

Timothy Thomas
310 Clover Leaf Dr
Golden Valley, MN 55422



P.O. Box A-H • 39 Public Square
Wilkes-Barre, PA 18703-0029
1-800-673-2465
www.guard.com

WE'RE HERE TO HELP.

During these extraordinary times, Berkshire Hathaway GUARD wishes to reaffirm our commitment to our policyholders and sincerely thank you for your business. We stand ready to protect you in good times *and* bad.

We want to retain your business and recognize the financial hardship being faced by many of our customers. We want you to know that we are here to help.

If you or your business is experiencing a financial difficulty due to the COVID-19 pandemic and would like to discuss alternative ways to keep your insurance coverage active with us, please contact your insurance agent or our Customer Service staff directly at 1-800-673-2465 or via email at csr@guard.com or via online chat through our Policyholder Service Center available at www.guard.com.

On behalf of the entire Berkshire Hathaway GUARD Team, I wish you and your family the best in the weeks and months ahead.

Sincerely,

A handwritten signature in black ink that reads "Sy Foguel". The signature is written in a cursive, flowing style.

Sy Foguel
CEO/President



In cooperation with
NOVUS
UNDERWRITERS INC

Timothy Thomas
310 Clover Leaf Dr
Golden Valley, MN 55422

A Warm Welcome From Berkshire Hathaway GUARD And NOVUS UNDERWRITERS INC! Thanks For Selecting Us.

NOVUS UNDERWRITERS INC and Berkshire Hathaway GUARD Insurance Companies are pleased to have the opportunity to serve you by providing the quality products and attentive customer service you deserve. If you have a question about your Businessowner's Policy, our combined professional staff will be available to assist you.

Contact Your Agent for:

- Coverage changes and issues
- Policy features
- Endorsement issues

Phone: 949-701-4613

FAX: 949-891-0224

Available during regular business hours

Contact Berkshire Hathaway GUARD Insurance Companies for:

- Billing Inquiries
- Claims questions
- Loss control services.

Phone: 800-673-2465

FAX: 570-823-2059

E-mail: csr@GUARD.com

Monday through Friday; 8:00 AM to 7:30 PM EST
(E-mail and voice mail after hours)

To report a claim, call us at 888-NEW-CLMS — 24/7. The information below will be needed by you to complete this process. Specific instructions on reporting claims are included in the enclosed policy packet.

- Your **Policy Number** Is TIBP211633
- Your **Insurance Carrier** Is AmGUARD Insurance Company
- Your Policy **Effective Date** Is 03/02/2021

To report fraud, contact our Fraud Investigative Unit at 800-673-2465.

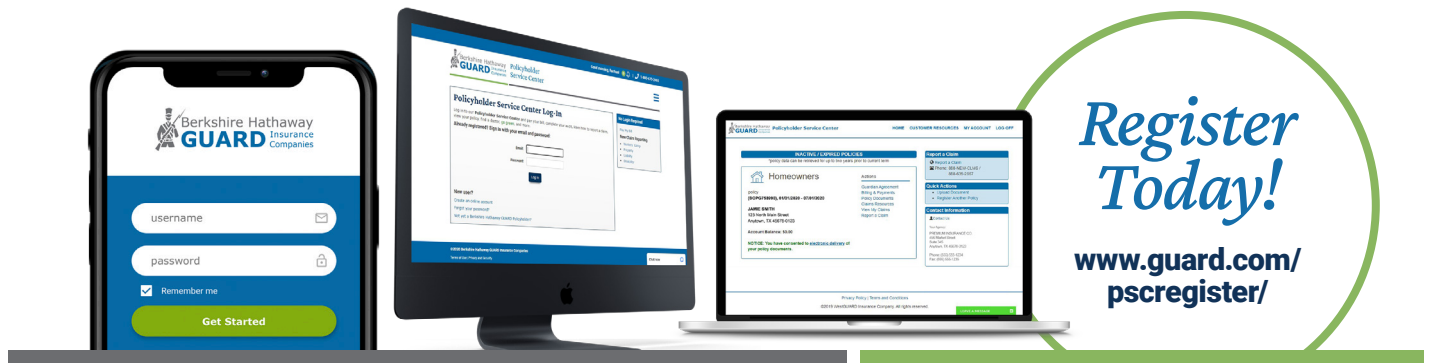
Use our Policyholder Service Center at www.guard.com to quickly and easily:

- Make and track payments
- Secure Certificate of Insurances
- View important policy information.
- Check the status of a claim

We appreciate your business and look forward to the opportunity to serve your insurance needs. Please keep a copy of this letter with your Berkshire Hathaway GUARD Insurance Companies policy for future reference.

enclosed: Businessowner's Policy # TIBP211633

DOWNLOAD OUR MOBILE APP! Policyholder Service Center



Register
Today!

[www.guard.com/
pscregister/](http://www.guard.com/pscregister/)

We value our policyholders, so we take advantage of technology to offer fast and easy online self-service solutions.

Available from www.guard.com/pscregister/ or mobile app, our *Policyholder Service Center* is the gateway to a wide range of resources used by our customers to manage their insurance with us. From reporting a claim to making a payment online to reviewing helpful loss control information, our service center is designed to offer convenient access to the tools you use most!

Our BHGUARD mobile app offers many of the same features with the latest technology always in mind. Get the app on Google Play or download from the Apple App Store, today!
Need help? Contact 1-800-673-2465 or csr@guard.com.

COVERAGE-SPECIFIC FEATURES

Workers' Compensation

- Find a physician
- Complete a premium audit
- Download state posting notices
- Implement a return-to-work program
- Report payroll (self-reporting policy)

Commercial Auto

- Access vehicle insurance ID cards
- View all vehicles under a policy

ACCOUNT MANAGEMENT

- View and print policy documents
- Generate a Certificate of Insurance (COI)
- Download loss control materials
- Search our video library
- Chat live with a representative
- Go paperless
- Access other news and resources

BILLING & PAYMENTS

- Make a credit card payment
- Transfer funds from your bank
- Submit multi-policy payments
- Set up re-occurring payments
- View billing history

CLAIMS

- Report a new claim
- Upload photos and documents
- View policy loss history
- Monitor the status of a claim
- Chat with an adjuster

Visit www.guard.com/pscregister/ or download the BHGUARD app today!

Download the BHGUARD app
**POLICYHOLDER
SERVICE CENTER**



Some features and resources are only available for specific lines of insurance. Not all features may be currently available on the mobile app. Insurance may be underwritten by AmGUARD Insurance Company, EastGUARD Insurance Company, NorGUARD Insurance Company, and/or WestGUARD Insurance Company, members of Berkshire Hathaway GUARD Insurance Companies (BHGC) with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. © BHGC September 11, 2020.

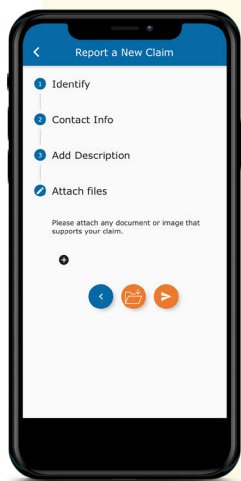
FLPSC091120

OUR SERVICES

Claims Reporting



We encourage policyholders to inform us of incidents, accidents, and potential claims as soon as possible so that we can get right to work! Prompt reporting can be key to a successful resolution. Only the administration of emergency care comes first.



