



**Report Claims Immediately by Calling\***  
**1-800-238-6225**

*Speak directly with a claim professional  
24 hours a day, 365 days a year*

\*Unless Your Policy Requires **Written** Notice or Reporting

---

## **COMMERCIAL INSURANCE**

---

**A Custom Insurance Policy Prepared for:**

**ROANE COUNTY GOVERNMENT  
PO BOX 643  
KINGSTON TN 37763**

**Presented by: GRIFFIN INSURANCE AGENCY**

TRAVELERS CORP. TEL: 1-800-328-2189  
COMMERCIAL INLAND MARINE  
COMMON POLICY DECLARATIONS  
ISSUE DATE: 06/30/22  
POLICY NUMBER: QT-660-2R843434-TIL-22

INSURING COMPANY:  
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:  
ROANE COUNTY GOVERNMENT  
PO BOX 643  
KINGSTON, TN 37763

2. POLICY PERIOD: From 07/01/22 to 07/01/23 12:01 A.M. Standard Time at  
your mailing address.

3. LOCATIONS  
Premises Bldg.  
Loc. No. No. Occupancy Address  
  
ON FILE WITH COMPANY

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:  
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM T0 01 07 86 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS  
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy  
containing its complete provisions:  
Policy Policy No. Insuring Company

DIRECT BILL  
7. PREMIUM SUMMARY:  
Provisional Premium \$ 36,116  
Due at Inception \$  
Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:  
GRIFFIN INSURANCE AGENCY (CKL70)  
414 N KENTUCKY ST  
KINGSTON, TN 37763

COUNTERSIGNED BY:

\_\_\_\_\_  
Authorized Representative

DATE: \_\_\_\_\_

Dear Valued Policyholder:

We are excited to inform you about changes to the structure of your Inland Marine insurance. We are transitioning to our new suite of Inland Marine coverages, which reflect modernized language and formatting.

Your new Travelers Inland Marine policy will contain coverage terms and conditions substantially similar to those in your expiring Travelers Inland Marine policy. To make this transition to our new policy forms as easy as possible for you, we will adjust any claims under your new Inland Marine policy based upon the terms and conditions of either your expiring policy or your new policy, **whichever are broader, subject to the following exceptions:**

- Any differences in the insured locations or insurance schedules, or the identity of named insureds or additional insureds.
- Any reductions in coverage that have been requested by you or your agent or broker or to which you or your agent or broker have agreed during renewal negotiations, or any exposures you have elected to insure elsewhere.
- Any reduction in the amount of the limits of insurance shown in any Declarations, Schedule, Coverage Form or endorsement for your new policy from the amount shown for substantially similar coverage in any Declarations, Schedule, Coverage Form or endorsement under your expiring policy.
- Any increase in the amount of any deductible, self-insured retention, retrospective loss limitation, or coinsurance obligation shown in any Declarations, Schedule, Coverage Form or endorsement for your new policy from the amount shown for substantially similar coverage in any Declarations, Schedule, Coverage Form or endorsement for your expiring policy, or any change from a loss-sensitive to guaranteed-cost rating plan or vice versa.
- Any coverage or exclusion relating to:
  - a. Earth Movement or Earthquake
  - b. Water, including any reference to Flood
  - c. Windstorm or Hail, including any reference to Named Storm
  - d. Fungus, Wet Rot Or Dry Rot
  - e. Electronic Vandalism
  - f. Virus or Bacteria

We will apply this approach to claims adjusted under your first new Travelers policy. Any claim adjusted under a subsequent Travelers policy will be adjusted based only upon the terms and conditions of that policy.

Please review your expiring and new Travelers policies carefully, retain your expiring policy, and contact your agent or broker if you have any questions about this letter. We appreciate your business and thank you for choosing to insure with us.

POLICY NUMBER: QT-660-2R843434-TIL-22

EFFECTIVE DATE: 07-01-22

ISSUE DATE: 06-30-22

## LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

IL T0 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
PN CN 24 02 21	LIBERALIZATION LTR-IM PROD MODERNIZATION
IL T0 01 01 07	COMMON POLICY CONDITIONS

### INLAND MARINE

CM B0 72 02 18	MISC PROPERTY COVERAGE FORM DEC
CM B0 96 01 21	CONTRACTORS EQUIPMENT COVERAGE FORM DEC
CM B0 97 01 21	CONTRACTORS EQUIPMENT SUPPLEMENTAL DEC
CM T0 11 08 05	TABLE OF CONTENTS
CM 00 01 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM T2 39 01 16	MISCELLANEOUS PROPERTY COVERAGE FORM
CM T2 42 01 21	CONTRACTORS EQUIPMENT COVERAGE FORM
CM U6 18 05 21	BLANKET LOSS PAYEES
CM U3 52 01 21	FLOOD LIMITATION-DESC PROP OR LOCS
CM U3 67 01 21	EM LIMITATION-DESC PROP OR LOCS
CM U6 17 07 20	ELECTRONIC VANDALISM LIMITATION ENDT
CM T3 98 01 21	FEDERAL TERRORISM RISK INSURANCE ACT DIS
CM T7 56 01 16	EARTH MVMNT LIMIT-DESCRIBED PROP OR LOCS
CM T7 66 01 16	FLOOD LIMIT-DESCRIBED PROP OR LOCS

### INTERLINE ENDORSEMENTS

IL T0 63 07 22	ACTUAL CASH VALUE
IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 21	CAP ON LOSSES FROM CERT ACTS OF TERRORIS
IL T4 27 06 19	ADDITIONAL BENEFITS
IL T3 82 05 13	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL 02 50 09 08	TN CHANGES-CANCELLATION & NONRENEWAL
IL T3 55 05 13	EXCLUSION OF CERTAIN COMPUTER LOSSES

### POLICYHOLDER NOTICES

PN U4 31 07 22	NOT CHG POL TERMS ACV
----------------	-----------------------

# COMMON POLICY CONDITIONS

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

## A. Cancellation

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

## B. Changes

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

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

## D. Inspections And Surveys

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

## E. Premiums

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules 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.

**F. Transfer Of Your Rights And Duties Under This Policy**

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

If you die, your rights and duties will be transferred to your legal representative but only while

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

**G. Equipment Breakdown Equivalent to Boiler and Machinery**

On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

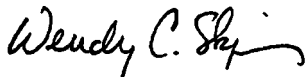
The Charter Oak Fire Insurance Company (COF)

Travelers Property Casualty Company of America (TIL)

The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)



Secretary



President

**COMMERCIAL INLAND MARINE**



## **COMMERCIAL INLAND MARINE**





COMMERCIAL INLAND MARINE  
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-2R843434-TIL-22  
ISSUE DATE: 06-30-22

INSURING COMPANY:

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 07-01-22 to 07-01-23 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

MISCELLANEOUS PROPERTY COVERAGE FORM

I. COVERAGE AND LIMITS OF INSURANCE

A. Covered Property

Covered Property consists of the following when indicated by an 'X' below:

1.  Scheduled Items:

As shown on the Miscellaneous Property Item Schedule, which includes the Limit Of Insurance applying to each listed item.

As shown on the most current schedule on file with us. The amount shown on such schedule for each item is the Limit Of Insurance applying to that item.

Total Limit Of Insurance For All Scheduled Items: \$ 2,121,259

2.  Blanket Items:

a. Total Limit Of Insurance For All Unlisted Items: \$

b. Limit Of Insurance For Any One Unlisted Item: \$

c. Description Of Unlisted Items:

3. Total Limit Of Insurance For Scheduled And Blanket Items: \$ 2,121,259

B. Coverage Extensions:

Limits of Insurance

1. Fire Protective Systems: \$ 75,000

2. Newly Acquired Property: \$ 25,000

3. Preservation Of Property Expense: \$ 5,000

4. Valuable Papers And Records: \$ 50,000

C. Additional Coverages:

1. Claim Data Expense: \$ 5,000

2. Debris Removal Increased Limit: \$ 75,000

3. Fire Or Police Department Service Charge: \$ 25,000

4. Pollutant Cleanup And Removal: \$ 25,000

5. Reward Coverage: \$ 2,500

**II. Deductible**

A. Deductible applying to all covered loss or damage unless a more specific Deductible for the covered loss or damage is shown in B. below or elsewhere in this policy:

\$ 1,000

B. Deductible applying to covered loss or damage caused by or resulting from Flood or Earthquake when indicated by an 'X' below:

- |                                                 |    |    |              |
|-------------------------------------------------|----|----|--------------|
| <input type="checkbox"/> Flood Deductible:      | \$ | or | % subject to |
|                                                 |    | \$ | minimum and  |
|                                                 |    | \$ | maximum      |
| <input type="checkbox"/> Earthquake Deductible: | \$ | or | % subject to |
|                                                 |    | \$ | minimum and  |
|                                                 |    | \$ | maximum      |

III. **Optional Replacement Cost Valuation** applies when indicated by an 'X' below:

Replacement Cost

IV. **Optional Agreed Value Valuation** applies when indicated by an 'X' below:

Agreed Value

**V. Coinsurance**

The following coinsurance applies when indicated by an 'X':

- 100%      90%      80%      No Coinsurance Applies

**VI. Premium:**

Premium:                                       \$ 11,880

Minimum Earned Premium:               \$ NOT APPLICABLE

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.



