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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:

FRATERNAL PROPERTY MANAGEMENT ASSOCIATION 425 N MARTINGALE ROAD STE. 1100 SCHAUMBURG IL 60173

Presented by: WILLIS MN INC



TRAVELERS CORP. TEL: 1-800-328-2189

COLLEGES & UNIVERSITIES COMMON POLICY DECLARATIONS ISSUE DATE: 05/20/14

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

INSURING COMPANY:

THE CHARTER OAK FIRE INSURANCE COMPANY

- 1. NAMED INSURED AND MAILING ADDRESS: FRATERNAL PROPERTY MANAGEMENT ASSOCIATION 425 N MARTINGALE ROAD STE. 1100 SCHAUMBURG, IL 60173
- 2. POLICY PERIOD: From 04/01/14 to 04/01/17 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: EQUIPMENT BREAKDOWN PROTECTION DECLARATIONS EB TO 00 08 08 COF
- 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
- 7. PREMIUM SUMMARY:

Provisional Premium \$ Due at Inception \$ Due at Each \$

INCLUDES (KYBMFS)

PREMIUM SHOWN IS FOR FIRST YEAR ONLY (04/01/14 TO 04/01/15)

EACH ANNIVERSARY THEREAFTER SHALL BE SUBJECT TO RERATE
NAME AND ADDRESS OF AGENT OR BROKER:

COUNTERSIGNED BY:

WILLIS MN INC (CFC93) 10707 PACIFIC ST- STE 200 OMAHA, NE 68114

Authorized Representative

DATE:___

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OFFICE: OMAHA



TAXES AND SURCHARGES

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

EFFECTIVE DATE: 04/01/14

ISSUE DATE: 05/20/14

DESCRIPTION AMOUNT

WV BM SURCHARGE INSURANCE PREMIUM
KENTUCKY BOILER MACHINERY FUND SURCHARGE
2011 FL INSURANCE GUARANTY ASSOCIATION
FL CAT FUND EMERGENCY ASSESSMENT SURCHARGE - BM
NEW JERSERY GUARANTY FUND SURCHARGE - B & M

IL TO 02 11 89 PAGE 2 OF 2

OFFICE: OMAHA 155

PRODUCER NAME: WILLIS MN INC

CFC93



POLICY NUMBER: M5J-BME1-7B31100A-COF-14

EFFECTIVE DATE: 04-01-14

ISSUE DATE: 05-20-14

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

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IL TO 01 01 07	COMMON	POLICY CONDITIONS

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BOILER AND MACHINERY

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EB TO 01 02 09	ENERGYMAX 21 EB TABLE OF CONTENTS
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BM T5 94 01 08	TERRORISM RISK INS ACT 2002 DISCLOSURE
EB T3 07 08 08	DEDUCTIBLE WAIVER
EB T3 18 08 08	SPEC PERILS ELIMINATION ENDORSEMENT
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EB T3 53 08 08	DEDUCTIBLE-AIR CONDITIONING/REFRIGERATE
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EB T3 76 08 12	GREEN COVERAGE ENHANCEMENTS
EB T3 88 08 08	OFF PREMISES EQUIPMENT COVERAGE
EB T4 01 08 08	DEPENDENT PROPERTIES - LOC SCHEDULE
EB T9 02 08 08	AZ CHANGES - CONCEALMENT, MISREP, FRAUD
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EB T9 04 08 08	IL CHANGES NOTICE OF MAILING
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POLICY NUMBER: M5J-BME1-7B31100A-COF-14

EFFECTIVE DATE: 04-01-14

ISSUE DATE: 05-20-14

BOILER AND MACHINERY (CONTINUED)

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COMMON POLICY CONDITIONS

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

A. Cancellation

- The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 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
 - 30 days before the effective date of cancellation if we cancel for any other reason
- 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.
- 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

- 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)

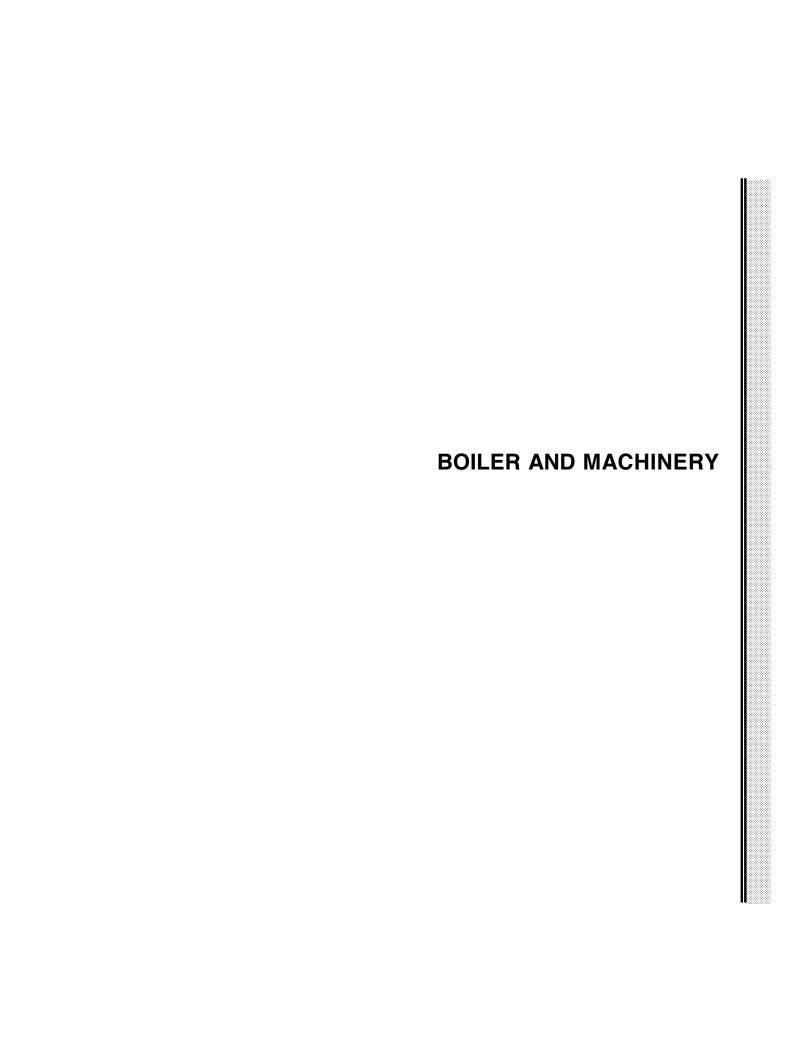
The Travelers Indemnity Company of Connecticut (TCT)

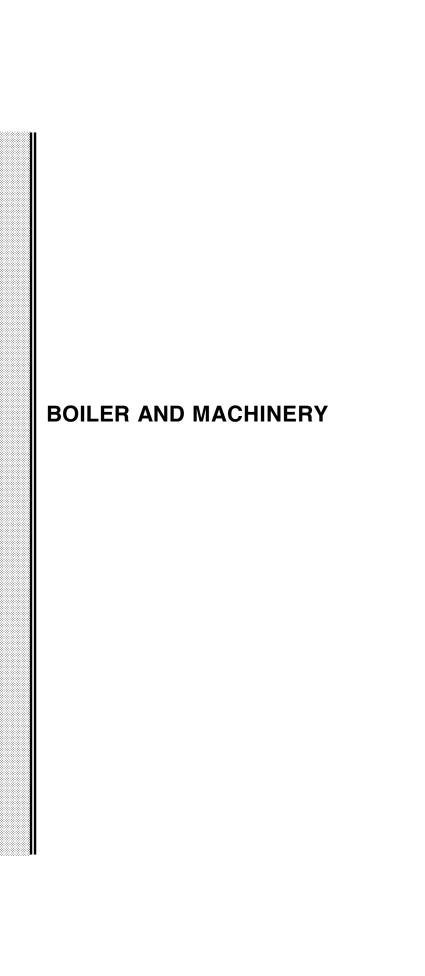
The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)

Wendy C. Sky

Brian Mac Cean









ENERGYMAX 21
EQUIPMENT BREAKDOWN PROTECTION
DECLARATIONS

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

ISSUE DATE: 05-20-14

INSURING COMPANY:

THE CHARTER OAK FIRE INSURANCE COMPANY

EFFECTIVE DATE: Same as Policy unless otherwise specified:

COVERED PREMISES:

The Coverage Provided By This Coverage Part Applies To All Locations Covered By This Policy Except Those Listed Below:

EXCEPTIONS:

The Limits of Insurance for Property Damage and the Coverage Extensions and Limitations are part of, not in addition to, the Total Limit per Breakdown.