WAYS TO REPORT A CLAIM



Call 1-888-NEW-CLMS
(1-888-639-2567)



Log into our *Policyholder Service Center* at guard.com/psregister



Get the BHGUARD app from the App Store or Google Play



Visit guard.com to complete an online form

HELPFUL INFORMATION FOR EXPEDITING YOUR CLAIM

- Policy number
- Description of how, when, and where the incident occurred
- Names, addresses, phone numbers of any injured/involved parties or witnesses
- The insured driver's name, address, phone number (for Commercial Auto claims)
- The employer's tax ID number, the injured/ill employee's SSN and personnel file and any accident reports (for Workers' Compensation claims)
- Legal correspondence (for Liability claims)
- Special forms for Disability claims available on guard.com

TIPS FOR CONTROLLING THE LOSS

- Take reasonable steps to protect any covered persons, property, autos, etc., from immediate further harm or damage and keep a record of any expenses incurred in the process for consideration in the settlement. If possible, set property aside for examination.
- Allow our adjusters to officially inspect the property/auto before any non-immediate repairs or disposition take place.
- Promptly notify the police of any stolen property or suspected illegal activity.
- Preserve any closed-circuit surveillance video.
- If possible, photograph the scene; cell phone pictures can be helpful.

CONTACT US

1-888-NEW-CLMS

GUARDClaimsTeam@guard.com

Fax: 570-825-0611

Berkshire Hathaway GUARD
P.O. Box 1368
Wilkes-Barre, PA 18703-1368

Insurance may be underwritten by AmGUARD Insurance Company®, EastGUARD Insurance Company®, NorGUARD Insurance Company®, WestGUARD® Insurance Company, or AZGUARD™ Insurance Company, members of Berkshire Hathaway GUARD Insurance Companies (BHIGIC) with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701. All claims will be evaluated upon submission. We will not pay for any subsequent loss or damage resulting from an occurrence that is not a "Covered Cause of Loss." Only the relevant insurance policy and endorsements can provide the actual terms and conditions for an insured. Some restrictions, all state laws, and all company claims/underwriting guidelines apply. © BHIGIC 2020.

Issued: 01/26/2021

**AmGUARD Insurance Company
A Stock Company**

Policy No.:
TIBP211633

Renewal of: TIBP126305

POLICY INFORMATION PAGE

[1] Named Insured and Mailing Address

Timothy Thomas
310 Clover Leaf Dr
Golden Valley, MN 55422

[2] Agency

NOVUS UNDERWRITERS INC
2601 Main Street
Suite 720
Irvine, CA 92614

[3] Policy Period

From March 2, 2021 to March 2, 2022, 12:01 AM, standard time at the insured's mailing address.

[4] Description of Business

Lessors of Residential Buildings and Dwellings

[5] Coverage

This policy consists of the Coverage Forms listed on the **Schedule of Forms and Endorsements (IIT SF 01 05)**.

[6] Premium

The premium shown below may be subject to adjustment.

Terrorism - Certified Acts	Excluded
TOTAL POLICY PREMIUM	\$3,768.00
Fire Safety Surcharge	\$16.50
TOTAL PAYABLE	\$3,784.50

[7] Payment of Premium

In return for your payment of premium, and subject to all terms of this policy, we agree with you to provide insurance as stated in this policy.

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

SECTION I – PROPERTY COVERAGES AND LIMITS OF INSURANCE

LOCATION: 001 BUILDING: 001
3600 Stevens Ave
Minneapolis, MN 55409-1349
Hennepin County

Property Deductible: \$1,000
Wind/Hail Deductible: N/A
Optional Coverages/Glass Deductible: \$500
Classification: 65144 - Apartment Buildings - 4 families or fewer - NO office occupancy

COVERAGES:

Awnings Coverage

Limit	\$2,500
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Building Coverage

Limit	\$976,873
Valuation	Replacement Cost
Inflation Guard %	4

Liability

IMPORTANT NOTE	THIS COVERAGE IS RATED BASED ON AN ESTIMATE AND IS SUBJECT TO AUDIT
Limit	Included

Accounts Receivable

On-Premises Limit	\$25,000
Off-Premises Limit	25,000

Apartment Buildings Coverage

Pollutant Clean-Up and Removal	\$25,000
Reward Payment	Up to \$5,000
Ordinance or Law - Equipment Coverage	Building/BPP Limit
Lock Replacement	\$5,000 per occurrence
Tenant Move Back Expenses	\$15,000 per occurrence
Tenants' Property Legal Liability Coverage	\$10,000 per occurrence
Lock-Out or Sale, Removal and Disposal Liability Coverage	\$5,000
Heating or Air Conditioning Loss Reimbursement Coverage	\$5,000/\$10,000

Debris Removal

Limit	25%/\$10,000
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Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail

Coverage	Refer to form BP 99 249
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Ordinance or Law - Increased Cost Of Construction

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

Limit	\$10,000
Outdoor Property	
Limit	\$10,000
Outdoor Signs - Optional Coverage	
Limit	\$5,000
Valuable Papers and Records	
On-Premises Limit	\$25,000
Off-Premises Limit	\$25,000
Water Back-up and Sump Overflow	
Covered Property Limit	\$25,000
Business Income and Extra Expense Limit	\$25,000

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

SECTION II – LIABILITY COVERAGES AND LIMITS OF INSURANCE

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Businessowners Coverage form and any attached endorsements.

<u>Coverage</u>	<u>Limits of Insurance</u>
Liability and Medical Expenses - Each Occurrence	\$1,000,000
General Aggregate (Other than Products and Completed Operations)	\$2,000,000
Personal & Advertising Injury	Included
Products & Completed Operations Aggregate	\$2,000,000
Medical Expenses (Each Person)	\$5,000
Liability Property Damage Deductible	0
Liability Deductible - Bodily Injury	None

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

POLICY WIDE COVERAGES AND LIMITS OF INSURANCE

Appurtenant Structures

Limit \$50,000 combined Building/BPP

Bed Bug-Kissing Bug Liability Coverage

Limit Excluded

Business Income & Extra Expense

Limit ALS UP TO 12 MONTHS

Damage To Premises Rented To You

Limit \$50,000

Electronic Data

Limit \$10,000

Employee Dishonesty

Limit 10000

Fire Department Service Charge

Limit 25000

Fire Extinguisher Systems Recharge Expense

Limit \$5,000

Forgery or Alteration

Limit 10000

Fungi, Wet Rot, Dry Rot & Bacteria (Mold)

Property Limit \$15,000

Business Income/EE Number of Days 30

Liability Coverage Option Exclude Coverage

Glass Expense

Limit Actual Loss Sustained

Interruption of Computer Operations

Limit \$10,000

Loss by Theft of furs, fur garments, garments trimmed with fur

Limit \$2,500

Loss by Theft of jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals

Limit \$5,000

Loss by Theft of patterns, dies, molds and forms

Limit \$2,500

Money Orders and "Counterfeit Money"