COMMERCIAL INLAND MARINE  
COVERAGE PART DECLARATIONS

POLICY NUMBER: QT-660-2R843434-TIL-22  
ISSUE DATE: 06-30-22

INSURING COMPANY: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 07-01-22 to 07-01-23 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

### CONTRACTORS EQUIPMENT COVERAGE FORM

#### I. COVERAGE AND LIMITS OF INSURANCE

##### A. Covered Property

Covered Property consists of the following indicated by an 'X':

1.  **Scheduled Equipment:**

As shown on the Contractors Equipment Item Schedule, which includes the Limit of Insurance applying to each listed item of equipment.

As shown on the most current schedule on file with us. The amount shown on such schedule for each item of equipment is the Limit of Insurance applying to that item.

Total Limit Of Insurance For All Scheduled Equipment: \$ 4,333,682

2.  **Unscheduled Owned Equipment**

Total Limit Of Insurance For All Unscheduled Owned Equipment: \$

Limit Of Insurance For Any One Unscheduled Owned Item Of Equipment: \$

3.  **Unscheduled Equipment Owned By Others**

Limit Of Insurance For Any One Unscheduled Item Of Equipment Leased, Rented Or Borrowed From Others: \$ 60,000

4.  **Equipment While Leased, Rented Or Loaned To Others**

Limit Of Insurance For Any One Item Of Equipment Leased, Rented Or Loaned To Others: \$

**B. Total Limit Of Insurance For All Items Of Equipment In Any One Occurrence:**

\$ 4,393,682

#### II. DEDUCTIBLE

Deductible applying to all covered loss or damage indicated by an 'X' below unless a more specific Deductible for the covered loss or damage is shown elsewhere in this policy:

Dollar Deductible: \$ 1,000

Percent Deductible: % subject to \$ minimum and \$ maximum

#### III. VALUATION AND COINSURANCE

##### A. Valuation

The following Valuation applies to the applicable Covered Property:

1. **Scheduled Equipment**

Actual Cash Value Valuation applies unless replaced by the Optional Valuation indicated by an 'X'.

Replacement Cost

Agreed Value

Valuation Determined By Age Of The Equipment – Number of Years:

- (1) Replacement Cost applies to equipment manufactured up to the number of years indicated above; and
- (2) Actual Cash Value applies to equipment manufactured over the number of years indicated above.

**2. Unscheduled Owned Equipment:**

Actual Cash Value Valuation applies unless replaced by the Optional Valuation indicated by an 'X'.

- Replacement Cost Valuation
- Valuation Determined By Age Of The Equipment – Number of Years:

- (1) Replacement Cost applies to equipment manufactured up to the number of years indicated above; and
- (2) Actual Cash Value applies to equipment manufactured over the number of years indicated above.

**B. Coinsurance**

The following coinsurance applies to Scheduled Items when indicated by an 'X':

- 100%
- 90%
- 80%
- No Coinsurance Applies

**IV. PREMIUM**

**A. Premium**

The following Premium options apply when indicated by an 'X'.

**Scheduled and Unscheduled Owned Equipment**

- Non Reporting  
Premium: \$ 23,836
- Premium Adjustment  
Premium Base: Values  
Premium Adjustment Period: Annual  
Estimated Premium Base Amount: \$  
Annual Rate Per \$100: \$  
Inception Premium: \$  
Adjustment Rate Per \$100: \$

**Leased Or Rented From Others**

- Non Reporting  
Premium: \$ 400
- Premium Adjustment  
Premium Base: Expenditures  
Premium Adjustment Period: Annual  
Estimated Premium Base Amount: \$  
Inception Premium: \$  
Adjustment Rate Per \$100: \$

**Total Premium Due At Inception: \$ 24,236**

**B.  Minimum Earned Premium: \$**

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

**CONTRACTORS EQUIPMENT  
SUPPLEMENTAL DECLARATIONS****POLICY NUMBER: QT-660-2R843434-TIL-22  
ISSUE DATE: 06-30-22****I. COVERAGE AND LIMITS OF INSURANCE**

	<b>Limit Of Insurance</b>
<b>A. Coverage Extensions</b>	
Business Personal Property In Job Trailers:	\$ 10,000
Document And Data Restoration Costs:	\$ 50,000
Fire Protective Systems:	\$ 75,000
Hauling Property Of Others:	\$ 100,000
Newly Acquired Equipment – Per Item:	\$ 250,000
Rental Costs:	
a. Any One Item:	\$ 5,000
b. Any One Occurrence:	\$ 25,000
Upgrades To Covered Property:	\$ 25,000
<b>B. Additional Coverages</b>	
	<b>Limit Of Insurance</b>
Claim Data Expenses:	\$ 5,000
Continuing Rental Payments:	
a. Any One Item:	\$ 5,000
b. Any One Occurrence:	\$ 25,000
Contract Penalty:	\$ 25,000
Debris Removal Increased Limit:	\$ 75,000
Employee Tools, Equipment And Clothing:	
a. Any One Item:	\$ 1,000
b. Any One Employee:	\$ 2,500
c. Any One Occurrence:	\$ 5,000
Errors Or Unintentional Omissions:	\$ 100,000
Expediting Expenses:	\$ 25,000
Expendable Supplies:	\$ 10,000
Fire Or Police Department Service Charge:	\$ 25,000
Lost Warranty Or Service Contract:	\$ 10,000
Pollutant Clean Up And Removal:	\$ 25,000
Preservation Of Property Expense:	\$ 50,000
Reward Coverage:	\$ 2,500
Tracking System Deductible Waiver Amount:	\$ 10,000

TABLE OF CONTENTS

**COMMERCIAL INLAND MARINE COVERAGE PART**

The following indicates the contents of the principal forms which may be attached to your policy.

It contains no reference to the Declarations or Endorsements which also may be attached.

Beginning on Page

**COMMERCIAL INLAND MARINE CONDITIONS**

Loss Conditions

A. Abandonment _____	1
B. Appraisal _____	1
C. Duties In The Event Of Loss _____	1
D. Insurance Under Two Or More Coverages _____	1
E. Loss Payment _____	1
F. Other Insurance _____	2
G. Pair, Sets Or Parts _____	2
H. Recovered Property _____	2
I. Reinstatement Of Limit After Loss _____	2
J. Transfer Of Rights Of Recovery Against Others To Us _____	2

General Conditions

A. Concealment, Misrepresentation Or Fraud _____	2
B. Control Of Property _____	2
C. Legal Action Against Us _____	2
D. No Benefit To Bailee _____	3
E. Policy Period, Coverage Territory _____	3
F. Valuation _____	3

**INLAND MARINE COVERAGE FORM(S)**

A. Coverage

1. Covered Property _____	
2. Property Not Covered _____	Page
3. Covered Causes Of Loss _____	
4. Additional Coverage – Collapse (If Applicable) _____	No.
5. Coverage Extensions (If Any) _____	

Varies

B. Exclusions _____	
C. Limits of Insurance _____	By
D. Deductible _____	
E. Additional Conditions _____	Form
F. Definitions _____	

# COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

## LOSS CONDITIONS

### A. Abandonment

There can be no abandonment of any property to us.

### B. Appraisal

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

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

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

### C. Duties In The Event Of Loss

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

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

### D. Insurance Under Two Or More Coverages

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

### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than

their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

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

**G. Pair, Sets Or Parts**

**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

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

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**J. Transfer Of Rights Of Recovery Against Others To Us**

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

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

This will not restrict your insurance.

**GENERAL CONDITIONS**

**A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

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



**B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

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

**C. Legal Action Against Us**

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

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

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

# MISCELLANEOUS PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – DEFINITIONS.

## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Form, means property you own, or property of others in your care, custody or control, that is described in the Declarations.

### 2. Property Not Covered

Covered Property does not include:

- a. Aircraft.
- b. Contraband, or property in the course of illegal transportation or trade.
- c. Live animals.
- d. Vehicles or self-propelled machines that are licensed for use on public roads.

### 3. Covered Causes Of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B – EXCLUSIONS; or
- b. Excluded or limited in the Declarations or Endorsements.

### 4. Coverage Extensions

Each of the following Coverage Extensions applies unless *Not Covered* is indicated in the Declarations.

#### a. Fire Protective Systems

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls that caused the discharge.

The Fire Protective Systems Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

#### b. Newly Acquired Property

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to items you acquire during the policy period that are of the type already covered by this Coverage Form.

Coverage under this Coverage Extension will end when any of the following first occurs:

- (1) 180 days expire after you acquire the property;
- (2) You report the property to us; or
- (3) The policy expires or is cancelled.

We will charge you additional premium for the newly acquired property from the date of your acquisition.