If INCLUDED is shown under Limit of Insurance for Property Damage or a Coverage Extension or Limitation, then the limit for such coverage is part of, not in addition to, the other Limit of Insurance identified.

The Coverage Extensions listed below apply only if a limit or other coverage indicator is shown under the Limit of Insurance for that Coverage Extension.

The Coverage Limitations listed below always apply.

COVERAGE and LIMIT OF INSURANCE

Total Limit per Breakdown:

\$5,000,000

1. Property Damage (PD):

INCLUDED IN TOTAL LIMIT PER BREAKDOWN

- 2. Coverage Extensions and Limitations:
 - a. Business Income Coverage Extension (BI):

INCLUDED IN TOTAL LIMIT PER BREAKDOWN

Business Income "Period of Restoration" extension:

30 Days

b. Extra Expense Coverage Extension (EE):

INCLUDED IN TOTAL LIMIT PER BREAKDOWN

Extra Expense "Period of Restoration" extension:

30 Days

c. Spoilage Damage Coverage Extension (SD):

\$100,000

Utility Interruption – Spoilage coverage applies only if the interruption lasts at least (waiting period):

12 Hours

d. Utility Interruption – Time Element Coverage Extension (UI-TE):

\$1,000,000

Utility Interruption – Time Element coverage applies only if the interruption lasts at least (waiting period):

12 Hours

e. Civil Authority Coverage Extension:

COVERED



COVERAGE and LIMIT OF INSURANCE - Continued

f. "Dependent Property" Coverage Extension:

\$25,000

"Dependent Property" Locations:

SEE EB T4 01

g. "Electronic Data" or "Media" Coverage Extension:

\$100,000

h. Error in Description Coverage Extension:

INCLUDED IN TOTAL LIMIT PER BREAKDOWN

i. Expediting Expense Coverage Extension:

\$50,000

- j. "Fungus", Wet Rot and Dry Rot Coverage Extension:
 - (1) Property Damage:

\$15,000

(2) Business Income or Extra Expense:

30 DAYS

k. Hazardous Substance Limitation:

\$50,000

I. Newly Acquired Locations Coverage Extension:

\$1,000,000

Number of Days of coverage:

180 Days

m. Ordinance or Law (including Demolition and Increased Cost of Construction) Coverage Extension:

\$1,000,000

n. Refrigerant Contamination Limitation:

\$100,000

o. Water Damage Limitation:

INCLUDED IN TOTAL LIMIT PER BREAKDOWN

CONDITIONAL and OPTIONAL COVERAGES

Number of Days for Notice of Cancellation:

90 Days

Except: 10 days for non-payment of Premium

Business Income Coinsurance:

SUSPENDED



COVERAGE and DEDUCTIBLE AMOUNT

Combined Deductible:

NOT APPLICABLE

Property Damage (PD):

\$1,000 EXCEPT SEE EB T3 53

Business Income (BI):

INCLUDED IN PD DEDUCTIBLE

Extra Expense (EE):

INCLUDED IN PD DEDUCTIBLE

Spoilage Damage (SD):

INCLUDED IN PD DEDUCTIBLE

Utility Interruption-Time Element (UI-TE):

INCLUDED IN BI DEDUCTIBLE

Dependent Properties:

INCLUDED IN BI DEDUCTIBLE

Refrigerant Contamination:

INCLUDED IN PD DEDUCTIBLE

Other:

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

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EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION

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

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations or as endorsed hereunder. 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

1. Property Damage (PD)

We will pay for direct damage caused by a "Covered Cause of Loss" to "Covered Property" located at the Covered Premises shown in the Declarations or elsewhere in this Coverage Part.

"Covered Cause of Loss" is a "Breakdown" to "Covered Equipment" unless the loss is excluded elsewhere in this Coverage Part.

2. Coverage Extensions and Limitations

Coverage provided under paragraph A.1. may be modified by the following Coverage Extensions. Coverage Extensions apply only if a limit or other coverage indicator is shown under the Limit of Insurance for that Coverage Extension in the Declarations or elsewhere in this Coverage Part.

Coverage provided under paragraph **A.1.** is also modified by the following Coverage Limitations.

The Coverage Extensions and Limitations apply only to that portion of the loss or damage that is a direct result of a "Covered Cause of Loss". The "Breakdown" must occur during the Policy period, but expiration of the Policy does not limit our liability under these Coverage Extensions and Limitations.

The most we will pay under each of the Coverage Extensions or Limitations is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for such Coverage Extension or Limitation.

The Limits of Insurance for these Coverage Extensions and Limitations are part of, not in addition to, the Total Limit per Breakdown.

a. Business Income Coverage Extension (BI)

- (1) We will pay:
 - (a) Your actual loss of "Business Income" from a total or partial interruption of business during the "Period of Restoration"; and
 - (b) The additional necessary expenses you incur during the "Period of Restoration", over and above the expenses that you normally would have incurred, to reduce or avert the amount of loss under this Coverage Extension. We will pay for such expenses only to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Extension.
- (2) The "Covered Equipment" must either be:
 - (a) "Covered Property": or
 - (b) Property of others that is:
 - (i) Located on or within 1000 feet of a Covered Premises insured under this Coverage Part; and
 - (ii) Used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the Covered Premises.
- **(3)** We will take into consideration:
 - (a) The experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown"; and

(b) Any amount recovered under physical damage coverages based on selling price valuation;

in the adjustment of any loss.

b. Extra Expense Coverage Extension (EE)

- (1) We will pay your "Extra Expense".
- (2) The "Covered Equipment" must either
 - (a) "Covered Property"; or
 - (b) Property of others that is:
 - (i) Located on or within 1000 feet of a Covered Premises insured under this Coverage Part; and
 - (ii) Used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the Covered Premises.
- (3) We will take into consideration the experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown" in the adjustment of any loss.

c. Spoilage Damage Coverage Extension (SD)

We will pay for:

- (1) Spoilage damage to "Perishable Goods".
- (2) Utility Interruption Spoilage

Spoilage damage to "Perishable Goods" that is caused by or results from an interruption in utility services that is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by a private or public utility, landlord or other supplier with whom you have a contract to provide you with any of the following services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.

The interruption of such utility service to your Covered Premises must last at least the consecutive period of time shown in the Declarations or elsewhere in this Coverage Part for Utility Interruption – Spoilage. Once this waiting period is met, coverage will commence at the initial time of the interruption and will then be subject to the applicable deductible.

(3) Any necessary expenses you incur to reduce or avert the amount of loss under this Coverage Extension. We will pay such expenses to the extent they do not exceed the amount of loss that otherwise would have been payable under this Coverage Extension.

d. Utility Interruption – Time Element Coverage Extension (UI-TE)

If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover loss caused by the interruption of utility services provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by a private or public utility, landlord or other supplier with whom you have a contract to provide you with utility services;
- (2) The "Covered Equipment" is located more than 1000 feet from the affected Covered Premises insured under this Coverage Part;
- (3) The "Covered Equipment" is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the Covered Premises; and
- (4) The interruption of utility service to your Covered Premises lasts at least the consecutive period of time shown in the Declarations or elsewhere in this Coverage Part for Utility Interruption-Time Element. Once this waiting period is met, coverage will commence at the initial time of the interruption and will then be subject to the applicable deductible.

e. Civil Authority Coverage Extension

- (1) If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover loss caused by the action of civil authority that prohibits access to the Covered Premises. The action of civil authority must be due to direct physical loss or damage caused by a "Covered Cause of Loss" at locations, other than the Covered Premises, that are within 100 miles of the Covered Premises.
- (2) Coverage provided under e.(1) above will commence 24 hours after the time of the civil authority action and will continue for a period up to 3 consecutive weeks.

f. "Dependent Property" Coverage Extension

If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover loss caused by the necessary partial or total interruption of your business during the "Period of Restoration for Dependent Property". The interruption must be caused by direct physical loss of or damage to "Dependent Property", shown in the Declarations or elsewhere in this Coverage Part, caused by or resulting from a "Covered Cause of Loss".