Limit \$1,000

Newly Acquired Or Constructed Property - Buildings

Limit 25% of Building Limit/Not more than \$500,000/Bldg

Newly Acquired Or Constructed Property - Business Personal Property

Limit \$250,000

Personal Effects

Limit \$5,000

Personal Property Off Premises

Limit \$10,000

Pollutant Clean Up and Removal

Limit \$10,000

Preservation of Property

Limit Within 30 Days

Terrorism

Certified Acts EXC

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

BUSINESSOWNERS POLICY DECLARATIONS

Issued: 01/26/2021

Policy No.: TIBP211633

Effective Date: 03/02/2021

SCHEDULE OF FORMS AND ENDORSEMENTS

<u>Form Number</u>	<u>Title</u>
COVID-19	COVID-19 Message
BP WEL LET	Welcome Letter
IIT DS 01 05	Businessowners Policy Declarations
BP 00 03 01 10	Businessowners Coverage Form
BP IN 01 01 10	Businessowners Coverage Form Index
END SCHD	Schedule Of Forms And Endorsements
BP SMOKING	Apartment Building Smoking Flyer
IL 99 00 08 13	Authorization and Attestation
IL P 001 01 04	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholder
PRIV POL	Privacy Policy
BP 99 MN 01 18	MN Policy Customizations
BP 01 25 05 20	Minnesota Changes
BP 04 17 01 10	Employment - Related Practices Exclusion
BP 05 01 07 02	Calculation Of Premium
BP 05 24 01 15	Exclusion Of Certified Acts Of Terrorism
BP 05 41 01 15	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
BP 07 75 01 10	Apartment Buildings
BP 14 84 07 13	Windstorm or Hail Exclusion
BP 15 04 05 14	Exclusion – Access or Disclosure of Confidential or Personal Information and Data-related Liability - With Limited Bodily Injury Exception
BP 99 09 01 10	Fungi or Bacteria Coverage Exclusion
BP 99 10 09 08	Exclusion – Liability for Hazards of Lead
BP 99 11 09 08	Exclusion – Bed Bug - Kissing Bug
BP 99 188 06 16	Deductible Endorsement - Property
BP 99 249 07 17	Exclusion of Cosmetic Damage to Roof Coverings Caused by Hail - Scheduled Buildings
BP 99 401 10 19	Matching Exclusion
BP 99 60 03 12	Water Back-up and Sump Overflow



***DON'T BE
THE CAUSE!***

Each year, smoking-related fires result in millions of dollars in damages to property and structures as well as injuries and death.

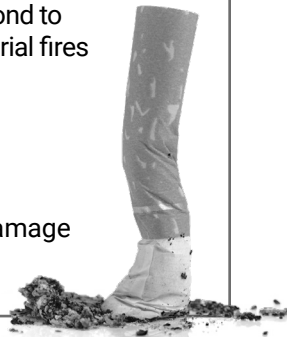
Risks can be minimized by following best-practices like: (1) discouraging or prohibiting smoking within residences; (2) emphasizing the importance of properly disposing cigarette/cigar butts and matches; (3) establishing designated outside smoking areas away from buildings or structures; and (4) providing outdoor ashtrays or receptacles where smokers can safely dispose of smoking materials.

THE IMPACT OF SMOKING FIRES

Annually, U.S. fire departments respond to approximately 18,100 smoking-material fires that result in:

- **590** deaths
- **1,130** injuries
- **\$476 million** in direct property damage

* annual averages from 2012-2016.



Other tips for homeowners, tenants, and businesses include:

- Smoke outside.
- Don't throw smoking materials (butts, matches, ashes, etc.) into vegetation, potted plants, dried grass areas, mulch, or landscaping.
- If you are drowsy, put out your cigarette, cigar, etc.
- When smoking, use deep, sturdy ashtrays placed on a sturdy solid, hard-to-ignite surface.
- Never leave a lit cigarette, cigar, etc. unattended.
- Never smoke in an area where oxygen is used.
- Before you throw out butts and ashes, make sure they are OUT. (Dowsing in water or sand is best.)
- Periodically check and clean designated smoking areas; look under and between furniture cushions and in other places for materials that may have fallen out of sight.

Contact us: ☎ 1-800-673-2465 @ csr@guard.com 🌐 www.guard.com



*Source: "Home Fires Started by Smoking" January 2019 National Fire Protection Association (NFPA). <https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Smoking-Materials>

This information is provided by Berkshire Hathaway GUARD Insurance Companies (BHIGIC) with principal place of business at 39 Public Square, Wilkes-Barre, PA 18701 and is designed to provide a general overview, and should NOT replace the guidance, advice, or recommendations from licensed insurance or legal professionals, other industry experts, or state and federal authorities. © BHIGIC September 2020.

THIS ENDORSEMENT AUTHORIZES THE POLICY.

AUTHORIZATION AND ATTESTATION

This endorsement authorizes the insurance contract between you and the GUARD insurance company subsidiary listed on the DECLARATIONS PAGE of your insurance policy.

In Witness Whereof, this page executes and fully attests to this policy. If required by state law, the policy shall not be valid unless countersigned by our authorized representatives.

Authorizing signatures



Matthew O'Connor
General Counsel and Secretary



Sy Foguel, ACAS, FILAA
Chief Executive Officer and President

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.

PRIVACY POLICY

Rev. February, 2020

WHAT DO BERKSHIRE HATHAWAY GUARD INSURANCE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

FACTS	
	Berkshire Hathaway GUARD Insurance Companies include: AmGUARD Insurance Company, AZGUARD Insurance Company, EastGUARD Insurance Company, NorGUARD Insurance Company, WestGUARD Insurance Company, GUARDCo, Inc., (a medical management affiliate).
Why?	Financial Companies choose how they share your personal information. Federal and State law gives consumers the right to limit some, but not all, sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend upon the product or service you have with us. This information can include: <ul style="list-style-type: none"> • Social Security Number, date of birth, driving record, income • Credit history, credit-based insurance scores, insurance claim history, payment history When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies may need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies share their customers' personal information; the reasons we choose to share; and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	Does Berkshire Hathaway GUARD share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, comply with government agency examinations/procedures, or report your creditworthiness.	Yes	No
For our marketing/processing purposes— to offer our products and services to you. (We may also disclose information received from you with companies that perform services for us.)	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences.	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	Yes	Yes
For our affiliates to market to you	Yes	Yes
For non-affiliates to market to you	Yes	Yes
To limit our sharing	Call Customer Service at 1-800-673-2465 or visit us online at www.guard.com/privacy/ . Please note: If you are a new customer, we can begin sharing your information 30 days from the date we provided this notice. When you are no longer our customer, we continue to share your information as described in this notice in accordance with applicable law. However, you can contact us at any time to limit our sharing in accordance with the table above.	
Questions?	Call Customer Service at 1-800-673-2465.	

Who we are	
Who is providing this notice?	Berkshire Hathaway GUARD Insurance Companies (including property and casualty licensees AmGUARD Insurance Company, AZGUARD Insurance Company, NorGUARD Insurance Company, EastGUARD Insurance Company, and/or WestGUARD Insurance Company as well as GUARDCo, Inc.) is providing this notice. References in this form to "us", "we" or "our" refers to these companies.
What we do	
How do we protect your personal information?	To protect your personal information from unauthorized access and use, we implement security measures that comply with applicable law. These measures include computer safeguards and secured files and buildings.
How do we collect your personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> • apply for insurance • pay insurance premiums • file an insurance claim • give us your income information • give us your contact information. <p>We also collect your personal information from others (such as credit bureaus, affiliates, or other companies) including, for example, from:</p> <ul style="list-style-type: none"> • your insurance agent or producer • your transactions with our affiliates listed below or other consumer reporting agencies.
Why can't I limit all sharing?	<p>Applicable law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates everyday business purposes – information about your creditworthiness and insurability • affiliates from using your information to market to you • sharing for non-affiliates to market to you.
What happens when I limit sharing for a policy I hold jointly with someone else?	Your choices will apply to everyone on your policy.
Definitions	
Affiliates	<i>Companies (other than the companies identified in "Facts" above) that are related to us by common ownership or control of Berkshire Hathaway Inc. Affiliates can be financial and nonfinancial companies.</i>
Non-affiliates	<i>Companies not related to us by common ownership or control, which can be financial and nonfinancial companies.</i>
Marketing	<i>The promotion or advertising of insurance products or services to you. Marketing partners may include, but are not limited to, insurance licensees such as insurance agents appointed by us or their affiliates.</i>
Other Important Information	
Important Information about Credit Reporting: We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report.	
For California Residents: If you opt out, we will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process your transactions or to maintain your account. Please visit www.guard.com/privacy-policy/ to review our California Privacy Policy.	
For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MN POLICY CUSTOMIZATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is a summary of the coverages and limits provided by this endorsement. For complete details on specific coverages, see the applicable coverage wording. The limits of insurance stated in this endorsement apply unless higher limits are shown in the Declarations.