The Newly Acquired Property Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

#### c. Preservation Of Property

If it is necessary to move Covered Property to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss, we will pay for:

- (1) The reasonable and necessary expenses actually incurred by you to remove the Covered Property, temporarily store the Covered Property at another location and move the Covered Property back to the location from which it was moved within a reasonable time after the

threat of imminent loss or damage to the property by the Covered Cause of Loss passes. Coverage for your incurred expenses will end when any of the following first occurs:

- (a) 90 days expire after the property is moved;
- (b) The property is returned to the location from which it was moved; or
- (c) The policy expires or is cancelled.

The Preservation Of Property Expense Limit Of Insurance shown in the Declarations is the most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence.

- (2) Any direct physical loss of or damage to the Covered Property while it is being moved, while temporarily stored at another location or while being moved back to the location from which it was moved.

The most we will pay in any one occurrence for direct physical loss of or damage to the Covered Property is the Limit Of Insurance applicable to the moved property. Any payment under this Coverage Extension for such direct physical loss or damage is included within and will not increase such limit.

**d. Valuable Papers And Records**

We will pay your costs to research, replace or restore lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which there are no duplicates. Such costs must result from direct physical loss or damage by a Covered Cause of Loss to your valuable papers and records directly related to the Covered Property described in the Declarations.

The Valuable Papers And Records Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Coverage Extension.

But we will not pay for loss of or damage to accounts, bills, deeds, evidences of debt, currency, money, notes or securities.

**5. Additional Coverages**

Each of the following Additional Coverages applies unless *Not Covered* is indicated in the Declarations.

**a. Claim Data Expense**

(1) We will pay the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.

(2) We will not pay for:

- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS; or
- (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The Claim Data Expense Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**b. Debris Removal**

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

The amount we will pay includes the increased costs you incur to divert debris of Covered Property to recycling facilities rather than landfills. Any income or remuneration derived from this recycling will reduce the amount of debris removal

expense we would have otherwise paid.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (2) The most we will pay in any one occurrence under this Additional Coverage for your expense to remove the debris of Covered Property is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The Deductible in this Coverage Form applicable to that loss or damage.

Except as provided in Paragraph (3) below, payment under this Additional Coverage is included within and will not increase the applicable Limit Of Insurance.

- (3) If:
- (a) Your expense to remove debris of Covered Property exceeds the 25% limitation in Paragraph (2) above; or
  - (b) The sum of the amount we pay for loss of or damage to Covered Property and the expense for removal of its debris exceeds the applicable Limit Of Insurance;

we will pay up to the Debris Removal Increased Limit Of Insurance shown in the Declarations.

**c. Fire Or Police Department Service Charge**

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

(1) Assumed by contract or agreement prior to loss or damage; or

(2) Required by local ordinance.

The Fire or Police Department Service Charge Limit Of Insurance shown in the Declarations is the most we will pay in any one occurrence under this Additional Coverage.

No deductible applies to this Additional Coverage.

**d. Pollutant Cleanup And Removal**

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the "specified causes of loss" which occurs to Covered Property during the policy period.

The expenses will be paid only if they are reported to us within 180 days of the date on which the covered "specified cause of loss" occurs.

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

The Pollutant Cleanup And Removal Limit Of Insurance shown in the Declarations is the most we will pay under this Additional Coverage for the sum of all covered expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy, beginning with the effective date of the policy.

**e. Reward Coverage**

We will reimburse you for reward expenses you have incurred leading to:

(1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or

(2) The arrest and conviction of any person who has damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery of undamaged stolen Covered Property, up to the Reward Coverage Limit Of Insurance shown in the Declarations in any one occurrence for the reward payments you make. These reward payments must be documented.

No Deductible applies to this Additional Coverage.

## B. EXCLUSIONS

1. We will not pay for a loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

### b. 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.

### c. War and Military Action

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

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

### a. Consequential Loss

- (1) Delay, loss of use or loss of market; or
- (2) Loss of business income or extra expense.

### b. Dishonesty

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

### c. Missing Property

Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

### d. Pollution

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss".

But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

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

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

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

**b. Electrical Damage or Disturbance**

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

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

Electrical, magnetic or electromagnetic energy includes:

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

**c. Other Types Of Losses**

- (1) Wear and tear.
- (2) Mechanical breakdown or failure, including rupture or bursting caused by centrifugal force.
- (3) Decay, gradual deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations, Schedule(s), Coverage Form or Endorsement(s). But in the event coverage for loss or damage is provided under the Coverage Extensions or Additional Coverages, the Limits Of Insurance stated within the specific Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

**D. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable Deductible shown in the Declarations, Schedule(s), Coverage Form(s) or Endorsement(s). We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit Of Insurance.

The applicable Deductible shown in the Declarations applies to the Coverage Extensions and Additional Coverages unless otherwise stated in the Coverage Extension or Additional Coverage.

Unless otherwise stated, if more than one Deductible amount applies to loss or damage in any one occurrence, the total of the deductible amounts applied in that occurrence will not exceed the amount of the largest applicable Deductible.

**E. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the COMMERCIAL INLAND MARINE CONDITIONS and the COMMON POLICY CONDITIONS:

**1. Coinsurance**

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

**a.** We will not pay the full amount of any loss or damage if the value of Covered Property at the time of loss or damage multiplied by the Coinsurance percentage shown in the Declarations is greater than the applicable Limit Of Insurance for such Covered Property.

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

**Step (1):** Multiply the value of Covered Property at the time of loss or damage by the Coinsurance percentage shown in the Declarations.

**Step (2):** Divide the applicable Limit Of Insurance for Covered Property by the figure determined in Step (1).

**Step (3):** Multiply the total amount of covered loss or damage, before the application of any deductible, by the figure determined in Step (2).

**Step (4):** Subtract the applicable Deductible from the figure determined in Step (3).

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

- b. Coinsurance does not apply to:
  - (1) Additional Coverages; or
  - (2) Coverage Extensions.

**2. Coverage Territory**

- a. We cover property wherever located within:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; or
  - (3) Canada.
- b. We also cover property being shipped by air within and between points in Paragraph a. above.

**3. Loss Payment**

The following is added to Loss Payment LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS:

- a. In the event of loss or damage covered by this Coverage Form, at our option we will either:
  - (1) Pay the cost of reasonably restoring the property to its condition immediately before loss or damage;
  - (2) Pay the value of the lost or damaged property; or
  - (3) Take all or any part of the property at an agreed or appraised value.

We will determine the value of lost or damaged property, or the cost of restoring such property, in accordance with the applicable terms of the Valuation ADDITIONAL CONDITION in this Coverage Form or any applicable provision which amends or supersedes such Condition.

- b. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with

supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

**4. Minimum Earned Premium**

If a Minimum Earned Premium is shown in the Declarations, such premium is the least amount of premium you must pay when the actual earned premium for this coverage is less than the Minimum Earned Premium.

The Minimum Earned Premium does not apply if we cancel coverage other than at your request.

**5. Reinstatement Of Limit After Loss**

The Reinstatement Of Limit After Loss LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

**Reinstatement Of Limit After Loss**

With the exception of any applicable annual aggregate Limit Of Insurance, the Limit Of Insurance will not be reduced by the payment of any claim.

**6. Valuation**

The Valuation GENERAL CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

**Valuation**

In the event of loss or damage, we will determine the value of Covered Property at the time of loss or damage as follows:

- a. Subject to Paragraphs c. and d. below, the value of Covered Property you own will be the least of the following:
  - (1) The actual cash value of that property.  
But in the event of partial loss or damage, not exceeding 20% of the Limit Of Insurance applicable to the Covered Property, no depreciation will be applied in the settlement of the claim. This provision only applies to property that is less than 10 years old at the time of loss or damage;
  - (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
  - (3) The cost of replacing that property with substantially identical property.
- b. The value of Covered Property owned by others will be the amount for which you

are liable, not to exceed the replacement cost.

- c. **Optional Replacement Cost Valuation**  
When indicated by an 'X' in the Declarations, the value of Covered Property you own will be determined at replacement cost as of the time of loss or damage, except as otherwise provided in this Valuation ADDITIONAL CONDITION. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.
  - (1) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
  - (2) We will not pay on a replacement cost basis for any loss or damage:
    - (a) Until the lost or damaged property is actually repaired or replaced; and
    - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
 Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than \$50,000.

- d. **Optional Agreed Value Valuation**  
When indicated by an 'X' in the Declarations, the value of Covered Property you own will be determined as follows:  
The value of Covered Property you own will be the Limit Of Insurance shown in the Declarations, Schedule(s) or Endorsement(s).

**F. DEFINITIONS**

- 1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including

asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

- 2. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This cause of loss does not include:

- (a) The cost of filling sinkholes; or
- (b) Sinking or collapse of land into man-made underground cavities.

- 3. **"Specified causes of loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Form.