However, coverage under this Coverage Extension does not apply when the only loss to "Dependent Property" is loss or damage to "Electronic Data", including destruction or corruption of "Electronic Data". If the "Dependent Property" sustains loss or damage to "Electronic Data" and other property, coverage under this Coverage Extension will end once the other property is repaired, rebuilt or replaced.

g. "Electronic Data" Or "Media" Coverage Extension

(1) If "Media" is damaged or "Electronic Data" is lost or corrupted as a direct result of a "Covered Cause of Loss" and such "Media" or "Electronic Data" is located at a Covered Premises, we will pay the actual cost to:

- (a) Research, replace, recreate or restore the damaged "Media" or lost or corrupted "Electronic Data"; and
- (b) Reprogram instructions used in any covered "Computer Equipment".
- (2) If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover the actual loss incurred during the time necessary to:
 - (a) Research, replace, recreate or restore the damaged "Media" or lost or corrupted "Electronic Data"; and
 - (b) Reprogram instructions used in any covered "Computer Equipment".
- (3) There shall be no coverage for any loss or expense incurred due to damaged "Media" or lost or corrupted "Electronic Data" if the "Electronic Data" or "Media" cannot be replaced, recreated or restored. To the extent that "Electronic Data" is not replaced, recreated or restored, the loss will be valued at the cost of replacement of the "Media" on which the "Electronic Data" was stored, with blank "Media" of substantially identical type.

The deductible for coverage under this Coverage Extension is INCLUDED within the applicable Property Damage Deductible, Business Income Deductible or Extra Expense Deductible shown in the Declarations or elsewhere in this Coverage Part.

h. Error in Description Coverage Extension

We will pay for your loss covered by this Coverage Part if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as insured under this Coverage Part.

You agree to give us prompt notice of any correction or addition to the description of a location insured under this Coverage Part.

i. Expediting Expense Coverage Extension

With respect to direct damage to "Covered Property" we will pay the reasonable extra cost you necessarily incur to:

- (1) Make temporary repairs to; or
- (2) Expedite the permanent repairs or replacement of;

the damaged property.

The deductible for coverage under this Coverage Extension is INCLUDED within the Property Damage Deductible shown in the Declarations or elsewhere in this Coverage Part

j. "Fungus", Wet Rot And Dry Rot Coverage Extension

(1) Property Damage

- (a) We will pay for loss or damage by "Fungus", wet or dry rot only when the "Fungus", wet or dry rot is the direct result of a "Covered Cause of Loss" that occurs during the Policy period. As used in this Coverage Extension, the term loss or damage means direct physical loss or damage to "Covered Property" caused by "Fungus", wet or dry rot including the cost:
 - (i) To treat, contain or remove the "Fungus", wet or dry rot;
 - (ii) To dispose of the "Fungus", wet or dry rot;
 - (iii) To tear out and replace any "Covered Property" as needed to gain access to the "Fungus", wet or dry rot; and
 - (iv) Of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "Fungus", wet or dry rot is present.

(b) Limit

- (i) The most we will pay for coverage provided under j.(1)(a) of this Coverage Extension is \$15,000 per Covered Premise per 12-month period starting with the effective date of this Coverage Part, or the amount shown in the Declarations or elsewhere in this Coverage Part as the Limit of Insurance for "Fungus", Wet Rot and Dry Rot Coverage Extension, (1) Property Damage, whichever is greater. With respect to any "One Breakdown" which results in "Fungus", wet or dry rot, we will not pay more than such limit even if the "Fungus", wet or dry rot continues to be present or active or recurs in a later policy period.
- (ii) If "Fungus", wet or dry rot results from damage by water as otherwise covered under this Coverage Part, the limit in j.(1)(b)(i) is part of, not in addition to, the Water Damage Limitation Limit of Insurance.
- (iii) If "Fungus", wet or dry rot results from a "Covered Cause of Loss" other than water, the limit in j.(1)(b)(i) is part of, not in addition to, the Property Damage Limit of Insurance.

(2) Business Income or Extra Expense

- (a) If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover the additional loss caused by the presence of "Fungus", wet or dry rot as identified in paragraph j.(1)(a) above.
- (b) Coverage identified in j.(2)(a) above is limited to 30 days, or the number of days shown in the Declarations or elsewhere in this Coverage Part as the Limit of Insurance for "Fungus", Wet Rot

and Dry Rot Coverage Extension, (2) Business Income or Extra Expense, whichever is greater. The number of indicated days need not be consecutive. This limit is part of, not in addition to, the applicable Limits of Insurance for the Business Income Coverage Extension and Extra Expense Coverage Extension.

The deductible for coverage under this Coverage Extension is INCLUDED within the applicable Property Damage Deductible, Business Income Deductible or Extra Expense Deductible shown in the Declarations or elsewhere in this Coverage Part.

k. Hazardous Substance Limitation

The following applies despite the operation of the Ordinance or Law Exclusion:

- (1) If "Covered Property" is damaged, contaminated or polluted by a "Hazardous Substance" as a direct result of a "Covered Cause of Loss", we will pay for physical damage caused by the "Hazardous Substance", including any additional expenses incurred by you for clean-up, repair, replacement or disposal of that property.
- (2) As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss.
- (3) If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover any loss caused by a "Hazardous Substance" as identified in k.(1) above.
- (4) The most we will pay for all loss or damage described under this Coverage Limitation is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Hazardous Substance Limitation.

The deductible for coverage under this Limitation is INCLUDED within the applicable Property Damage Deductible, Busi-

ness Income Deductible or Extra Expense Deductible shown in the Declarations or elsewhere in this Coverage Part.

I. Newly Acquired Locations Coverage Extension

We will provide coverage at newly acquired locations you have purchased or leased. This coverage begins at the time you acquire the property and is subject to the following conditions:

- (1) You must promptly inform us in writing of the newly acquired location(s);
- (2) You agree to pay an additional premium as determined by us for the newly acquired location(s) from the date you acquire such location(s);
- (3) The coverage for these locations will be subject to the same terms, conditions, exclusions and limitations as other Covered Premises until endorsed onto the Coverage Part;
- (4) The coverage under this Coverage Extension will end when any of the following first occurs:
 - (a) This Policy expires;
 - (b) The number of days shown in the Declarations or elsewhere in this Coverage Part for Newly Acquired Locations is exceeded; or
 - (c) The location is reported to us and we have communicated to you in writing our intent to continue coverage (including coverage with different limits, deductibles, terms or conditions) or decline further coverage for such reported location.
- (5) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired locations will be the broadest coverage, highest limits and highest deductibles applicable to the existing Covered Premises. However, the most we will pay for all loss or damage as provided under this Coverage Extension is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Newly Acquired Locations Coverage Extension.