SCHEDULE OF LIMIT CHANGES

Section I – Property

<u>Coverage</u>	<u>BP 00 03 Limit</u>	<u>Revised Limit</u>
Accounts Receivable \$5,000 not at premises	\$10,000 at premises \$25,000 not at premises	\$25,000 at premises
Appurtenant Structures	n/a	\$50,000
Awnings	Included in Building Limit	\$2,500
Business Income Dependent Properties Within 1,000 feet of premises	Included in Dependent Properties	\$2,500
Civil Authority – Curfew	Included in Civil Authority	\$5,000
Employee Dishonesty	Optional	\$10,000
Fire Department Service Charge	\$2,500	\$25,000
Forgery Or Alteration	\$2,500	\$10,000
Loss or Damage by Theft Jewelry, Watches, etc.	\$2,500	\$5,000
Newly Acquired Or Constructed Property Buildings	\$250,000	25% Buildings Limit/ \$500,000 each Building
Business Personal Property	\$100,000	\$250,000
Outdoor Property / any one tree, shrub or plant	\$2,500 / \$1,000	\$10,000 / \$1,000
Outdoor Signs	Optional	\$5,000 all outdoor signs
Personal Effects	\$2,500	\$5,000
Premises Boundary Increased	100 feet	1,000 feet
Valuable Papers And Records	\$10,000 at premises \$5,000 not at premises	\$25,000 at premises \$25,000 not at premises

Section II – Liability

<u>Coverage</u>	<u>BP 00 03 Limit</u>	<u>Revised Limit</u>
Supplementary Payments - Cost Of Bail Bonds	\$250	\$1,000

Supplementary Payments - Loss Of Earnings \$250

\$500/day

Any reference in **Section I — Property** of the Business-owner's Coverage Form to within 100 feet of the described premises is amended to read within 1,000 feet of the described premises.

Section I – Property, A.1., Covered Property is amended as follows:

1. The following is added to Paragraph a.
 - (7) Building Glass, meaning glass that is part of a building or structure.

Section I – Property, A.4., Limitations is amended as follows:

1. Paragraph b.(2) is deleted.
2. Paragraph c. is deleted and replaced with the following:
 - c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$5,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.
3. Paragraph d. is added:
 - d. For loss or damage by any covered cause of loss, we will only pay up to \$2,500 per occurrence for awnings.

Section I – Property, A.5., Additional Coverages is amended as follows:

1. Paragraph c. **Fire Department Service Charge** is replaced with the following:

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

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
2. The following is added to Paragraph i. – **Civil Authority**:

The most we will pay for loss of Business Income or Extra Expense caused by a reduction in your normal hours of operation required to comply with an action of civil authority that imposes a curfew in the area in which the premises are located is \$5,000.

3. Paragraph k. - **Forgery Or Alteration** - Paragraph (4) is replaced with the following:

(4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$10,000, unless a higher Limit of Insurance is shown in the Declarations.

4. Paragraph A.5.m. **Business Income From Dependent Properties** in **Section I – Property** is amended as follows:

a. Paragraph (1) is deleted and replaced with the following:

(1) We will pay for the actual loss of Business Income you sustain due to a direct result of physical loss or damage at the premise of a dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply to loss of Business Income incurred as a result of unfavorable business conditions or as a result of damage (other than damage at the premises of a dependent property) caused by the impact of the Covered Cause of Loss in the area where the dependent properties are located.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

b. Paragraph (4) is deleted and replaced with the following:

(4) Dependent property means property owned by others whom you depend on to:

- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business provided such property is located within 1,000 feet of the premises described in the Declarations or is the property of the lead tenant in a shopping center or shopping mall that includes such premises. The most we will pay under this paragraph (d) is \$2,500.

The dependent property must be located in the coverage territory of this policy.

- (1) Fences, trees, shrubs and plants, including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Explosion;
 - (d) Riot or Civil Commotion; or
 - (e) Aircraft.
- (2) Radio and television antennas (including satellite dishes), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:
 - (a) Fire;
 - (b) Lightning;
 - (c) Windstorm (unless there is an exclusion endorsement excluding Windstorm applicable to the location where this endorsement also applies);
 - (d) Ice, Snow, Sleet or Hail (with respect to Hail, unless there is an exclusion endorsement excluding Hail applicable to the location where this endorsement also applies);
 - (e) Explosion;
 - (f) Riot or Civil Commotion; and
 - (g) Aircraft.

The most we will pay for loss or damage under this Extension is \$10,000, unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

Section I – Property, A.6., Coverage Extensions is amended as follows:

- 1. The last paragraph in Paragraph a. – **Newly Acquired Or Constructed Property** under (1) **Buildings** is replaced with the following:

The most we will pay in any one occurrence for loss or damage under this Extension is 25% of the Limit of Insurance for Buildings shown in the Declarations, but not more than \$500,000 at each building.

- 2. The last paragraph in Paragraph a. – **Newly Acquired Or Constructed Property** under (2) **Business Personal Property** is replaced with the following:

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

- 3. The last sentence in Paragraph b. – **Personal Property Off-premises** is amended as follows:

The most we will pay for loss or damage under this Extension is \$10,000, unless a higher Limit of Insurance for Personal Property Off-premises is shown in the Declarations.

- 4. Paragraph c. - **Outdoor Property** is replaced with the following:

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor:

- 5. Paragraph d. – **Personal Effects** is replaced with the following:

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees. This extension does not apply to:

- (1) Tools or equipment; or
- (2) Loss or damage by theft.

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

- 6. Paragraph e. – **Valuable Papers And Records** Paragraph (3) is replaced with the following:

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000, unless

a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$25,000.

7. Paragraph **f. – Accounts Receivable** Paragraph (2) is replaced with the following:

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$25,000.

8. Paragraph **f. – Accounts Receivable** Paragraph (3) is replaced with the following:

(3) Paragraph **B. Exclusions in Section I – Property** does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.c. Governmental Action**;
- (b) Paragraph **B.1.d. Nuclear Hazard**;
- (c) Paragraph **B.1.f. War And Military Action**;
- (d) Paragraph **B.2.f. Dishonesty**;
- (e) Paragraph **B.2.g. False Pretense**;
- (f) Paragraph **B.2.o. Electrical Disturbance**
- (g) Paragraph **B.3.**; and
- (h) Paragraph **B.6. Accounts Receivable Exclusion**.

9. Paragraph **g. – Appurtenant Structures** is added:

g. Appurtenant Structures

(1) When there is a Building Limit of Insurance shown in the Declarations at the described premises, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage caused by or resulting from a Covered Cause of Loss to incidental appurtenant structures within 1,000 feet of the described premises.

(2) When there is a Business Personal Property Limit of Insurance shown in the Declarations at the described premises, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage caused by or resulting from a Covered Cause of Loss

to Business Personal Property within incidental appurtenant structures within 1,000 feet of the described premises.

(3) Incidental appurtenant structures include storage buildings, carports, garages and similar structures which have not been specifically described in the Declarations.