Falling objects does not include loss or damage to:

- a. Personal property in the open; or
- b. Property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

- 4. **"Water damage"** means:
  - a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the premises at which the Covered Property is located and contains water or steam; and
  - b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the premises at which the Covered Property is located, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to the wear and tear exclusion 3.c.(1) in Section B – EXCLUSIONS.



# CONTRACTORS EQUIPMENT COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Form, means contractors equipment or other types of specialized machinery, equipment and tools, including attachments and accessories to such contractors equipment, machinery, equipment and tools, used in your business operations. We cover such property that is:

- a. Owned by you, including while leased, rented or loaned to others; or
- b. Owned by others while in your care, custody or control and that you have leased, rented or borrowed;

if a Limit of Insurance is shown in the Declarations for the applicable Covered Property.

### 2. Property Not Covered

Covered Property does not include:

- a. Aircraft.
- b. Contraband, or property in the course of illegal transportation or trade.
- c. Motor vehicles designed and principally used to transport property or persons over public roads. But this restriction does not apply to any vehicle to which contractors equipment or other types of specialized machinery or equipment is permanently mounted or attached.
- d. Watercraft. But this restriction does not apply to crew boats, work boats, barges or marine floats less than 26 feet in length that are used exclusively in direct support of your business operations.

### 3. Covered Causes Of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B - EXCLUSIONS; or
- b. Excluded or limited in the Declarations or Endorsements.

### 4. Coverage Extensions

Each of the following Coverage Extensions applies unless *Not Covered* is indicated in the Supplemental Declarations.

#### a. Business Personal Property In Job Trailers

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to your business personal property, other than Covered Property, while such property is located in a job or office trailer.

The Business Personal Property In Job Trailers Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Coverage Extension.

#### b. Document And Data Restoration Costs

We will pay your costs to research, replace or restore lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which there are no duplicates. Such costs must result from direct physical loss or damage by a Covered Cause of Loss to your valuable papers and records directly related to Covered Property.

The Document And Data Restoration Costs Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Coverage Extension.

**c. Fire Protective Systems**

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss to Covered Property, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls that caused the discharge.

The Fire Protection Systems Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Coverage Extension.

**d. Hauling Property Of Others**

We will pay your liability for direct physical loss or damage by a Covered Cause of Loss to property of others that you have accepted solely for transportation while such property is in your care, custody or control. Such property must be of the type eligible for coverage under this Coverage Form.

The Hauling Property Of Others Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Coverage Extension.

**e. Newly Acquired Equipment**

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to equipment you acquire during the policy period or after submitting the most recent schedule of Covered Property to us. Such newly acquired equipment must be of the type eligible for coverage under this Coverage Form. Coverage on the newly acquired equipment is subject to the following:

**(1) Non Reporting:**

If this policy is written on a Non Reporting basis, we will cover such newly acquired equipment for up to 180 days. Coverage under this Coverage Extension will end when any of the following first occurs:

- (a) 180 days expire after you acquire the equipment;
- (b) You report the equipment to us; or

(c) The policy expires or is cancelled.

We will charge you additional premium for the newly acquired property from the date of your acquisition.

**(2) Premium Adjustment:**

If this policy is written on a Premium Adjustment basis, we will cover such newly acquired equipment for the remainder of the policy period. Coverage under this Coverage Extension will end when the policy expires or is cancelled.

The Newly Acquired Equipment – Per Item Limit Of Insurance shown in the Supplemental Declarations is the most we will pay for any one newly acquired item of equipment in any one occurrence under this Coverage Extension.

**f. Rental Costs**

(1) In the event of a covered loss to Covered Property, we will pay the cost to rent an item of equipment similar to the item that sustained loss or damage when such rental equipment is necessary to continue your normal business operations because you do not have idle equipment that can perform the same work or function.

Coverage for such cost will begin immediately after the time of direct physical loss or damage and will end when either of the following first occurs:

- (a) The item of equipment to which the loss or damage occurred is repaired or replaced; or
- (b) The rented item of equipment is no longer needed.

The applicable Rental Costs Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Coverage Extension for the cost to rent a similar item of equipment.

(2) We will also pay for direct physical loss of or damage to the rented item of equipment caused by or resulting from a Covered Cause of Loss. Coverage will start when you

assume liability for the rented item of equipment and will end when the Rental Costs coverage under this Coverage Extension ends. We will also pay for direct physical loss of or damage to the rented item of equipment caused by or resulting from a Covered Cause of Loss while the item is in transit to or from the owner if you are liable for the item at the time of loss or damage.

The most we will pay in any one occurrence under this Coverage Extension for loss of or damage to the rented item is the amount for which you are liable, not to exceed the replacement cost of that property.

Any payment under this Coverage Extension for such direct physical loss or damage is included within and will not increase the Rental Costs Limit Of Insurance.

**g. Upgrades To Covered Equipment**

You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to upgrades made to covered items of equipment during the policy period after submitting the most recent schedule of Covered Property. You must have documentation for the increased value of any upgrades made.

The Upgrades To Covered Property Limit Of Insurance shown in the Supplemental Declarations is the most we will pay for improvements made to any one item of equipment in any one occurrence under this Coverage Extension.

**5. Additional Coverages**

Each of the following Additional Coverages applies unless Not Covered is indicated in the Supplemental Declarations.

**a. Claim Data Expense**

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.

- (2) We will not pay for:

- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS; or
- (c) Any expenses incurred, directed or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

The Claim Data Expense Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**b. Continuing Rental Payments**

In the event of covered loss to leased or rented equipment, we will pay the continuing rental payments you are obligated to pay under a written contract or agreement for such equipment until such time as the equipment can be repaired or replaced.

The applicable Continuing Rental Payments Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**c. Contract Penalty**

If you agreed in writing prior to loss to pay penalties as a result of your failure to meet completion times within the terms of a written contract, we will pay such penalties you incur when the failure to meet the completion times is solely due to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

The Contract Penalty Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage

**d. Debris Removal**

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered

Cause of Loss that occurs during the policy period.

The amount we will pay includes the increased costs you incur to divert debris of Covered Property to recycling facilities rather than landfills. Any income or remuneration derived from this recycling will reduce the amount of debris removal expense we would have otherwise paid.

The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (2) The most we will pay in any one occurrence under this Additional Coverage for your expense to remove the debris of Covered Property is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The Deductible in this Coverage Form applicable to that loss or damage.

Except as provided in Paragraph (3) below, payment under this Additional Coverage is included within and will not increase the applicable Limit Of Insurance.

- (3) If:
- (a) Your expense to remove debris of Covered Property exceeds the 25% limitation in Paragraph (2) above; or
  - (b) The sum of the amount we pay for loss of or damage to Covered Property and the expense for removal of its debris exceeds the applicable Limit Of Insurance;

we will pay up to the Debris Removal Increased Limit Of Insurance shown in the Supplemental Declarations.

**e. Employee Tools, Equipment And Clothing**

We will pay for direct physical loss of or damage to portable tools, equipment and clothing owned and used by your employees in your business. The loss or damage must be caused by or result from a Covered Cause of Loss that occurs while such property is being used in your business, including while in or on a motor vehicle used in your business.

The applicable Employee Tools, Equipment And Clothing Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**f. Errors Or Unintentional Omissions**

If an item of equipment is not covered under this Coverage Form due solely to your error or unintentional omission in failing to include the item, describing the item or describing the location of where the item is physically located, we will extend the insurance provided by this Coverage Form to apply to direct physical loss of or damage to such item caused by or resulting from a Covered Cause of Loss . Any such error must be reported and corrected when discovered. We will charge you additional premium.

The Errors Or Unintentional Omissions Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**g. Expediting Expenses**

In the event of covered loss to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs to, or expedite the permanent repairs or replacement of Covered Property sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other expedited means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of equipment or temporary replacement of damaged equipment.

The Expediting Expenses Limit Of Insurance shown in the Supplemental

Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**h. Expendable Supplies**

We will pay for direct physical loss or damage by a Covered Cause of Loss to expendable supplies, meaning consumable and periodic maintenance items held exclusively for the servicing of Covered Property, including fluids, oil, grease, fuel, filters, spark plugs, spare parts, cleaning supplies and other types of consumable service and maintenance items.

The Expendable Supplies Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**i. Fire Or Police Department Service Charge**

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

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

The Fire Or Police Department Service Charge Limit Of Insurance shown in the Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

No deductible applies to this Additional Coverage.

**j. Lost Warranty Or Service Contract**

- (1) If Covered Property is protected by an extended warranty or a maintenance or service contract; and
- (2) That warranty or contract becomes void or unusable due to a Covered Cause of Loss to such property;

we will reimburse you for the prorated amount of the unused costs of nonrefundable or nontransferable warranties or contracts.

The Lost Warranty Or Service Contract Limit Of Insurance shown in the

Supplemental Declarations is the most we will pay in any one occurrence under this Additional Coverage.

**k. Pollutant Clean Up and Removal**

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from any of the "specified causes of loss" that occurs to Covered Property during the policy period.

The expenses will be paid only if they are reported to us within 180 days of the date on which the covered "specified cause of loss" occurs.