- m. Ordinance or Law (including Demolition and Increased Cost of Construction) Coverage Extension
 - (1) The following applies despite the Ordinance or Law Exclusion.
 - (2) With respect to a building or structure that is "Covered Property" and that was damaged as a result of a "Covered Cause of Loss", we will pay for:
 - (a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance, law, rule, regulation or ruling that requires the demolition of undamaged parts of the same building or structure;
 - (b) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance, law, rule, regulation or ruling that requires the demolition of such undamaged property; and
 - **(c)** The increased cost actually and necessarily expended to:
 - (i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and
 - (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area, and style for like occupancy, whether or not demolition is required on:
 - i The same Covered Premises or at another location, if you so elect. However, if you rebuild at another location, the most we will pay is the increased cost of construction that we would have paid to rebuild at the same Covered Premises; or

- ii Another location if the relocation is required by the ordinance, law, rule, regulation or ruling. The most we will pay is the increased cost of construction at the new location.
- (d) If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover loss incurred as a direct consequence of coverage provided in m.(2)(a)-(c) above. With regard to loss covered under this paragraph, the "Period of Restoration" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction and to meet the minimum requirement for the enforcement of any ordinance, law, rule, regulation or ruling in effect at the time of the "Breakdown";

provided these increases in loss are necessitated by the enforcement of any ordinance, law, rule, regulation or ruling that is in force at the time of the "Breakdown", which regulates the demolition, construction, repair or use of the building or structure.

- (3) We will not pay for:
 - (a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
 - (b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;
 - **(c)** Loss due to any ordinance, law, rule, regulation or ruling that:
 - You were required to comply with before the loss, even if the building was undamaged;
 - (ii) You failed to comply with;

- (d) Increase in loss excess of the amount required to meet the minimum requirement of an ordinance, law, rule, regulation or ruling enforcement at the time of the "Breakdown":
- (e) Increase in loss resulting from a "Hazardous Substance";
- (f) Loss or expense sustained due to the enforcement of any ordinance, law, rule, regulation or ruling which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot; or
- (g) Costs associated with the enforcement of any ordinance, law, rule, regulation or ruling which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Fungus", wet or dry rot.

(4) If:

- (a) The building or structure is damaged by a "Covered Cause of Loss" that is covered by this Coverage Part;
- (b) There is other physical damage that is not covered by this Coverage Part; and
- (c) The building damage in its entirety results in enforcement of ordinance, law, rule, regulation or ruling;

then we will not pay the full amount of the loss under this Coverage Extension. Instead, we will pay only that proportion of such loss that the damage by the "Covered Cause of Loss" bears to the total physical damage.

But if the building or structure sustains direct physical damage that is not covered under this Coverage Part and such damage is the subject of the ordinance, law, rule, regulation or ruling, then there is no Ordinance or

Law coverage under this Coverage Part even if the building has also sustained damage by a "Covered Cause of Loss".

(5) The most we will pay under this Coverage Extension for the sum of all covered expenses, including loss covered under any applicable Business Income or Extra Expense coverage, is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Ordinance or Law (including Demolition and Increased Cost of Construction).

The deductible for coverage under this Coverage Extension is INCLUDED within the applicable Property Damage Deductible, Business Income Deductible or Extra Expense Deductible shown in the Declarations or elsewhere in this Coverage Part.

n. Refrigerant Contamination Limitation

If "Covered Property" is contaminated by a refrigerant, including ammonia, as a direct result of a "Covered Cause of Loss", the most we will pay for physical damage caused by such refrigerant contamination, including salvage expense and any additional expenses incurred by you for cleanup, repair, replacement or disposal of that property, is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Refrigerant Contamination.

o. Water Damage Limitation

If "Covered Property" is damaged by water as a direct result of a "Covered Cause of Loss", the most we will pay for such physical damage, including salvage expense, is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Water Damage.

The deductible for coverage under this Limitation is INCLUDED within the Property Damage Deductible shown in the Declarations or elsewhere in this Coverage Part.

B. Exclusions

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.

The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Earth Movement

Earth movement including: earthquake; landslide; land subsidence; mine subsidence; sinkhole collapse; volcanic action; or other rising or shifting of earth that results from, contributes to, or is aggravated by any of the above, all whether naturally occurring or due to man-made or other artificial causes.

2. Nuclear Hazard

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

3. War or Military Action

- a. War, including undeclared or civil war;
- b. 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
- **c.** Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

4. Water

- a. Flood, surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not;
- b. Mudflow or mudslides: or
- **c.** Backup of sewers, drains, or drainage piping;

all whether naturally occurring or due to manmade or other artificial causes.

- 5. Discharge or leakage of a sprinkler system, sewer piping or domestic water piping, unless such discharge or leakage is the direct result of a "Covered Cause of Loss". The most we will pay for such water damage is the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Water Damage Limitation.
- 6. Delay, interruption of business, loss of use or loss of market except as provided in

Business Income, Extra Expense or Utility Interruption-Time Element coverage.

Depletion, deterioration, corrosion, erosion, decay, wear and tear or rust. However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.

8. An explosion

However, we will pay for direct loss or damage caused by an explosion of "Covered Equipment" of a kind specified below, and which is not otherwise excluded elsewhere in this Coverage Part:

- **a.** Steam boiler; electric steam generator; steam piping; steam turbine; steam enqine; or
- b. Gas turbine or any other moving or rotating machinery, when such explosion is caused by centrifugal force or mechanical breakdown.
- **9. Explosion** within the furnace of a chemical recovery type boiler or within the gas passages from the furnace to the atmosphere.
- 10. Fire or combustion explosion including those that:
 - a. Result in a "Covered Cause of Loss";
 - **b.** Occur at the same time as a "Covered Cause of Loss"; or
 - c. Ensue from a "Covered Cause of Loss".

11. "Fungus", Wet Rot and Dry Rot

Presence, growth, proliferation, spread or activity of "Fungus", wet or dry rot, except as provided under **A.2.j.** "Fungus", Wet Rot And Dry Rot Coverage Extension. However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.

- **12. "Hacking Event".** However, if a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded.
- 13. Any indirect loss, including damage due to spoilage, following a "Covered Cause of Loss" that results from the lack or excess of power, light, heat, steam or refrigeration except as provided by the Business Income Coverage Extension, Extra Expense Coverage Extension, Utility Interruption-Time Element Coverage Extension or Spoilage Damage Coverage Extension.

14. Neglect by you to use all reasonable means to save and preserve "Covered Property" from further damage at and after the time of loss.

15. Ordinance or Law

Increase in loss from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, clean-up or disposal of "Covered Property", except as provided under **A.2.m.** Ordinance or Law (including Demolition and Increased Cost of Construction) Coverage Extension.

However the words 'use' and 'operation' shall be eliminated as respects a covered "Breakdown" to electrical supply and emergency generating equipment located on any Covered Premises shown in the Declarations or elsewhere in this Coverage Part, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.

16. A "Breakdown" that is caused directly or indirectly by **Hail or Windstorm**.

17. Specified Perils

A "Breakdown" that is the direct or indirect result of the following causes of loss, if such cause of loss is covered by another Coverage Part or policy of insurance or self-insurance risk retention plan in force at the time of the loss, regardless of deductible, whether you can collect on it or not. Also excluded are all resulting direct and indirect loss.

- a. Aircraft or missiles;
- **b.** Civil commotion:
- c. Collapse;
- d. Freezing caused by cold weather;
- e. Lightning;
- f. Molten material;
- g. Objects falling from aircraft or missiles;
- h. Riot:
- i. Smoke:
- i. Vandalism;
- **k.** Vehicles, including any material carried in or on the vehicles; or
- I. Weight of snow, ice, sleet.