The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss or damage to Building and Business Personal Property is \$50,000.

Section I – Property, B. Exclusions 2. is amended as follows:

1. Paragraph **q. Asbestos** is added:

q. Asbestos

Any loss, damage or expense which would not have occurred in whole or in part but for the presence of asbestos.

Section I – Property, G. Optional Coverages is amended as follows:

1. Paragraph **1. Outdoor Signs** Paragraph **d.** is replaced with the following:

The most we will pay for loss of or damage in any one occurrence is \$5,000, unless a higher Limit of Insurance for Outdoor Signs is shown in the Declarations.

2. Paragraph **3. – Employee Dishonesty** Paragraph **c.** is replaced with the following:

The most we will pay for loss or damage in any one occurrence is \$10,000, unless a higher Limit of Insurance for Employee Dishonesty is shown in the Declarations.

Section II – Liability, A. Coverages is amended as follows:

1. Under **Business Liability** Paragraph **f., Coverage Extension – Supplementary Payments**, Paragraph (1), sections (b), (c) and (d) are replaced with the following:

(b) Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(c) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

Section II – Liability, B. Exclusions is amended as follows:

1. Under 1., **Applicable To Business Liability Coverage**, Paragraph a., **Expected Or Intended Injury** is deleted and replaced with the following:
 - a. **Expected Or Intended Injury**
"Bodily injury" or "property damage" (including any unexpected or unintended portion thereof) if any "bodily injury" or "property damage" was expected or intended from the standpoint of any insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
2. Under 1., **Applicable To Business Liability Coverage**, Paragraph j., **Professional Services (8) and (9)** are amended and **(10)** is added as follows:
 - (8)** Any body piercing services (not including ear lobe piercing), tattooing and similar services;
 - (9)** Services in the practice of pharmacy; and
 - (10)** Computer or software design, advice or consultation, programming services including virus protection, firewall or web site design.
3. Under 1., **Applicable To Business Liability Coverage**, Paragraph k., **Damage To Property**, the following is added to the last paragraph:

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.
4. Under 1., **Applicable To Business Liability Coverage**, Paragraph m., **Damage To Your Work**, the following is deleted:

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.
5. Under 1., **Applicable To Business Liability Coverage**, Paragraph p. **Personal And Adver-**

tising Injury, Paragraph **(1)** is deleted and replaced with the following:

- (1)** Caused by or at the direction of or with the consent or acquiescence of any insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
6. Under 1., **Applicable To Business Liability Coverage**, Paragraph p., **Personal and Advertising Injury**, the following is added:
 - (14)** Arising out of:
 - (a)** Your placement of advertising for others on your web site or a link to or a reference to a web site or web address of others on your web site.
 - (b)** Your placement of content or company brand or product information from others on your web site or on any frame or border within your web site.
 - (c)** Software or programming related to your web site's design, appearance or functions.
 - (15)** Arising out of discrimination, harassment or humiliation by an officer, director, member or partner of the insured.
 - (16)** Arising out of representations made by you or your agents regarding the value or suitability of any securities, or the fluctuation in value or price of any stocks, bonds or other securities.
 - (17)** Violation of antitrust laws, state and federal laws governing restrictions on trade, unfair competition or deceptive advertising.
 7. Under 1., **Applicable To Business Liability Coverage**, Paragraph r. **Criminal Acts** is deleted and replaced with the following:
 - r. **Criminal Acts**
"Bodily injury", "property damage", or "personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.
 8. Under 1., **Applicable To Business Liability Coverage**, Paragraphs t., u. and v. are added as follows:
 - t. **Asbestos**
 - (1)** "Bodily injury", "property damage" or "personal and advertising injury" arising out of an exposure or threat of exposure

to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

- (2) Any damages, judgments, settlements, loss, costs or expenses that:
 - (a) May be awarded or incurred by reason of any claim or "suit" alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the presence of asbestos;
 - (b) Arise out of any request, demand, order to statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an asbestos presence; or
 - (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effect of an asbestos presence.

u. 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.

v. Fungi Or Bacteria

- (1) "Bodily Injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

Section II – Liability, D, Liability And Medical Expenses Limits Of Insurance is amended as follows:

- 1. Paragraph 2. is replaced with the following:
 - 2. The most we will pay for the sum of all damages because of all:
 - a. "Bodily injury", "property damage" and medical expenses, arising out of any one "occurrence" including "Bodily injury" and "property damage" under the "products-completed operations hazard"; and
 - b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses – Each Occurrence limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- 2. Paragraph 4. is replaced with the following:

4. Aggregate Limits

Regardless of the number of occurrences and subject to the Liability and Medical Expenses-Each Occurrence limit, the most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses-Each Occurrence limit. This limit is shown in the declarations as "Products and Completed Operations Aggregate".
- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses-Each Occurrence limit shown in the Declarations. This limit is shown in

the declarations as “General Aggregate (other than Products and Completed Operations Aggregate)”.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You Limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period 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 period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Section II – Liability, E. Liability And Medical Expense General Conditions is amended as follows:

1. Under **2., Duties In The Event Of Occurrence, Offense, Claim Or Suit**, Paragraphs **e.** and **f.** are added as follows:
 - e. If we cover a claim or “suit” under this coverage that may also be covered by other insurance available to an additional insured, such insurance if any, shall be primary, and such additional insured must submit such claim or suit to the other insurer for defense and indemnity.
 - f. Paragraphs **a.** and **b.** apply to you or to any additional insured only when such “occurrence,” offense, claim or suit is known to you or any additional insured or your or any additional insured’s partner, limited liability company manager, executive officer, trustee or political official if you or any additional insured is a political subdivision or agency. This Paragraph **f.** applies separately to you and any additional insured.
2. Paragraph **5. Representations** is added as follows:
 5. **Representations**
When You Accept This Policy

By accepting this policy, you agree:

- a. The statements in the Declaration are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

Section II – Liability, F. Liability And Medical Expense Definitions is amended as below:

1. Paragraph **23.** is added as below:
 23. “Fungi” means any type or form of fungus including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM INFORMATION SECURITY PROTECTION ENDORSEMENT

- A. The following is added to Paragraph E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions in **Section I – Property** and Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Conditions in **Section II – Liability** of the Businessowners Coverage Form and similar conditions in any endorsement attached to this Policy:
- The requirement to notify us can be satisfied by notifying our agent. Notice can be by any means of communication.
- B. Section I – Property** is amended as follows:
1. The following is added to Paragraph **A.3. Covered Causes Of Loss**:
We insure for all loss or damage caused by fire or any damage caused by lightning.
 2. Paragraph **A.5.I.(8)** of the **Increased Cost Of Construction** Additional Coverages is replaced by the following:
 - (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. The coverage afforded under this Additional Coverage does not reduce coverage provided under exceptions to the Ordinance Or Law Exclusion as presented in this Endorsement.
 3. Paragraph **A.5.I.(9)** of the **Increased Cost Of Construction** Additional Coverages does not apply.
 4. Paragraph **B.1.a. Ordinance Or Law** Exclusions is replaced by the following:
 - a. Ordinance Or Law**
 - (1) The enforcement of or compliance with any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
 - (2) 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.
 - (3) But if loss or damage is solely a result of one or more Covered Causes of Loss, we will pay for your compliance with such ordinance or law, subject to all other provisions of this Policy, including those listed below, as follows:
 - (a) In the event of a partial loss, if the building is insured on a replacement cost basis, we will pay for your compliance but only with respect to the damaged portion of the building.
 - (b) In the event of a total or constructive total loss, we will pay for your compliance with respect to the entire building.
 - (c) We will not pay under this provision for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (d) Any valuation provision (including Replacement Cost) or loss payment condition which excludes the increased cost attributable to an ordinance or law is hereby revised to include such cost to the extent that coverage is provided above in this item, 4. But in no event will we pay more than the applicable Limit of Insurance.