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

The Pollutant Clean Up and Removal Limit Of Insurance shown in the Supplemental Declarations is the most we will pay under this Additional Coverage for the sum of all covered expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy, beginning with the effective date of the policy.

**l. Preservation Of Property**

If it is necessary to move Covered Property to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss, we will pay for:

- (1) The reasonable and necessary expenses actually incurred by you to remove the Covered Property, temporarily store the Covered Property at another location and move the Covered Property back to the location from which it was moved within a reasonable time after the threat of imminent loss or damage to the property by the Covered Cause of Loss passes.
  - (a) The Preservation Of Property Expense Limit Of Insurance shown in the Supplemental Declarations is the most we will

pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence.

- (b) This Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the Covered Cause of Loss from which the property is being preserved.

- (2) Any direct physical loss of or damage to the Covered Property while it is being moved, while temporarily stored at another location or while being moved back to the location from which it was moved.

This coverage will only apply if the loss or damage occurs within 90 days after the Covered Property is first moved and will end when either of the following first occurs:

- (a) The property is returned to the location from which it was moved; or
- (b) The policy expires or is cancelled.

The most we will pay in any one occurrence for direct physical loss of or damage to the Covered Property is the Limit of Insurance applicable to the moved property. Any payment under this Additional Coverage for such direct physical loss or damage is included within and will not increase such limit.

**m. Reward Coverage**

We will reimburse you for reward expenses you have incurred leading to:

- (1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or
- (2) The arrest and conviction of any person who has damaged or stolen any Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to the Reward Coverage Limit Of Insurance shown in the Supplemental Declarations in any one occurrence for the reward payments you make. These reward payments must be documented.

No Deductible applies to this Additional Coverage.

**n. Tracking System Deductible Waiver**

In the event of theft of Covered Property equipped with a wireless equipment locator or tracking system, we will waive the applicable deductible in any one occurrence up to the Tracking System Deductible Waiver amount shown in the Supplemental Declarations if, prior to the theft, you have maintained the system, its source of operating power and service contracts in accordance with the manufacturer's recommendations. You must promptly report the theft to the police and any monitoring or tracking service and activate the locator or tracking system.

**B. EXCLUSIONS**

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

**a. Governmental Action**

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

**b. 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.

**c. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government,

- sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for loss or damage caused by or resulting from any of the following:

**a. Consequential Loss**

- (1) Delay, loss of use or loss of market; or
- (2) Loss of business income or extra expense, except as specifically provided in this Coverage Part.

**b. Dishonesty**

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

**c. Pollution**

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss".

But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

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

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

**b. Electrical Damage or Disturbance**

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

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

Electrical, magnetic or electromagnetic energy includes:

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

**c. Mechanical Breakdown**

Mechanical breakdown or failure, including rupture or bursting caused by centrifugal force.

**d. Other Types of Losses**

- (1) Wear and tear.
- (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- (3) Changes in or extremes of temperature.

**e. Work Upon The Property**

Any repair process or work upon the Covered Property.

**C. LIMITS OF INSURANCE**

**1. Limit of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedule(s), Coverage Form or Endorsement(s).

**2. Annual Aggregate Limit of Insurance**

When an Annual Aggregate Limit is shown in the Declarations, Schedule(s), Coverage

Form or Endorsement(s), the applicable Annual Aggregate Limit of Insurance shown is the most we will pay for the total of all loss or damage in a 12 month period of this policy (beginning with the effective date of this policy).

3. In the event coverage for loss or damage is provided under the Coverage Extensions or Additional Coverages, the Limits of Insurance stated within the specific Coverage Extension or Additional Coverage will apply as additional amounts of insurance, unless otherwise stated within the Coverage Extension or Additional Coverage.

#### D. DEDUCTIBLE

##### 1. Dollar Deductible

When a dollar (\$) amount is shown as the applicable Deductible, we will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable Deductible shown in the Declarations, Deductible Schedule, Coverage Form(s) or Endorsement(s). We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

##### 2. Percentage Deductible

When a percentage (%) is shown as the applicable Deductible, we will calculate the dollar amount of the Deductible by multiplying the applicable percentage by:

- a. The value of property owned by you that has sustained loss or damage; or
- b. If property of others, the value of such property as agreed by you and the owner of the property prior to any loss or damage.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds such calculated dollar amount. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

In no event will the applicable Deductible be less than any applicable minimum, or more than any applicable maximum, amount.

3. The applicable Deductible shown in the Declarations, Deductible Schedule, Coverage Form(s) or Endorsement(s) applies to the Coverage Extensions and Additional Coverages unless otherwise stated in the Coverage Extension or Additional Coverage.

4. Unless otherwise stated, if more than one Deductible amount applies to loss or damage in any one occurrence, the total of the deductible amounts applied in that occurrence will not exceed the amount of the largest applicable Deductible.

#### E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the COMMERCIAL INLAND MARINE CONDITIONS and the COMMON POLICY CONDITIONS.

##### 1. Coinsurance

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

We will not pay the full amount of any loss or damage if the value of Covered Property at the time of loss or damage multiplied by the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for the property.

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

**Step 1:** Multiply the value of Covered Property at the time of loss or damage by the Coinsurance percentage;

**Step 2:** Divide the Limit of Insurance of the property by the figure determined in Step 1;

**Step 3:** Multiply the total amount of covered loss or damage, before the application of any deductible, by the figure determined in Step 2; and

**Step 4:** Subtract the deductible from the figure determined in Step 3.

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

The Coinsurance Additional Condition applies only to Scheduled Items.

##### 2. Coverage Territory

- a. We cover property wherever located within:

- (1) The United States of America (including its territories and possessions);

- (2) Puerto Rico; or

- (3) Canada.

- b. We also cover property being shipped by air within and between points in Paragraph a. above.



**3. Loss Payment**

The following are added to the Loss Payment LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS:

a. In the event of loss or damage covered by this Coverage Form, at our option we will either:

- (1) Pay the cost of reasonably restoring the property to its condition immediately before loss or damage;
- (2) Pay the value of the lost or damaged property; or
- (3) Take all or any part of the property at an agreed or appraised value.

We will determine the value of lost or damaged property, or the cost of restoring such property, in accordance with the applicable terms of the Valuation ADDITIONAL CONDITION in this Coverage Form or any applicable provision which amends or supersedes such Condition.

b. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. Any applicable policy deductibles must be satisfied before any partial payments are made.

**4. Premium Adjustment**

If Premium Adjustment is indicated as applying in the Declarations, the following conditions apply:

**a. Reports**

Within 30 days after the end of the Premium Adjustment Period shown in the Declarations, you must report the applicable Premium Base outlined below for each type of Covered Property to us in writing.

**(1) Scheduled And Unscheduled Owned Equipment:**

The Premium Base is the applicable value of all Covered Property at the end of the Premium Adjustment Period.

**(2) Equipment Leased Or Rented From Others:**

The Premium Base is your actual expenditures incurred (paid and owed) to lease or rent items of

equipment from others during the Premium Adjustment Period.

**b. Premium Computation and Adjustment**

Your Inception Premium is computed using the applicable Rate shown in the Declarations and the applicable Premium Base at inception of this policy. Your Inception Premium will be adjusted at the end the Premium Adjustment Period as follows:

**(1) Scheduled And Unscheduled Owned Equipment:**

The difference between the Premium Base used to calculate the Inception Premium and the Premium Base reported to us for the adjustment period will be multiplied by the applicable Adjustment Rate to determine any additional premium or return premium.

**(2) Equipment Leased Or Rented From Others:**

The difference between the Premium Base used to calculate the Inception Premium and the Premium Base reported to us for the adjustment period will be multiplied by the applicable Adjustment Rate to determine any additional premium or return premium.

**c. Cancellation**

If this policy is cancelled, you will report your Premium Base for the Covered Property from the inception date, or the last Premium Adjustment Period, up to and as of the date of cancellation.

**d. Records**

You must keep accurate records of transactions used to develop the Premium Base required for Premium Adjustment.

**5. Valuation**

The Valuation GENERAL CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

**Valuation**

In the event of loss or damage, the value of Covered Property will be determined as of the time of loss or damage.

**a. Scheduled And Unscheduled Owned Equipment**

Unless an Optional Valuation is indicated in the Declarations, the value of Scheduled And Unscheduled Owned Equipment will be the least of the following amounts:

- (1) The Actual Cash Value of the equipment. But in the event of partial loss or damage, not exceeding 20% of the Limit Of Insurance applicable to the equipment, no depreciation will be applied in the settlement of the claim;
- (2) The value shown for the equipment on the latest schedule of Covered Property that you submitted;
- (3) The cost of reasonably restoring the equipment to its condition immediately before loss or damage; or

But if a Scheduled Item describes a group of items of equipment by general type, category or location, the value of any one item of equipment will be determined as described above for the item of equipment sustaining loss or damage, not to exceed the Limit Of Insurance applying to such group of equipment.