- 18. Any "Breakdown" to "Covered Equipment" that takes place while the "Covered Equipment" is undergoing a test which subjects the "Covered Equipment" to greater than maximum allowable operating conditions as identified by the manufacturer of the "Covered Equipment".
- **19.** Any **virus**, **bacterium or other microorganism** that induces, or is capable of inducing, physical distress, illness or disease. However:
 - a. If a "Covered Cause of Loss" ensues, we will pay the ensuing loss or damage not otherwise excluded; and
 - b. This exclusion does not apply to loss or damage caused by or resulting from "Fungus", wet rot or dry rot. Such loss or damage is addressed in Exclusion B.11.
- 20. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
- 21. With respect to the Business Income Coverage Extension, Extra Expense Coverage Extension, and Utility Interruption Time Element Coverage Extension, the following additional exclusions shall apply:
 - a. The business that would not or could not have been carried on if the "Covered Cause of Loss" had not occurred:
 - b. Your failure to use due diligence and dispatch to operate your business as nearly normal as practicable at the Covered Premises shown in the Declarations or elsewhere in this Coverage Part; or
 - c. The suspension, lapse or cancellation of a contract following a "Covered Cause of Loss" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.
- 22. With respect to Utility Interruption-Spoilage coverage [A.2.c(2)] and the Utility Interruption-Time Element Coverage Extension:

Specified Perils, any loss resulting from the following causes of loss:

- a. Aircraft or missiles;
- b. Civil commotion;
- c. Collapse;
- d. Freezing caused by cold weather;
- e. Lightning;

- f. Molten material;
- g. Objects falling from aircraft or missiles;
- h. Riot:
- i. Smoke:
- i. Vandalism;
- **k.** Vehicles, including any material carried in or on the vehicles;
- **I.** Weight of snow, ice, sleet;
- m. Acts of Sabotage; or
- n. Deliberate act(s) of load shedding by the supplying or distributing utility, landlord or other supplier.
- 23. Any other indirect result of a "Covered Cause of Loss" except as provided under any Coverage Extension.

C. Limits of Insurance

- The most we will pay for loss or damage under any and all Coverage and Coverage Extensions and Limitations from any "One Breakdown" is the applicable Total Limit per Breakdown Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part.
- **2.** For each Coverage and Coverage Extension and Limitation in paragraph **A.**, if:
 - a. INCLUDED is shown in the Declarations or elsewhere in this Coverage Part under Limit of Insurance, then the limit for such coverage is part of, not in addition to, the other Limit of Insurance identified.
 - b. A Limit of Insurance is shown in the Declarations or elsewhere in this Coverage Part, we will not pay more than the applicable Limit of Insurance.
- Any payment made will not be increased if more than one Insured is shown in this Coverage Part.

D. Deductibles

1. Application of Deductibles

We will not pay for loss or damage resulting from any "One Breakdown" until the amount of covered loss or damage exceeds the deductible shown in the Declarations or elsewhere in this Coverage Part for each applicable coverage. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

Deductibles apply separately for each applicable coverage except if:

- a. A Combined Deductible is shown in the Declarations or elsewhere in this Coverage Part, then we will first subtract the combined deductible amount from the aggregate amount of all loss; or
- b. More than one "Covered Equipment" is involved in "One Breakdown", then only one deductible, the highest, shall apply for each of the applicable coverages; or
- c. INCLUDED is shown in the Declarations or elsewhere in this Coverage Part, then the deductible for that Coverage or Coverage Extension or Limitation is part of the other deductible identified, and we will subtract the deductible from the aggregate amount of loss under any Coverage and Coverage Extensions and Limitations subject to such deductible.

2. Determination of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the Declarations or elsewhere in this Coverage Part, we will first subtract the dollar amount from any loss we would otherwise pay.

b. Multiple per Unit Deductible

If a multiple of units is shown in the Declarations or elsewhere in this Coverage Part, the deductible will be calculated as the product of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Covered Cause of Loss", the deductible would be \$25 times 500 hp which equals \$12,500.)

c. Time Deductible

If a time deductible is shown in the Declarations or elsewhere in this Coverage Part, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

d. Multiple of Average Daily Value (ADV) Deductible

If a multiple of average daily value is shown in the Declarations or elsewhere in this Coverage Part, this deductible will be calculated as follows:

- (1) For the entire Covered Premises where the loss occurred, determine the total amount of "Business Income" that would have been earned during the "Period of Restoration" had no "Covered Cause of Loss" taken place.
- (2) Divide the result in paragraph d.(1) by the number of days the business would have been open during the "Period of Restoration". The result is the average daily value (ADV).
- (3) Multiply the ADV by the multiple of average daily value shown in the Declarations or elsewhere in this Coverage Part.

e. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Declarations or elsewhere in this Coverage Part, we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to the applicable deductible or coinsurance) payable under the applicable coverage.

f. Minimum Or Maximum Deductible

- (1) If:
 - (a) A minimum dollar amount deductible is shown in the Declarations or elsewhere in this Coverage Part; and
 - (b) The dollar amount of the Multiple per Unit, Multiple of Average Daily Value or Percentage of Loss Deductible is less than the Minimum Deductible:

then the Minimum Deductible amount shown in the Declarations or elsewhere in this Coverage Part will be the applicable deductible.

- (2) If:
 - (a) A maximum dollar amount deductible is shown in the Declarations or elsewhere in this Coverage Part; and

(b) The dollar amount of the Multiple per Unit, Multiple of Average Daily Value or Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the Declarations or elsewhere in this Coverage Part will be the applicable deductible.

E. Conditions

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

1. Loss Conditions

a. Abandonment

There can be no abandonment of any property to us.

b. Appraisal

If you and we 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 a judge of a court having jurisdiction make the selection. 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. Defense

If there is damage to property of another in your care, custody or control for which you are legally liable, we have the right, but are not obligated, to defend you against any suit alleging liability for that property. When we do this, it will be at our expense.

d. Duties in the Event of Loss or Damage

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

- (a) Give us a prompt notice of the loss or damage. Include a description of the property involved;
- (b) As soon as possible, give us a description of how, when and where the loss or damage occurred:
- (c) Allow us reasonable time and opportunity to examine the property and Covered Premises before repairs are undertaken or physical evidence of the "Covered Cause of Loss" is removed. But you must take whatever measures are necessary to protect the property and Covered Premises from further damage;
- (d) Preserve all repaired or replaced "Covered Property" for our inspection, unless we authorize otherwise;
- (e) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records;
- (f) 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;
- (g) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms;
- (h) Cooperate with us in the investigation or settlement of the claim;
- (i) Promptly send us any legal papers or notices received concerning the loss or damage; and
- (j) Make no statement that will assume any obligation or admit any liability, for any loss or damage for which we may be liable, without our consent.

(2) 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.

e. Insurance Under Two or More Coverages

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

f. Legal Action Against Us

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

- There has been full compliance with all the terms of this Coverage Part; and
- (2) The action is brought within 2 years after the date of the "Breakdown"; or
- (3) We agree in writing that you have an obligation to pay for damage to "Covered Property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this Coverage Part to bring us into any action to determine your liability.

g. Other Insurance

- (1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the limit(s) 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 paragraph g.(1), we will pay only for the amount of covered loss or damage in excess of the amount due from that other insur-

ance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance under this Coverage Part.

h. Privilege to Adjust with Owner

In the event of loss or damage involving property of others in your care, custody or control, we have the right to settle the loss or damage with the owner of the property. A receipt for payment from the owner of that property will satisfy any claim of yours against us.

i. Reducing Your Loss

As soon as possible after a "Covered Cause of Loss" you must:

- (1) Resume business, partially or completely;
- (2) Make up for lost business within a reasonable period of time. This reasonable period does not necessarily end when operations are resumed; and
- (3) Make use of every reasonable means to reduce or avert loss including:
 - (a) Working extra time or overtime at the Covered Premises or at another location you own or acquire to carry on the same operations;
 - **(b)** Utilizing the property or services of other concerns;
 - (c) Using merchandise or other property, such as surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock you own, control or can obtain; and
 - (d) Salvaging the damaged "Covered Property".

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 the loss to impair them.

However, you may waive your rights against another party in writing:

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

This will not restrict your insurance.

k. Loss Payment

- (1) In the event of loss or damage covered by this Coverage Part, at our option, we will either:
 - (a) Pay the value of lost or damaged property;
 - **(b)** Pay the cost of repairing or replacing the lost or damaged property;
 - (c) Take all or any part of the property at an agreed or appraised value; or
 - (d) Repair, rebuild or replace the property with other property of like kind and quality.
- (2) We will give notice of our intentions within 30 days after we receive the proof of loss.
- (3) We will not pay more than your financial interest in the "Covered Property".
- (4) We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:
 - (a) You have complied with all of the terms of the Coverage Part; and
 - (b) We have reached agreement with you on the amount of loss or an appraisal award has been made and we have not denied the claim.