5. The following is added to Paragraph **D.1. Deductibles** and applies with respect to any deductible applicable to the Businessowners Property Coverage, including a deductible provided by endorsement for a particular cause of loss or coverage:

The Deductible will not apply to total loss of a building.

6. Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions is amended as follows:

- a. Paragraph **a.(3)** is deleted.
- b. Paragraphs **a.(6)** and **a.(7)** are replaced by the following:

- (6) As often as we reasonably require:
 - (a) Permit us to inspect the property. Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis;
 - (b) Provide us with records and documents reasonably related to the loss, or certified copies if the originals are lost, and permit us to make copies.
- (7) Send us, within 60 days after our request, a signed, sworn proof of loss containing the following information we require to investigate the claim:
 - (a) A description of how and when the loss or damage occurred;
 - (b) The value of the property, except in the case of a total loss of an insured building;
 - (c) The interest of the insured and all others in the property; and
 - (d) Other insurance which may cover the loss or damage.

We will supply you with the necessary forms.

c. The following is added to Paragraph **a.:**

(10) Send to us, within a reasonable time after our request, the following:

- (a) Changes in title or occupancy of the property during the term of the Policy; and
- (b) Specifications of damaged buildings and detailed repair estimates.

d. Paragraph **b.** is replaced by the following:

b. After we inform an insured:

- (1) Of the right to counsel; and
- (2) That an insured's answers may be used against the insured in later civil or criminal proceedings;

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. In the event of an examination, an insured's answers must be signed.

7. Paragraph **E.5. Loss Payment** Property Loss Conditions is amended as follows:

a. Paragraph **g.** is replaced by the following:

g. Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage within five business days after:

- (1) We have received the proof of loss; and
- (2) We have reached an agreement with you; or, in the event we use an independent claims adjuster, we have received the agreement and you have satisfied the conditions of the agreement, if any, or an appraisal award has been made.

However, we will not pay you any interest, other than the interest that accrues between the time that it is determined that a loss shall be payable in accordance with (1) or (2) above, and before we pay, tender or deposit in court payment for the loss.

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

i. Replacement Cost – Business Personal Property

- (1) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (a) The Limit of Insurance applicable to the lost or damaged property;
 - (b) The applicable Special Limit of Insurance shown in **i.(2)(a)**, **i.(2)(b)**, **i.(2)(c)** and **i.(2)(d)** below;
 - (c) The cost to replace, on the same premises, the lost or damaged property with other property of comparable material and quality and used for the same purpose; or
 - (d) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- (2) The following Special Limits of Insurance apply to any category of property listed below, unless higher Special Limits Of Insurance are shown in the Declarations. These Special Limits are part of, not in addition to, any Limit Of Insurance shown in the Declarations, and apply in excess of any applicable deductible. The Special Limit of Insurance shown for any category listed below is the most we will pay for loss or damage to all property in that category in any one occurrence.
 - (a) \$1,000 on used or secondhand merchandise held in storage or for sale;
 - (b) \$1,000 on property of others;
 - (c) \$1,000 on household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) \$5,000 on manuscripts, works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

With respect to the articles described in **(a)**, **(b)**, **(c)** and **(d)** above, in no event will we pay you less than we would have paid you if this Endorsement were not attached to the Policy.

c. The following paragraph is added:

- j. We agree that, in the event of a total loss, the Limit of Insurance (or the limit shown in the total loss schedule of values) for a building which is Covered Property represents its value.

8. Paragraphs **a.** and **d.** under **F.2. Mortgageholders** Property General Conditions are replaced by the following:

- a. The term "mortgageholder" includes trustees and contract-for-deed vendors.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays premium due under the Policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so.

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

9. The following paragraph is added to Paragraph **F.2.:**

- h. We will notify the mortgageholder of changes to this Policy that result in a substantial reduction of coverage to the mortgaged property.

C. Section II – Liability is amended as follows:

1. Paragraph **A.1.f. Coverage Extension – Supplementary Payments** is replaced by the following:

f. Coverage Extension – Supplementary Payments

- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - (a) All expenses we incur.

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

These payments will not reduce the Limits of Insurance.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same "insured contract";

- (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (f) The indemnitee:
 - (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) Provides us with written authorization to:
 - i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or

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

2. Paragraph **b.** under Exclusion **B.1. Applicable To Business Liability Coverage** is replaced by the following:

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

3. Paragraph **E.1. Bankruptcy Liability And Medical Expenses General Conditions** is replaced by the following:

1. Bankruptcy

Bankruptcy, insolvency or dissolution of the insured or of the insured's estate will not relieve us of our obligations under this Policy and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this Policy against the company to the same extent that the insured would have, had the insured paid the final judgment.

D. Section III – Common Policy Conditions is amended as follows:

1. Paragraph **A. Cancellation** is replaced by the following:

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, subject to the provisions of **3.** below, by first-class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

3. If this Policy has been in effect for:

a. Fewer than 90 days and is a new policy, we may cancel for any reason by giving notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- (2) 60 days before the effective date of cancellation, if we cancel for any other reason.

b. 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the Policy or in pursuing a claim under the Policy;
- (3) An act or omission by you that substantially increases or changes the risk insured;
- (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
- (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;

- (7) A determination by the commissioner that the continuation of the Policy could place us in violation of the Minnesota insurance laws; or
- (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.

Under this Paragraph **A.3.b.**, we will give notice at least:

- (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or
 - (2) 60 days before the effective date, if we cancel for a reason described in **3.b.(2)** through **(8)** above. The notice of cancellation will state the reason for cancellation.
4. 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.

5. If this Policy includes liquor liability coverage with respect to "injury" arising out of the selling, serving or furnishing of alcoholic beverages, then the following provisions shall apply:

If this Policy is cancelled by us, we will notify, in writing, the governmental authority in the state of Minnesota that issued the current liquor license to the Named Insured that the Policy is being cancelled at the same time that the cancellation notice is sent to the first Named Insured.

If the first Named Insured cancels, we will notify, in writing, the governmental authority in the state of Minnesota that issued the current liquor license to the Named Insured that the Policy is being cancelled upon receiving the written notice of cancellation from the first Named Insured.

6. Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

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

C. Concealment, Misrepresentation Or Fraud

We do not provide coverage to the insured who has:

- 1. Before a loss, willfully; or
- 2. After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

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

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

C. Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage if any insured has:

1. Before a loss, willfully; or
2. After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

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

4. Paragraph **D. Examination Of Your Books And Records** is replaced by the following:

D. 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 one year afterward.

5. Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this Policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. However, our rights do not apply against:

- a. An insured; or
- b. Any person or organization insured under another policy which was issued by us and responds to the same loss;

provided the loss was not intentionally caused by such insureds.

2. You may waive your rights against another party in writing:

a. Prior to a loss to your Covered Property.

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

(1) Someone insured by this insurance, unless the loss was caused intentionally by such insured;

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you; or

(3) Your tenant.

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

This will not restrict your insurance.

3. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

Our rights do not apply against any person or organization insured under this or any other policy we issue with respect to the same "occurrence", provided the "occurrence" was not intentionally caused by such insureds.