**b. Equipment Owned By Others**

The value of Covered Property owned by others will be the amount for which you are liable, not to exceed the replacement cost of that property.

**c. Optional Valuations**

**(1) Replacement Cost**

When indicated by an 'X' in the Declarations, Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation and Coinsurance provisions of this Coverage Form with respect to applicable equipment.

You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have the loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so

within 180 days after the covered loss.

We will not pay for loss or damage on a replacement cost basis:

- (a) Until the lost or damaged equipment is actually repaired or replaced; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the covered loss.

We will not pay more for loss or damage on a replacement cost basis than the least of:

- (i) The value shown for that equipment on the latest Schedule of Covered Property that you submitted.
- (ii) The Limit Of Insurance applicable to the lost or damaged equipment.
- (iii) The cost to replace the lost or damaged equipment with other equipment:
  - i. Of comparable function and capacity; and
  - ii. Used for the same purpose.

**(2) Valuation Determined By Age Of The Property**

When indicated by an 'X' in the Declarations, Scheduled and Unscheduled Owned Equipment will be valued on the basis of the date of manufacture of the item of equipment sustaining loss or damage as follows:

- (a) Replacement Cost (without deduction for depreciation) will apply to items of equipment manufactured up to the number of years indicated in the Declarations; and
- (b) Actual Cash Value will apply to items of equipment manufactured over the number of years indicated in the Declarations.

**(3) Agreed Value**

When indicated by an 'X' in the Declarations, the following applies with respect to Scheduled Equipment described in the latest Schedule of

Covered Property that you submitted to us:

- (a) The Coinsurance provision of this Coverage Form is deleted with respect to individually Scheduled Items of equipment; and
- (b) The value of such equipment will be the least of the following:
  - (i) The applicable Limit Of Insurance shown in the Declarations, Schedule or Endorsement for that equipment; or
  - (ii) The amount shown for the equipment on the latest Schedule of Covered Property that you submitted to us.

**6. Minimum Earned Premium**

If a Minimum Earned Premium is shown in the Declarations, such premium is the least amount of premium you must pay when the actual earned premium for this coverage is less than the Minimum Earned Premium.

The Minimum Earned Premium does not apply if we cancel coverage other than at your request.

**7. Reinstatement Of Limit After Loss**

The Reinstatement Of Limit After Loss LOSS CONDITION in the COMMERCIAL INLAND MARINE CONDITIONS is replaced by the following:

Reinstatement Of Limit After Loss

With the exception of any applicable Annual Aggregate Limit Of Insurance, the Limit Of Insurance will not be reduced by the payment of any claim.

**F. DEFINITIONS**

- 1. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

- 2. **"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This cause of loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man made underground cavities.

- 3. **"Specified causes of loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Form.

Falling objects does not include loss or damage to:

- a. Personal property in the open; or
- b. Property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

- 4. **"Water damage"** means:

- a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that is located on the premises at which the Covered Property is located and contains water or steam; and

- b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the premises at which the Covered Property is located, if the breakage or cracking is caused by wear and tear.

This provision serves as an exception to the wear and tear exclusion under the Other Types of Losses Exclusion in Section B – EXCLUSIONS, Part 3.d.

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

## **BLANKET LOSS PAYEES**

This endorsement modifies insurance provided under the  
COMMERCIAL INLAND MARINE COVERAGE PART

The following is added to Section E – ADDITIONAL  
COVERAGE CONDITIONS:

Loss Payable Provision

In the event of a Covered Cause of Loss to Covered  
Property in which both you and a Loss Payee share  
an insurable interest, we will:

**a.** Adjust the loss or damage with you; and

**b.** Pay any claim for loss or damage jointly to you  
and the Loss Payee as your interests may  
appear.

This endorsement applies to all Covered Property for  
which a Loss Payee is on file with us or your  
insurance agent or insurance broker.

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

## FLOOD LIMITATION - DESCRIBED PROPERTY OR LOCATIONS

This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

**A. Schedule Of Described Property Or Locations:**

	<b>Flood Occurrence Limit Of Insurance:</b>	<b>Flood Annual Aggregate Limit Of Insurance:</b>
ALL COVERED PROPERTY	\$ 4,393,682	\$ 4,393,682
	\$	\$
	\$	\$
	\$	\$
	\$	\$

**B. Flood Deductible:**

See Declarations or elsewhere in this policy.

**C. The following is added to Section C – LIMITS OF INSURANCE:**

**Flood Limit Of Insurance**

The applicable Limit of Insurance shown in the Schedule of Described Property or Locations is the most we will pay for loss of or damage to Covered Property described, or to Covered Property while at the locations described, in the Schedule of Described Property or Locations caused by or resulting from "flood".

1. All "flood" loss that occurs:
  - a. During a continuous or protracted event, such as a period of continued rising or overflow of any river(s), stream(s) or any body(ies) of water and the subsidence of same within the banks of such river(s), stream(s) or body(ies) of water; or

- b. Due to any tidal wave or series of tidal waves that occur within any 168 hour period;

will constitute a single "flood" occurrence. If "flood" loss commences prior to the expiration date of this policy and the "flood" occurrence extends beyond the expiration date of this policy, the expiration date of this policy will not reduce the "flood" occurrence period. But we will not pay for loss or damage caused by or resulting from any "flood" occurrence that begins before the inception of this insurance.

2. The limits of insurance shown in the Schedule of Described Property or Locations does not apply to, or modify, any limits that apply to the insurance otherwise provided under the Coverage Forms shown above for loss or damage by fire, explosion or sprinkler leakage that results from "flood".

COMMERCIAL INLAND MARINE

3. The applicable Flood Limit of Insurance shown in the Schedule of Described Property or Locations above is the most we will pay for "flood", including "business income", "extra expense" or any other time element coverages. Amounts payable under any Additional Coverage or Coverage Extension do not increase the applicable Flood Limit of Insurance. The applicable Limit is part of, and does not increase, the Limit of Insurance that otherwise applies under this Coverage Form.
- D. The following Definition is added to Section F - DEFINITIONS:
- "Flood"** means any of the following, all whether naturally occurring or due to man-made or other artificial causes:
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 driven by wind (including storm surge) or not;
  2. Mudslide or mudflow;
  3. Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this does not apply to the backup or overflow of water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by Paragraphs 1. or 2. above or by Paragraphs 4. or 5. below.
  4. Water under the ground surface pressing on, or flowing or seeping through:
    - (a) Foundations, walls, floors or paved surfaces;
    - (b) Basements, whether paved or not; or
    - (c) Doors, windows or other openings; or
  5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs 1., 3. and 4. above, or material carried or otherwise moved by mudslide or mudflow.

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

## **EARTH MOVEMENT LIMITATION – DESCRIBED PROPERTY OR LOCATIONS**

This endorsement modifies insurance provided under the following:  
 CONTRACTORS EQUIPMENT COVERAGE FORM

<b>A. Schedule Of Described Property Or Locations:</b>	<b>Earth Movement Occurrence Limit Of Insurance:</b>	<b>Earth Movement Annual Aggregate Limit Of Insurance:</b>
<b>ALL COVERED PROPERTY</b>	<b>\$ 4,393,682</b>	<b>\$ 4,393,682</b>
	\$	\$
	\$	\$
	\$	\$
	\$	\$

**B. Earth Movement Deductible**

See Declarations or elsewhere in this policy.

**C. The following is added to Section C – LIMITS OF INSURANCE:**

**Earth Movement Limit Of Insurance**

1. The applicable Limit of Insurance shown in the Schedule of Described Property or Locations is the most we will pay for loss of or damage to Covered Property described, or to Covered Property while at the locations described, in the Schedule of Described Property or Locations caused by or resulting from "earth movement".

2. The Limits of Insurance shown in the Schedule of Described Property or Locations do not apply to, or modify, any limits of insurance that apply to the coverage otherwise provided under this Coverage Form for loss or damage by:

- a. Fire or explosion that results from "earth movement" other than volcanic eruption, explosion or effusion; or
- b. Fire, building glass breakage or "volcanic action" that results from volcanic eruption, explosion or effusion.

**3. Earth Movement Occurrence Limit of Insurance**

The applicable Earth Movement Occurrence Limit of Insurance shown in the Schedule of Described Property or Locations is the most we will pay in any one occurrence of "earth movement". Amounts payable under any Additional Coverage or Coverage Extension do not increase the applicable Earth Movement Occurrence Limit of Insurance. The applicable Earth Movement Occurrence Limit is part of, and does not increase, the Limit of Insurance that otherwise applies under this Coverage Form.

**4. Earth Movement Annual Aggregate Limit of Insurance**

The applicable Earth Movement Annual Aggregate Limit shown in the Schedule above is the most we will pay for the total of all loss or damage caused by or resulting from "earth movement" in a 12 month period of this policy (beginning with the effective date of this policy).

**D. The following is added to Section D – DEDUCTIBLE:**

The applicable Earth Movement Deductible shown in the Declarations or elsewhere in this policy and set forth in this endorsement applies to direct physical loss or damage caused by or resulting from "earth movement". This Deductible applies separately to each occurrence of "earth movement" and applies in addition to any other Deductibles in this Coverage Form that apply to loss or damage in the same occurrence.