I. Valuation

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

- (1) At replacement cost as of the time of loss or damage, except as provided in (2), (4), (5), (6), (7), (9) and (10) below. However we will not pay more for loss or damage on a replacement cost basis than the least of the following:
 - (a) The Limit of Insurance applicable to the damaged "Covered Property";
 - (b) The cost to repair the damaged "Covered Property";
 - (c) The cost to replace the damaged "Covered Property" with other property of comparable material and quality intended to be used for the same purpose; or
 - (d) The amount actually spent that is necessary to repair or replace the damaged "Covered Property".

But we will not pay for damaged "Covered Property" that is obsolete or useless to you.

(2) If "Covered Equipment" is valued at replacement cost, cannot be repaired and requires replacement you may choose to apply the following provision.

New Generation Coverage – You may replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity which improves the environment, increases efficiency or enhances safety. We will pay up to an additional 25% of the covered property damage amount for the "Covered Equipment". This additional amount is included in, not in addition to, the applicable Property Damage Limit of Insurance.

(3) Except for New Generation Coverage, you must pay the extra cost of replacing damaged "Covered Property" with property of a better kind or quality or of a larger capacity.

(4) If:

- (a) Any damaged "Covered Property", that is intended for your use, is protected by an extended warranty, or maintenance or service contract; and
- (b) That warranty or contract becomes void or unusable due to a "Covered Cause of Loss":

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

- (5) Unless we agree otherwise in writing, if you do not repair or replace the damaged "Covered Property" within 24 months following the date of the "Breakdown", then we will pay only the smaller of the:
 - (a) Cost it would have taken to repair the "Covered Property";
 - **(b)** Cost it would have taken to replace the "Covered Property"; or
 - **(c)** Actual cash value at the time of the "Breakdown".
- (6) If all of the following conditions are met, "Covered Property" (including finished goods) held by you for sale except as identified in I.(7) below, will be valued at the selling price as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had:
 - (a) The selling price of the "Covered Property" is more than the replacement cost of the "Covered Property"; and
 - **(b)** You are unable to replace the "Covered Property" before its anticipated sale.
- (7) We will determine the value of "Covered Property" that is being processed as follows:
 - (a) For raw materials, the replacement cost; and
 - (b) For goods in process, the replacement cost of the raw materials, the labor extended and the

proper proportion of overhead charges.

(8) Any salvage value of property obtained for temporary repairs or use following a "Covered Cause of Loss" which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

(9) Pairs, Sets or Parts

- (a) Pairs or Sets. In case of loss caused by a "Covered Cause of Loss" to any part of a pair or set we may:
 - (i) Repair or replace any part to restore the pair or set to its value before the "Breakdown"; or
 - (ii) Pay the difference between the value of the pair or set before and after the "Breakdown"
- (b) Parts. In case of loss caused by a "Covered Cause of Loss" to any part of "Covered Property" consisting of several parts when complete, we will only pay for the value, as determined elsewhere in this Condition, of the lost or damaged part.

(10) Brands and Labels

- (a) If branded or labeled merchandise that is "Covered Property" is damaged by a "Covered Cause of Loss", we may take all or any part of the property at an agreed or appraised value. If we take such property, you may:
 - (i) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
 - (ii) Remove the brands or labels if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with any law.
- **(b)** We will pay the reasonable cost you incur to perform the activities

described in paragraphs (a)(i) and (a)(ii) above.

However, if costs identified in paragraphs (10)(a)(i) and (10)(a)(ii) above are incurred as a result of damage as covered under the "Fungus", Wet Rot and Dry Rot Coverage Extension, Hazardous Substance Limitation, Refrigerant Contamination Limitation or Water Damage Limitation, such costs will be a part of, not in addition to, the respective limits shown in the Declarations or elsewhere in this Coverage Part for the "Fungus", Wet Rot and Dry Rot Coverage Extension, Hazardous Substance Limitation, Refrigerant Contamination Limitation and Water Damage Limitation.

m. The following conditions apply to the Business Income Coverage Extension only.

(1) Business Income Report of Values

You must report to us each year the "Business Income Estimated Annual Value" for each Covered Premises to which the Business Income Coverage Extension applies.

(2) Business Income Coinsurance

Unless Business Income Coinsurance is shown as Suspended in the Declarations or elsewhere in this Coverage Part, the Business Income loss is subject to a Coinsurance Percentage.

- (a) If "Business Income Estimated Annual Values" have been reported for each Covered Premises affected by the "Covered Cause of Loss", then the Coinsurance Percentage will be calculated as follows:
 - (i) For all Covered Premises affected by the "Covered Cause of Loss" divide the "Business Income Estimated Annual Value(s)" last reported to us by the "Business Income Actual Annual Value(s)" at the time of the "Breakdown" to determine the Coinsurance Percentage.

The Coinsurance Percentage is subject to a maximum of 100%;

- (ii) Multiply the amount of the Business Income loss by the Coinsurance Percentage determined in paragraph m.(2)(a)(i) above;
- (iii) Subtract the applicable deductible from the amount determined in paragraph m.(2)(a)(ii) above;
- (iv) We will pay the amount determined in m.(2)(a)(iii) above or the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for the Business Income Coverage Extension, whichever is less.
- (b) If "Business Income Estimated Annual Values" have not been reported for each Covered Premises affected by the "Covered Cause of Loss", then the Coinsurance Percentage will be calculated as follows:
 - (i) Divide the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for the Business Income Coverage Extension by the "Business Income Actual Annual Value(s)" at the time of the "Breakdown" for all Covered Premises to determine the Coinsurance Percentage. The Coinsurance Percentage is subject to a maximum of 100%:
 - (ii) Multiply the amount of the Business Income loss by the Coinsurance Percentage determined in paragraph m.(2)(b)(i) above;
 - (iii) Subtract the applicable deductible from the amount determined in paragraph m.(2)(b)(ii) above;
 - (iv) We will pay the amount determined in m.(2)(b)(iii)

above or the Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part for Business Income Coverage Extension, whichever is less.

2. General Conditions

a. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this Coverage Part.

b. Cancellation

As respects this Coverage Part, part 2. of the **CANCELLATION** Condition of the Common Policy Conditions is replaced by the following:

We may cancel this Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:

- 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) The number of days shown in the Declarations or elsewhere in this Coverage Part for Notice of Cancellation before the effective date of cancellation if we cancel for any other reason.

c. 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.

d. Currency

All amounts used herein are expressed in the currency of the United States of America and any loss sustained under this Coverage Part shall be paid in the currency of the United States of America. If, in the event of loss or damage, the amount of such loss or damage is computed in a foreign currency, the amount of such loss or damage will then be converted into the currency of the United States of America at the rate of exchange as specified in the Wall Street Journal as of the date the "Breakdown" occurred.

e. Jurisdictional Inspections

At your option, we will provide certificateof-operation inspection services for boilers and other pressure vessels where:

- (1) You have notified us of equipment that is insured under this Coverage Part and that requires a certificate-ofoperation;
- (2) The certificate-of-operation is required by state, city or provincial law; and
- (3) The state, city or provincial law permits inspections by insurance company employees.

Certificate-of-operation inspection services shall be provided only in the United States of America, Puerto Rico and Canada as allowed by state, city or provincial law.

f. Liberalization

If we adopt any standard form revision for general use that would broaden coverage under this Coverage Part without additional premium, the broadened coverage will immediately apply to this Coverage Part if the revision is effective within 45 days prior to or during the Policy period.

a. No Benefit to Bailee

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

h. Policy Period, Coverage Territory

Under this Coverage Part:

- We cover loss or damage commencing;
 - (a) During the Policy Period shown in the Declarations or elsewhere in this Coverage Part; and
 - (b) Within the Coverage Territory.
- (2) The Coverage Territory is:

- (a) The United States of America (including its territories and possessions);
- (b) Puerto Rico; and
- (c) Canada.

i. Reporting of Values

You shall report to us 100% of the total insurable values at each Covered Premises as of the inception date of this Coverage Part and every subsequent year as of the anniversary date. The values shall be reported separately for each of the coverages provided.