6. The following is added:

M. Nonrenewal

If we decide not to renew this Policy, we may do so by giving the first Named Insured and any agent written notice of our intent not to renew at least 60 days before the expiration date of this Policy. Such notice will be delivered or mailed by first-class mail to their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or

3. Agreed not to renew this Policy.

Unless otherwise specifically required, proof of mailing of any notice shall be sufficient proof of notice.

E. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1)**.

2. The following is added to the **Limits Of Insurance** Provision under Paragraph **K.:**

In addition to the Information Security Protection Aggregate Limit of Insurance, we will pay prejudgment interest awarded against the insured on the part of the judgment we pay. If we make an offer to pay the Information Security Protection Aggregate Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

3. The **Duties In The Event Of Claim Or Loss** Condition under Paragraph **M.** is replaced by the following:

Duties In The Event Of Claim Or Loss

In the event of either an occurrence or offense that may result in a "claim" against an insured or a "loss" or situation that may result in a "loss" covered under this Endorsement, you must see to it that we or our agent is notified orally or in writing as soon as practicable, but not to exceed 30 days, and cooperate with us in the investigation and settlement of the "claim" or "loss" as set forth below:

a. For "claims" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, you must:

- (1)** Immediately record the specifics of the "claim" and the date received;
- (2)** Immediately send us or our agent copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (3)** Authorize us to obtain records and other information; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of an occurrence or offense to which this Endorsement may also apply.

You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been made when the "claim" is received by an insured.

b. Under Insuring Agreement **a. Replacement Or Restoration Of Electronic Data** and Insuring Agreement **e. Extortion Threats**, you must:

- (1)** Notify local law enforcement officials;
- (2)** Submit to examination under oath at our request and give us a signed statement of your answers; and
- (3)** Give us a detailed, sworn proof of loss within 120 days.
- (4)** In addition, under Insuring Agreement **e. Extortion Threats**, you must:
 - (a)** Determine that the "extortion threat" has actually occurred;
 - (b)** Make every reasonable effort to immediately notify an associate and the security firm, if any, before making any "ransom payment" based upon the "extortion threat";
 - (c)** With respect to "ransomware", make a reasonable effort to access your "electronic data" from backup; and
 - (d)** Approve any "ransom payment" based upon the "extortion threat".

4. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

- (1)** Civil or criminal fines or penalties imposed by law;

- (2) Punitive or exemplary damages;
- (3) The multiplied portion of multiplied damages;
- (4) Taxes;

- (5) Royalties;
- (6) The amount of any disgorged profits; or
- (7) Matters that are uninsurable pursuant to law.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability**:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, 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 "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):

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

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:
- 1.** 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 such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 - 2.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.
- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:
- 1.** The following exclusion is added:
CERTIFIED ACT OF TERRORISM EXCLUSION
We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

2. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.

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.

C. The following provision is added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

2. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **1.** and **2.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - (c) 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. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
- Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APARTMENT BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.5. Additional Coverages of Section I – Property is amended as follows:

The Pollutant Clean Up And Removal Limit of Insurance under Subparagraph **h.** is increased to \$25,000.

B. The following coverages are added to Paragraph A.5. Additional Coverages of Section I – Property:

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Ordinance Or Law – Equipment Coverage

(1) Subject to Paragraph **(2)**, if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.

(2) If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:

(a) The cost to reclaim the refrigerant as required by law;

- (b) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (c) The increased cost to recharge the system with a non-CFC refrigerant.
- (3) The terms of this coverage apply separately to each piece of covered equipment.
- (4) We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (5) Loss to the equipment will be determined as follows:
- (a) If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
 - (b) If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (i) The actual cash value of the equipment at the time of loss; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.
 - (c) We will not pay for loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the equipment was undamaged; and
 - (ii) You failed to comply with.
- c. Lock Replacement**
- (1) We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.

- (2) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- (3) A per occurrence deductible of \$100 will apply.

d. Tenant Move-back Expenses

- (1) We will pay for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.
 - (2) We will only pay for the following expenses:
 - (a) Packing, transporting and unpacking of tenants' property; and
 - (b) The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.
 - (3) We will only pay for expenses listed in Paragraphs (2)(a) and (2)(b) above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.
 - (4) The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$15,000.
- C. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Paragraph 3. **Employee Dishonesty** of Paragraph G. **Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

3. Employee Dishonesty

We will also pay for loss of or damage to "money", "securities" and "other property" sustained by your tenant resulting directly from theft committed by an identified "employee", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- a. That your tenant owns or leases;
- b. That your tenant holds for others; or
- c. For which your tenant is legally liable;

while the property is in a Covered Building at the premises described in the Declarations.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your tenant. Any claim for loss that is covered under this coverage must be presented by you.

With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, 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.

D. The following are added to Paragraph A. Coverages of Section II – Liability:

1. Tenants' Property Legal Liability Coverage

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **e.**;
- (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit Of Insurance for this coverage; and
- (3) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under the Tenants' Property Legal Liability Coverage.

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

- b. This coverage applies to "property damage" only if:
 - (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "property damage" occurs during the policy period.
- c. This coverage does not apply to:
 - (1) "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
 - (2) "Property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
 - (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
 - (4) Liability arising out of your "sale and disposal operations".
 - (5) Any loss covered under Section **I** – Property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.
- e. The most we will pay for the sum of all damages under Tenants' Property Legal Liability because of "property damage" to "tenants' property" in any one "occurrence" is \$10,000. This limit applies separately to each premises described in the Declarations.
- f. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under the Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** applies to Tenants' Property Legal Liability.

2. Lock-out Or Sale, Removal And Disposal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Paragraph e.
 - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Lock-out Or Sale, Removal And Disposal Liability Coverage.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.
- b. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.
- c. This coverage does not apply to:
- (1) Liability for damages which the insured is obligated to pay 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.
 - (2) Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

- e. The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$5,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.
- f. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.
- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", 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 involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in our 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 an action to which this insurance may apply.

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

3. Heating Or Air Conditioning Loss Reimbursement Coverage

a. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.

The amount of such reimbursement is limited as described in Paragraph e. below. No other obligation or liability to pay sums or perform acts or services is covered.

b. This coverage applies only if:

(1) The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and

(2) You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or

(3) You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".

c. We shall have no duty or obligation to defend the insured or perform acts or services.

d. This coverage does not apply to:

(1) Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.

(2) "Bodily injury", "property damage" and "personal and advertising injury".

e. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under the Heating Or Air Conditioning Loss Reimbursement Coverage is \$5,000 as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises and \$10,000 in any annual period starting with the beginning of the policy period shown in the Declarations.

f. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Heating Or Air Conditioning Loss Reimbursement Coverage:

Duties In The Event Of A Heating Or Air Conditioning System Failure

a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:

(1) A notarized letter from the tenant of the demand for remuneration;

(2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;

(3) The name and address of the affected tenant; and

(4) A cancelled check or money order written to the tenant.

b. At our request, give us complete information as to:

(1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and

(2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

c. Cooperate with us in the review of the reimbursement.

E. For coverage provided under this endorsement the following definitions are added to Paragraph F. **Liability And Medical Expenses Definitions** under **Section II – Liability**:

1. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.

2. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

3. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number
001	001
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

With respect to the location(s) indicated in the Schedule, the following provisions apply:

A. The following is added to Paragraph **B.1. Exclusions** in **Section I – Property** and is therefore not a Covered Cause of Loss:

Windstorm Or Hail

We will not pay for loss or damage:

- a.** Caused directly or indirectly by Windstorm or Hail, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
- b.** Caused by rain, snow, sand or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the Windstorm or Hail.

