.
 - c. A claim does not include a claim that is filed but is not paid or payable under the policy.

TEXAS POLICYHOLDER NOTICE

The Philadelphia Indemnity Insurance Company has recently bound your commercial auto, general liability, or professional liability insurance policy. We look forward to serving both your underwriting and loss control needs and expectations while being insured with Philadelphia Indemnity Insurance Company.

Philadelphia Indemnity Insurance Company is required to inform its policyholders of certain risk management services available **as required under provisions of Articles 5.06-4, 5.15-2,3 of the Texas Insurance Code (TIC)**. These services include loss control surveys, location specific risk assessments and consultations, recommendation reporting, technical loss control training materials, and on-site safety training. In addition, the risk management program includes guidelines for the following areas:

- A. Safety Measures, including, as applicable, the following areas:
 - 1. Fleet and general liability safety practices
 - 2. Accidental occurrences
 - 3. Fire hazards and fire prevention and detection
 - 4. Liability for acts from the course of business
 - 5. Slip and fall hazards
 - 6. Product Injury
 - 7. Hazards unique to a particular class of policyholders

- B. Insured training in safety management techniques

- C. Safety management counseling services

Additional safety and risk management information is also available from PIIC via the internet at www.phly.com. Please register with your account information to obtain immediate access.

If you would like additional information about PIIC Loss Control services, please call the Philadelphia Indemnity Insurance Company Loss Control Department at (800) 873-4552 opt. #4. If you have any questions about this requirement, you may call the Texas Department of Insurance at 800 578-4677.

IMPORTANT NOTICE

To obtain information or make a complaint:

1. You may call Philadelphia Indemnity Insurance Company's toll-free telephone number for information or to make a complaint at

1-800-438-7459

2. You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

1-800-252-3439

3. You may write to Philadelphia Indemnity Insurance Company at

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
FAX # (610) 617-7940

4. You may write the Texas Department of Insurance at

P.O. Box 149104
Austin, TX 78714-9104
FAX # (512) 475-1771

5. **PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim you should contact Philadelphia Indemnity Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

6. **ATTACH THIS NOTICE TO YOUR POLICY:**

This notice is for information only and does not become a part or condition of the attached document.

PI-Notice-TX (6/97)