You agree to keep the applicable records for each policy year available for inspection by our representatives at all times during business hours, during the respective policy year, and for a period of twelve months after the end of the respective policy year or after cancellation of this Coverage Part.

j. Premium Adjustments

For policies with Policy Periods greater than 12 months, the premium will be calculated at each anniversary for the subsequent policy year on the basis of rates in effect at the anniversary date and for all values at risk as of that anniversary date.

k. Suspension

Whenever "Covered Equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance under this Coverage Part against loss from a "Breakdown" to that "Covered Equipment". This can be done by delivering or mailing a written notice of suspension to:

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

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

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

3. Joint or Disputed Loss Agreement

- **a.** This condition is intended to facilitate payment of insurance proceeds when:
 - (1) Both a commercial property policy and this Coverage Part are in effect;
 - (2) Damage occurs to "Covered Property" that is insured by the commercial property policy and this Coverage Part; and
 - (3) There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies or coverage parts.
- **b.** This condition does not apply if:
 - Both the commercial property insurer and we do not admit to any liability; and
 - (2) Neither the commercial property insurer nor we contend that coverage applies under the other insurer's Coverage Part.
- **c.** The provisions of this condition apply only if all of the following requirements are met:
 - (1) The commercial property policy carried by the Named Insured, insuring the "Covered Property", contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition; and
 - (2) The damage to the "Covered Property" was caused by a loss for which:
 - (a) Both the commercial property insurer and we admit to some liability for payment under the respective policies; or
 - **(b)** There is disagreement between the insurers with respect to:
 - i. Whether the damage to the "Covered Property" was caused by a "Covered Cause of Loss" insured under this Coverage Part or by a covered cause of loss insured by the commercial property policy; or

- ii. The extent of participation of this Coverage Part and of such commercial property policy in a loss that is insured against, partially or wholly, by both this Coverage Part and such commercial property policy.
- **d.** If the requirements listed in paragraph **c.** above are satisfied, the commercial property insurer and we will make payment per the following:
 - (1) We will pay, after your written request, the entire amount of loss that we have agreed is covered, if any, by this Coverage Part and one-half (1/2) the amount of the loss that is in disagreement.
 - (2) The commercial property insurer will pay, after your written request, the entire amount of loss that it has agreed is covered, if any, by the commercial property policy and one-half (1/2) the amount of loss that is in disagreement.
 - (3) Payments by the insurers of the amounts that are in disagreement, as described in paragraphs d.(1) and d.(2), do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
 - (4) The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent Loss Agreement of the commercial property policy.
 - (5) The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations or elsewhere in this Coverage Part.
 - (6) Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.

e. Arbitration

- (1) The payments by the commercial property insurer and us hereunder and acceptance of those sums by you signify the agreement between the commercial property insurer and us to proceed with arbitration within 90 days of such payment.
- (2) The arbitrators shall be three in number, one of whom shall be appointed by us and one of whom shall be appointed by the commercial property insurer and the third appointed by consent of the other two arbitrators.
- (3) The decision by the arbitrators shall be binding on the commercial property insurer and us and that judgment upon such award may be entered in any court of competent jurisdiction.
- (4) You agree to cooperate in connection with such arbitration but not to intervene therein.

4. Statutes or Regulations

If any term or condition of this Coverage Part conflicts with any requirement of applicable statutory or regulatory law, such term or condition is amended to conform to that law.

5. Mortgageholders

- The term mortgageholder includes trustee.
- b. We will pay for direct damage to "Covered Property" due to a "Covered Cause of Loss" to each mortgageholder shown in the Morgagee Schedule forming a part of this Coverage Part in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the "Covered Property".
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - Pays any premium due under this Coverage Part at our request if you have failed to do so;

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this Coverage Part, we will give written notice to the mortgageholder at least:
 - 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we do not renew this Coverage Part, we will give written notice to the mortgageholder at least 10 days before the expiration date of this Coverage Part.
- h. If we suspend coverage, it will also be suspended as respects the mortgageholder. We will give written notice of the suspension to the mortgageholder.

F. Definitions

1. "Breakdown"

a. "Breakdown" means the following direct physical loss that causes physical damage to "Covered Equipment" and necessitates its repair or replacement:

- (1) Electrical failure including arcing;
- (2) Failure of pressure or vacuum equipment; or
- (3) Mechanical failure including rupture or bursting caused by centrifugal force;

unless such loss or damage is otherwise excluded within this Coverage Part or any Endorsement forming a part of this Coverage Part.

- **b.** "Breakdown" does not mean or include:
 - (1) Cracking of any part of an internal combustion gas turbine exposed to the products of combustion;
 - (2) Damage to any structure or foundation supporting the "Covered Equipment" or any of its parts;
 - (3) Damage to any vacuum tube, gas tube, or brush:
 - (4) Defects, erasures, errors, limitations or viruses in "Computer Equipment", "Electronic Data", "Media" or programs, including the inability to recognize and process any date or time or provide instructions to "Covered Equipment". However, if a "Breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
 - (5) Functioning of any safety or protective device;
 - (6) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
 - (7) Malfunction including adjustment, alignment, calibration, cleaning or modification.

2. "Business Income" means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- **b.** Continuing normal operating expenses incurred, including "Ordinary Payroll".
- "Business Income Actual Annual Value" means the "Business Income" values for the 12 months prior to the "Breakdown".
- 4. "Business Income Estimated Annual Value" means the "Business Income" as es-

timated in the most recent Business Income Report of Values we have on file.

5. "Computer Equipment" means:

- Your programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "Electronic Data" or "Media".

- 6. "Computer Program" means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enables the computer or device to receive, process, store, retrieve or send data.
- "Covered Cause of Loss" as defined in paragraph A.1.

8. "Covered Equipment"

- a. "Covered Equipment" means any:
 - Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;

For any boiler or fired vessel, the furnace of the "Covered Equipment" and the gas passages from there to the atmosphere will be considered as outside the "Covered Equipment";

- (2) Communication equipment and "Computer Equipment";
- (3) Fiber optic cable; or
- (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- **b.** "Covered Equipment" does not mean any:
 - (1) Astronomical telescope, cyclotron used for other than medical purposes, nuclear reactor, particle accelerator used for other than medical purposes, satellites or spacecraft (including any "Covered Equipment" mounted on or used solely with any satellite or spacecraft);
 - (2) Catalyst;

- (3) Dragline, power shovel, excavation or construction equipment including any "Covered Equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
- (4) Equipment or any part of equipment manufactured by you for sale;
- (5) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (6) Insulating or refractory material;
- (7) "Media";
- (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or other appropriate and approved code;
- (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
- (11) Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing; or
- (12) Vehicle, aircraft, self-propelled equipment or floating vessel, including any "Covered Equipment" mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel.

9. "Covered Property"

- a. "Covered Property" means any property that:
 - (1) You own; or
 - (2) Is in your care, custody or control and for which you are legally liable:

while located at the Covered Premises shown in the Declarations or elsewhere in this Coverage Part.