But if Windstorm or Hail results in a cause of loss other than rain, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss. For example, if the Windstorm or Hail damages a heating system and fire results, the loss or damage attributable to the fire is covered subject to any other applicable policy provisions.

B. The terms of the Windstorm Or Hail Exclusion, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

C. In Paragraph **H.12. Property Definitions**, in **Section I – Property**, windstorm or hail is deleted from the "specified causes of loss".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH LIMITED
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Exclusion B.1.q. of Section II – Liability is replaced by the following:

This insurance does not apply to:

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

- (1)** Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2)** Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

However, unless Paragraph **(1)** above applies, this exclusion does not apply to damages because of "bodily injury".

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

B. The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI, WET ROT OR DRY ROT COVERAGE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following provisions apply to **SECTION I – PROPERTY**:

Paragraph **A.5. (Additional Coverages)** under **r. Limited Coverage For “Fungi”, Wet Rot Or Dry Rot**, Paragraphs **(1)** through **(5)** are deleted; Paragraph **(6)(a)** and **(b)** are renumbered to read **(1)(a)** and **(b)**.

Paragraph **B. (Exclusions) i. “Fungi”, Wet Rot Or Dry Rot** is replaced with the following:

i. “Fungi”, Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of “fungi”, wet rot or dry rot. But if “fungi”, wet rot or dry rot 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 “fungi”, wet rot or dry rot result from fire or lightning.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LIABILITY FOR HAZARDS OF LEAD

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is added to **Paragraph B.1., Exclusions in SECTION II – LIABILITY:**

This insurance does not apply to:

"Bodily Injury" caused in whole or in part, either directly or indirectly, by lead paint or lead contamination, or arising out of or incidental to the inhalation, ingestion, use, handling or contact with lead paint or lead contamination.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – BED BUG - KISSING BUG

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

The following is added to **Paragraph B.1. and B.2., Exclusions** in **SECTION II – LIABILITY**:

This insurance does not apply to:

"Bodily Injury", "Property damage", "personal and advertising injury" or medical expenses due to any or all claims or damages arising from any person being exposed to or bitten by an insect(s) belonging to the entomological families of Cimicidae or Reduviidae commonly referred to as a bed bug or kissing bug.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE ENDORSEMENT - PROPERTY

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

Paragraph **D.1. Deductibles** of **SECTION I – PROPERTY** is replaced with the following:

D. Deductibles

- We will not pay for loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss as a result of one occurrence until the amount of such loss or damage exceeds the applicable Deductible shown in the Declarations or as set forth below. We will then pay the amount of such loss or damage in excess of the Deductible up to the applicable Limit of Insurance of **Section 1 - Property**. In the event of loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss at one or more buildings at the same location, as a result of one occurrence, only the single largest deductible scheduled for loss at such building(s) will apply to all such loss or damage regardless of the number of buildings involved in the loss. However, this Paragraph **D.1** does not apply to loss or damage from Earthquake or Windstorm or Hail causes of loss.

EXAMPLES

Example 1 - Loss at multiple buildings, same location.

A fire damages Buildings 1 and 2 which results in a spoilage loss at Buildings 3 and 4 due to a power outage from the fire.

Property Deductible – Building 1:	\$250
Property Deductible – Building 2:	\$250
Limit of Insurance – Building 1:	\$60,000
Limit of Insurance – Building 2:	\$80,000
Loss to Building 1:	\$50,100
Loss to Building 2:	\$70,000

Spoilage Deductible – Building 3	:	\$500
Spoilage Deductible – Building 4	:	\$500
Spoilage Limit of Insurance – Building 3:		\$5,000
Spoilage Limit of Insurance – Building 4:		\$2,000
Spoilage loss at Building 3:		\$2,500
Spoilage loss at Building 4:		\$1,500

The largest deductible involved in the occurrence was the \$500 spoilage deductible and will be subtracted from the total Loss Payable:

\$ 50,100 – Building 1 loss
+ \$ 70,000 – Building 2 loss
+ \$ 2,500 – Spoilage loss at Building 3
+ \$ 1,500 – Spoilage loss at Building 4
<u>\$ 124,100 – Total loss</u>
- \$ 500 – Largest deductible involved in loss
\$ 123,600 – Total loss payable

Example 2 - Identical loss occurs but only at building 1, no loss at other buildings (same deductibles and limits)

Property Deductible – Building 1:	\$250
Limit of Insurance – Building 1:	\$60,000
Loss to Building 1:	\$50,100
Spoilage Loss at Building 1:	\$2,500

The largest deductible involved in the occurrence was the \$500 spoilage deductible for Building 1 and will be subtracted from the total Loss Payable.

\$ 50,100 - Building 1 loss
+ \$ 2,500 - Spoilage loss at Building 1
<u>\$ 52,600 - Total Loss at Building 1</u>
- \$ 500 - Largest deductible involved in loss
\$ 52,100 - Total loss payable.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COSMETIC DAMAGE TO ROOF COVERINGS CAUSED BY HAIL – SCHEDULED BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

Prem. No.	Bldg. No.	Address
001	001	3600 Stevens Ave, Minneapolis, MN 55409-1349
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

With respect to the location(s) indicated in the Schedule, the following provisions apply:

A. The following is added to Paragraph **B.1. Exclusions** in **SECTION I – PROPERTY**:

We do not cover cosmetic loss or damage to roof coverings caused by the peril of hail.

“Cosmetic loss or damage” means damage to any portion of the roof covering that alters only its physical appearance but does not result in the failure of the roof covering to perform its intended function of keeping out the elements for the remainder of its original, useful life.

We do cover hail damage to that portion of the roof covering that will allow the penetration of water or results in the failure of the roof covering to perform its intended function of keeping out the elements for the remainder of its original, useful life.

B. For the purpose of this endorsement, roof covering means the roofing material exposed to the elements, the underlayments applied for moisture protection, and all flashings required in the replacement of the roofing material or underlayments.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MATCHING EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

A. The following is added to paragraph E. Property Loss Conditions of Section I – Property:

We will not pay to repair or replace undamaged material due to mismatch between undamaged material and the material used to repair or replace damaged material.

We do not cover the loss in value to any property due to mismatch between undamaged material and the material used to repair or replace damaged material.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNER'S COVERAGE FORM

SCHEDULE

Premises Number	Covered Property Annual Aggregate Limit Of Insurance	Business Income And Extra Expense Annual Aggregate Limit Of Insurance
Location 001, Building 001	\$25,000	\$25,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **A.2.**, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

THIS IS NOT FLOOD INSURANCE. We will not pay for loss or damage from water or other materials that back up or overflow from any sewer, drain or sump that itself is caused, directly or indirectly, in whole or in part, by any flood. Flood means the overflow of surface water, waves, tides, tidal waves, streams, or other bodies of water, or their spray, all whether driven by wind or not.

B. The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or

2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Covered Property Annual Aggregate Limit of Insurance is indicated in the Schedule of this endorsement.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit 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.

D. The following provisions apply to **Section I – Property** and supersede any provisions to the contrary:

The most we will pay under:

1. Paragraph **A.5.f. Business Income** Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement; and
2. Paragraph **A.5.g. Extra Expense** Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph **A.** of this endorsement;

is the Business Income And Extra Expense Annual Aggregate Limit of Insurance. That limit is \$5,000 per location, unless a different Business Income And Extra Expense Annual Aggregate Limit of Insurance is shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph **A.** of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.

- E.** With respect to the coverage provided under this endorsement, the **Water** Exclusion in **Section I – Property** is replaced by the following exclusion:

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; or
3. 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

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

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **4.**, 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 **4.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.