**1. Percentage Deductible**

When a percentage (%) is shown in the Declarations or elsewhere in this policy as the applicable Earth Movement Deductible, we will calculate the dollar amount of the Deductible by multiplying the applicable percentage shown by the value of the property that has sustained loss or damage. We will not pay for loss or damage in any one occurrence of "earth movement" until the amount of loss or damage exceeds such calculated dollar amount. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

In no event will the applicable Deductible be less than any applicable minimum, or more than any applicable maximum, amount shown in the Schedule of Described Property or Locations.

**2. Dollar Deductible**

When a dollar amount is shown in the Declarations or elsewhere in this policy as the applicable Earth Movement Deductible, we will not pay for loss or damage in any one occurrence of "earth movement" until the amount of loss or damage exceeds the applicable Earth Movement Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**3. The applicable Earth Movement Deductible does not apply to or modify any Deductibles that apply to the coverage otherwise provided under this Coverage Form for loss or damage by:**

- a. Fire or explosion that results from "earth movement" other than volcanic eruption, explosion or effusion; or
- b. Fire, building glass breakage or "volcanic action" that results from volcanic eruption, explosion or effusion.

**E. The following Definitions are added to Section F - DEFINITIONS:**

**1. "Earth Movement"** means any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- a. Earthquake, including tremors and aftershocks, and earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Earth sinking (other than "sinkhole collapse"), rising, or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface; or
- e. Volcanic eruption, explosion or effusion

All "earth movement" described in Paragraphs a. through e. above that occurs within any 168-hour period will constitute a single "earth movement". The expiration of this policy will not reduce the 168-hour period. But we will not pay for loss or damage caused by or resulting from any "earth movement" that begins before the inception of this insurance.



2. **“Volcanic Action”** means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
  - a. Airborne volcanic blast or airborne shock waves;
  - b. Ash, dust or particulate matter; or
  - c. Lava flow.

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

## **ELECTRONIC VANDALISM LIMITATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

### **SCHEDULE**

#### **Electronic Vandalism Limit of Insurance,**

aggregate in any 12-month period of this policy: **\$10,000.**

This endorsement limits the insurance provided under this policy for direct physical loss or damage caused by or resulting from "electronic vandalism" and for loss that is a consequence of such direct physical loss or damage.

#### **A. LIMITATION – ELECTRONIC VANDALISM**

The following LIMITATION is added:

The most we will pay for all loss or damage caused directly or indirectly by or resulting from "electronic vandalism" in any one policy year, commencing with the inception date of this endorsement, is the Electronic Vandalism Limit of Insurance shown in the Schedule of this endorsement. This limit:

1. Applies regardless of the number of locations, items or types of property or coverages or Coverage Forms involved; and
2. Is part of, and does not increase the Limits of Insurance provided under this policy.

But if "electronic vandalism" results in:

1. A "specified cause of loss", other than vandalism; or
2. Theft under the Fine Art And Collectibles Coverage Form; Museum Coverage Form, Fine Art Dealer Coverage Form or any other similar fine art coverage form;

this limitation will not apply to the resulting loss or damage caused by that "specified cause of loss" or theft.

#### **B. ELECTRONIC VANDALISM MINIMUM DEDUCTIBLE**

The following deductible provision is added and applies to all coverages, including Extra Expense:

The DEDUCTIBLE provisions of this policy continue to apply. But in no event will the total of

all applicable deductible amounts applied in any one occurrence of "electronic vandalism" be less than \$1,000.

#### **C. DEFINITIONS**

"**Electronic Vandalism**", as used in this endorsement means:

1. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
2. Unauthorized computer code or programming that:
  - a. Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
  - b. Replicates itself, impairing the performance of computers or computer systems or networks; or
  - c. Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

"**Specified Cause of Loss**", as used in this endorsement means:

Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling

objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in the Coverage Form.

Falling objects does not include loss or damage to:

- a. Personal property in the open; or
- b. The interior of a building or structure, or property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

**"Sinkhole collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.

**"Water damage"** means:

- a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that contains water or steam and is at a location listed in the applicable Location Schedule; and
- b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off a location listed in the applicable Location Schedule, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to any wear and tear exclusion. But water damage does not include loss or damage that otherwise may be excluded under the terms of a Water or Flood Exclusion.

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

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL INLAND MARINE COVERAGE PART**

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer

Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 1% of your total Commercial Inland Marine Coverage Part premium.

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

## EARTH MOVEMENT LIMITATION – DESCRIBED PROPERTY OR LOCATIONS

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROPERTY COVERAGE FORM

**A. Schedule**

Described Property or Locations	Earth Movement Occurrence Limit Of Insurance:	Earth Movement Annual Aggregate Limit Of Insurance:
ALL COVERED PROPERTY	\$ 2,121,259	\$ 2,121,259
	\$	\$
	\$	\$
	\$	\$
	\$	\$

**B. Earth Movement Deductible**

Deductible applying to Earth Movement as indicated by an 'X' below:

- Dollar Deductible:** \$ 1,000
- Percent Deductible:** % subject to minimum and maximum

**C. The following is added to Section C – LIMITS OF INSURANCE:**

**Earth Movement Limit Of Insurance**

1. The applicable Limit of Insurance shown in the Schedule above is the most we will pay for loss of or damage to Covered Property described, or to Covered Property while at the locations described, in the Schedule above caused by or resulting from "earth movement".
2. The Limits of Insurance shown in the Schedule above do not apply to, or modify, any limits of insurance that apply to the coverage otherwise provided under this Coverage Form for loss or damage by:

- a. Fire or explosion that results from "earth movement" other than volcanic eruption, explosion or effusion; or
- b. Fire, building glass breakage or "volcanic action" that results from volcanic eruption, explosion or effusion.

**3. Earth Movement Occurrence Limit of Insurance**

The applicable Earth Movement Occurrence Limit of Insurance shown in the Schedule above is the most we will pay in any one occurrence of "earth movement". Amounts payable under any Additional Coverage or Coverage Extension do not increase the applicable Earth Movement Occurrence Limit of Insurance. The applicable Earth Movement Occurrence Limit is part of, and does not increase, the Limit of Insurance that otherwise applies under this Coverage Form.

**4. Earth Movement Annual Aggregate Limit of Insurance**

The applicable Earth Movement Annual Aggregate Limit shown in the Schedule above is

the most we will pay for the total of all loss or damage caused by or resulting from "earth movement" in a 12 month period of this policy (beginning with the effective date of this policy).

**D. The following is added to Section D – DEDUCTIBLE:**

The applicable Earth Movement Deductible shown above and set forth in this endorsement applies to direct physical loss or damage caused by or resulting from "earth movement". This Deductible applies separately to each occurrence of "earth movement" and applies in addition to any other Deductibles in this Coverage Form that apply to loss or damage in the same occurrence.

**1. Percentage Deductible**

When a percentage (%) is shown above as the applicable Earth Movement Deductible, we will calculate the dollar amount of the Deductible by multiplying the applicable percentage shown by the value of the property that has sustained loss or damage. We will not pay for loss or damage in any one occurrence of "earth movement" until the amount of loss or damage exceeds such calculated dollar amount. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

In no event will the applicable Deductible be less than any applicable minimum, or more than any applicable maximum, amount shown above.

**2. Dollar Deductible**

When a dollar amount is shown in as the applicable Earth Movement Deductible, we will not pay for loss or damage in any one occurrence of "earth movement" until the amount of loss or damage exceeds the applicable Earth Movement Deductible shown above. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**3. The Deductibles shown above do not apply to or modify any Deductibles that apply to the coverage otherwise provided under this Coverage Form for loss or damage by:**

- a. Fire or explosion that results from "earth movement" other than volcanic eruption, explosion or effusion; or
- b. Fire, building glass breakage or "volcanic action" that results from volcanic eruption, explosion or effusion.

**E. The following Definitions are added to Section F – DEFINITIONS:**

**1. "Earth Movement"** means any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- a. Earthquake, including tremors and aftershocks, and earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Earth sinking (other than "sinkhole collapse"), rising, or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface; or
- e. Volcanic eruption, explosion or effusion.

All "earth movement" described in Paragraphs a. through e. above that occurs within any 168-hour period will constitute a single "earth movement". The expiration of this policy will not reduce the 168-hour period. But we will not pay for loss or damage caused by or resulting from any "earth movement" that begins before the inception of this insurance.

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

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

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

## FLOOD LIMITATION – DESCRIBED PROPERTY OR LOCATIONS

This endorsement modifies insurance provided under the following:  
 MISCELLANEOUS PROPERTY COVERAGE FORM

**A. Schedule**

Described Property or Locations	Flood Occurrence Limit Of Insurance:	Flood Annual Aggregate Limit Of Insurance:
ALL COVERED PROPERTY	\$ 2,121,259	\$ 2,121,259
	\$	\$
	\$	\$
	\$	\$
	\$	\$

**B. Flood Deductible**

Deductible applying to Flood as indicated by an 'X' below:

- Dollar Deductible:** \$ 1,000
- Percent Deductible:** % subject to minimum and maximum

**C. The following is added to Section C – LIMITS OF INSURANCE:**

**Flood Limit Of Insurance**

The applicable Limit of Insurance shown in the Schedule above is the most we will pay for loss of or damage to Covered Property described, or to Covered Property while at the locations described, in the Schedule above caused by or resulting from "flood".

1. All "flood" loss that occurs:
  - a. During a continuous or protracted event, such as a period of continued rising or overflow of any river(s), stream(s) or any

body(ies) of water and the subsidence of same within the banks of such river(s), stream(s) or body(ies) of water; or

- b. Due to any tidal wave or series of tidal waves that occur within any 168 hour period;

will constitute a single "flood" occurrence. If "flood" loss commences prior to the expiration date of this policy and the "flood" occurrence extends beyond the expiration date of this policy, the expiration date of this policy will not reduce the "flood" occurrence period. But we will not pay for loss or damage caused by or resulting from any "flood" occurrence that begins before the inception of this insurance.

2. The Limits of Insurance shown in the Schedule above does not apply to, or modify, any limits that apply to the insurance otherwise provided under the Coverage Form shown above for loss or damage by fire, explosion or sprinkler leakage that results from "flood".

**3. Flood Occurrence Limit of Insurance**

The applicable Flood Occurrence Limit of Insurance shown in the Schedule above is the most we will pay in any one occurrence of "flood". Amounts payable under any Additional Coverage or Coverage Extension do not increase the applicable Flood Occurrence Limit of Insurance. The applicable Occurrence Limit is part of, and does not increase, the Limit of Insurance that otherwise applies under this Coverage Form.

**4. Flood Annual Aggregate Limit of Insurance**

The applicable Flood Annual Aggregate Limit shown in the Schedule above is the most we will pay for the total of all loss or damage caused by or resulting from "flood" in a 12 month period of this policy (beginning with the effective date of this policy).

**D. The following is added to Section D – DEDUCTIBLE:**

The applicable Flood Deductible shown above and set forth in this endorsement applies to direct physical loss or damage caused by or resulting from flood. This Deductible applies separately to each occurrence of "flood" and applies in addition to any other Deductibles in this Coverage Form that apply to loss or damage in the same occurrence.

**1. Percentage Deductible**

When a percentage (%) is shown above as the applicable Flood Deductible, we will calculate the dollar amount of the Deductible by multiplying the applicable percentage shown by the value of the property that has sustained loss or damage. We will not pay for loss or damage in any one occurrence of "flood" until the amount of loss or damage exceeds such calculated dollar amount. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

In no event will the applicable Deductible be less than any applicable minimum, or more than any applicable maximum, amount shown above.

**2. Dollar Deductible**

When a dollar amount is shown as the applicable Flood Deductible, we will not pay for loss or damage in any one occurrence of "flood" until the amount of loss or damage exceeds the applicable Flood Deductible shown above. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- 3.** The deductibles shown above do not apply to, or modify, any deductibles that apply to the coverage otherwise provided under the Coverage Form shown above for loss or damage by fire, explosion or sprinkler leakage that results from "flood".

**E. The following Definition is added to Section F – DEFINITIONS:**

**"Flood"** means any of the following, all whether naturally occurring or due to man-made or other artificial causes:

- 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 driven by wind (including storm surge) or not;
- 2.** Mudslide or mudflow;
- 3.** Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this does not apply to the backup or overflow of water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by Paragraphs 1. or 2. above or by Paragraphs 4. or 5. below.
- 4.** Water under the ground surface pressing on, or flowing or seeping through:
  - (a)** Foundations, walls, floors or paved surfaces;
  - (b)** Basements, whether paved or not; or
  - (c)** Doors, windows or other openings; or
- 5.** Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs 1., 3. and 4. above, or material carried or otherwise moved by mudslide or mudflow.



**INTERLINE  
ENDORSEMENTS**



**INTERLINE  
ENDORSEMENTS**

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

## **ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
DELUXE PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
TRAVELERS PROPERTY COVERAGE PART

The following definition is added to any Definitions Section and applies to any provision that uses the term actual cash value:

Actual cash value means the value of the covered property at the time of loss or damage.

When calculating actual cash value using the estimated cost to repair or replace such property, with a reasonable deduction for depreciation that occurred before such loss or damage, we may apply depreciation to all components of the estimated cost, including the following:

- a. Materials;
- b. Labor;
- c. Overhead and profit; and
- d. Any applicable tax.

The deduction for depreciation may include such considerations as:

- a. Age;
- b. Condition, such as wear and tear or deterioration;
- c. Reduction in useful life; and
- d. Obsolescence.

This definition does not apply to covered property in the following states:

AR CA CT LA ME MT PR WA WV VT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

### **Prohibited Coverage – Unlicensed Insurance**

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
  - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

### **Prohibited Coverage – Trade Or Economic Sanctions**

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM  
CYBERFIRST GENERAL PROVISIONS FORM  
DELUXE PROPERTY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY <sup>+</sup> WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EQUIPMENT BREAKDOWN COVERAGE PART  
EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRAVELERS PROPERTY COVERAGE PART  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

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

## **ADDITIONAL BENEFITS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following Condition is added to each Common Policy Conditions included in this policy:

### **Additional Benefits**

1. We may offer or provide, or allow others to provide, you or another insured under this policy with goods and services, access to discounted goods and services, other program benefits or other items of value that could assist your business with managing your risk, with servicing your policy or with staying informed about loss control and mitigation of risk.
2. These Additional Benefits may be provided in any form. You or another insured under this policy may be eligible to receive additional benefits. You
3. While we may arrange for these Additional Benefits, the other provider is liable to you or the other insured for the provision of the goods and services. We do not warrant the merchantability, fitness or quality of any goods or services provided or assume any additional obligation related to any Additional Benefits provided.
4. We have the right to modify or discontinue any Additional Benefits provided by us, or others authorized by us, without notice to you or any other insured.

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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
FARM COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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

## **TENNESSEE CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Paragraph **5.** of the **Cancellation** Common Policy Condition is replaced by the following:

**5.** If this policy is cancelled, we will send the first Named Insured any premium refund due.

The refund will be pro rata if:

- a.** We cancel; or
- b.** The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the first Named Insured cancels the policy.

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

**B.** The following is added to the **Cancellation** Common Policy Condition:

### **CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE**

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

- 1.** Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
- 2.** Your conviction of a crime increasing any hazard insured against;

**3.** Discovery of fraud or material misrepresentation on the part of either of the following:

- a.** You or your representative in obtaining this insurance; or
- b.** You in pursuing a claim under this policy;

**4.** Failure to comply with written loss control recommendations;

**5.** Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;

**6.** Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;

**7.** Your violation or breach of any policy terms or conditions; or

**8.** Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

**C.** The following is added and supersedes any provisions to the contrary:

### **NONRENEWAL**

**1.** If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:

- a.** We have offered to issue a renewal policy; or



- b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- 2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

- D. The following is added to the **Premiums** Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes of Loss – Broad Form;
- we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

## **POLICYHOLDER NOTICES**



## **POLICYHOLDER NOTICES**

## **IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

For information about how Travelers compensates independent agents and brokers, please visit [www.travelers.com](http://www.travelers.com), call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

## **POLICYHOLDER NOTICES**



**POLICYHOLDER NOTICES**

## **NOTICE OF NEW**

### **ACTUAL CASH VALUE ENDORSEMENT**

**YOUR NEW POLICY INCLUDES A NEW ENDORSEMENT FROM YOUR PREVIOUS POLICY. IMPORTANT LANGUAGE IS IDENTIFIED IN THIS NOTICE. PLEASE READ THIS NOTICE CAREFULLY.**

**WE ALSO MAY HAVE MADE CERTAIN WORDING AND FORMATTING CHANGES FOR THE PURPOSE OF CLARIFICATION OR IMPROVED READABILITY. THIS NOTICE DOES NOT NECESSARILY IDENTIFY ANY OR EVERY CLARIFICATION OR EDITORIAL CHANGE MADE.**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT, BROKER OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

Actual Cash Value endorsement, IL T0 63 07 22, is added to your policy. This endorsement adds a definition for Actual Cash Value, which is defined as the value of covered property at the time of loss or damage. When calculating actual cash value using the estimated cost to repair or replace covered property, we may apply depreciation to all components of the estimated cost, including materials, labor, overhead and profit, and any applicable tax. The deduction for depreciation may include such considerations as age, condition (such as wear and tear or deterioration), reduction in useful life and obsolescence. With respect to Illinois, Kentucky, Mississippi, Ohio and Tennessee, this endorsement may result in a reduction of coverage when a reasonable deduction for depreciation is applied.



**To Our Valued Customer,**

**Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.**

**Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.**

**Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.**

**For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.**