- b. "Covered Property" does not mean:
 - (1) Live mammals, fish, birds, reptiles, amphibians or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles, amphibians or insects; or
 - (2) "Electronic Data".
- **10.** "Dependent Property" means property operated by others whom you depend on to:
 - a. Deliver materials or services to you or to others for your account (Supplying Locations). But any property which delivers any of the following services is not a Supplying Location with respect to such utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
 - Accept your products or services (Recipient Locations);
 - Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - **d.** Attract customers to your business (Leader Locations).
- 11. "Electronic Data" means information, facts or "Computer Programs" stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.
- 12. "Extra Expense" means the additional cost you necessarily incur to operate your business during the "Period of Restoration" over and above the cost that you normally would have incurred to operate the business during the same period had no "Covered Cause of Loss" occurred.
 - Any salvage value of property obtained for temporary use during the "Period of Restoration" which remains after the resumption of normal operations will be taken into consideration in the adjustment of any loss.
- 13. "Fungus" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

- **14. "Hacking Event"** means an attack that allows unauthorized access or use of "Covered Equipment".
- **15. "Hazardous Substance"** means any substance, other than refrigerants (including ammonia), that has been declared to be hazardous to health by a government agency.
- 16. "Media" means electronic data processing or storage material such as films, tapes, discs, drums or cells. However, "Media" does not include any hard disk drive that is an internal component of "Computer Equipment".
- 17. "One Breakdown" means if an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown". All "Breakdowns" at any one Covered Premises that manifest themselves at the same time and are the direct result of the same cause will be considered "One Breakdown".
- **18. "Ordinary Payroll"** means payroll expenses for all your employees except Officers, Executives, Department Managers, and Employees under contract.
 - "Ordinary Payroll" expenses include payroll; employee benefits, if directly related to payroll; FICA payments; union dues; and Worker's Compensation premiums.

19. "Period of Restoration"

- a. "Period of Restoration" means the period of time that:
 - (1) Begins at the time of the "Breakdown"; and
 - (2) Ends on the earlier of:
 - (a) The number of consecutive days indicated for the applicable "Period of Restoration" extension shown in the Declarations or elsewhere in this Coverage Part after the date when the property at the Covered Premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (b) The date when business is resumed at a new permanent location.
- **b.** "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Hazardous Substance".

20. "Period of Restoration for Dependent Property"

- **a.** "Period of Restoration for Dependent Property" means the period of time that:
 - (1) Begins at the time of direct physical loss or damage caused by or resulting from a "Covered Cause of Loss" at the premises of the "Dependent Property"; and
 - (2) Ends on the date when the property at the premises of the "Dependent Property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. "Period of Restoration for Dependent Property" does not include any increased period required due to the enforcement of any ordinance or law that:
 - Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Hazardous Substance".
- 21. "Perishable Goods" means any "Covered Property" that is maintained under controlled conditions for its preservation and that is susceptible to loss or damage if the controlled conditions change.

ANNIVERSARY RATING

A. The following is added to paragraph E. Conditions, 2. General Conditions:

Paragraph E. Premiums, 2. of Common Policy Conditions IL TO 01 is replaced with the following:

- 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.
 - a. If the Policy Period is greater than one calendar year, at the anniversary of the effective date of this policy we will compute the premium by
 - (1) Dividing the "Total Insurable Value" reported for the succeeding 12 month policy period(s) by 100, and
 - (2) Multiplying the number determined in 2.a.(1) above by the Rate iden-tified in the Schedule below. subject to the following conditions.
 - b. Conditions
 - (1) The Rate per \$100 of "Total Insurable Value" is compliant with our statutory rate filing in force as of the anniversary date.
 - (2) The Loss Ratio for the preceding twelve month period does not ex-ceed the Loss Ratio Percentage specified in the Schedule below.
 - This Loss Ratio shall be calculated as follows:
 - (a) Determine the sum of all paid and reserved Claims (including any Claim reserve changes) as reported for the preceding twelve month period; and
 - (b) Divide the number determined in 2.b.(2)(a) above by the Earned Premium for the same twelve month period.
 - (3) There are no changes in coverage terms, conditions or exclusions.
 - (4) There are no outstanding Important or Jurisdictional Recommendations, unless otherwise agreed to in writing by us.
- B. The following is added to paragraph F. Definitions:

 "Total Insurable Value" means the total, 100%, annual values for the twelve month policy period for all covered Locations. These values shall include Building; Building Contents; Business Personal Property; Equipment, Furniture and Fixtures; Machinery and Equipment; Electronic Data Processing Equipment; Continuing Expenses; Ordinary Payroll; Extra Expenses; Rental Income Other Sources of Income and Profits as otherwise covered by this Policy.

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POLICY NUMBER: M5J-BME1-7B31100A-COF-14

SCHEDULE

Rate per \$100 On File with company Loss Ratio Percentage 35%

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TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement applies to the insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(I) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State 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 Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000,000 in any one year, your coverage may therefore be reduced.

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

1% of your total Boiler and Machinery or Equipment Breakdown Coverage Part premium.

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DEDUCTIBLE WAIVER

This endorsement modifies insurance provided under the following: *EnergyMax 21* EQUIPMENT BREAKDOWN PROTECTION

The following paragraph is added to section **D. Deductibles:**

In the event of a single occurrence involving loss that is covered in whole or in part by:

- A. This Coverage Part; and
- **B.** Any other commercial property policy,

any deductible applicable under this Coverage Part is waived with respect to such loss.

SPECIFIED PERILS ELIMINATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00,

paragraph **B. Exclusions**, **17.** is deleted and replaced with the following:

- **17.** A "Breakdown" that is caused directly or indirectly by any of the following causes of loss:
 - a. Aircraft or missiles;
 - **b.** Civil commotion;
 - c. Collapse;
 - d. Freezing caused by cold weather;
 - e. Lightning;
 - f. Molten material;
 - g. Objects falling from aircraft or missiles;
 - h. Riot;
 - i. Smoke:
 - j. Vandalism;
 - **k.** Vehicles, including any material carried in or on the vehicles; or
 - I. Weight of snow, ice, sleet.
- **B.** When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25.

paragraph **B. EXCLUSIONS**, **14**. is deleted and replaced with the following:

- **14.** An "Accident" that is caused directly or indirectly by any of the following causes of loss:
 - a. Aircraft or missiles;
 - b. Civil commotion;

- c. Collapse;
- d. Lightning;
- e. Molten material;
- Objects falling from aircraft or missiles;
- **g.** Riot;
- h. Smoke:
- i. Vandalism;
- yehicles, including any material carried in or on the vehicles;
- k. Water, meaning:
 - (1) Water damage caused by backup of sewers, drains, or drainage piping; or
 - (2) 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:

all whether naturally occurring or due to man-made or other artificial causes.

- I. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping, unless such discharge or leakage is the direct result of an "Accident" to an "object". The most we will pay for such water damage is the Limit of Insurance identified in the Declarations for Water Damage; or
- m. Weight of snow, ice, sleet.

COVERED PREMISES – SPECIAL SCHEDULE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

The following is being used in this Coverage Part instead of a specific schedule of premises or locations:

All premises owned by you or are operated or under your care, custody or control that are:

- Located in the United States of America (including its territories and possessions), Puerto Rico or Canada;
- 2. Are on file with us; and
- 3. For which values have been reported;

are considered as individually included in the Covered Premises area of the *EnergyMax 21* EQUIPMENT BREAKDOWN PROTECTION DECLARATIONS or covered locations under BOILER AND MACHINERY COVERAGE FORM.

EQUIPMENT BREAKDOWN ISSUE DATE: 05-20-14

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE – AIR CONDITIONING AND REFRIGERATION SYSTEMS

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection BOILER AND MACHINERY COVERAGE FORM Comprehensive BOILER AND MACHINERY COVERAGE FORM Blanket

	BOILER AND MAC	HINERY COVERAGE FORM B	lanket
		nctible selected below shall appling, accessory equipment, comp	y to any air conditioning or refrigerating system, includeressor(s) and motor(s):
	\$		
X	\$ 25.00 minimum of \$1,000	per horsepower of the motor di , whichever is greate	riving the compressor servicing the system, subject to a er.
	\$ tem, subject to a minim		single motor driving any compressor servicing the sys- whichever is greater.

BOILER AND MACHINERY ISSUE DATE: 05-20-14

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. INTERNATIONAL TERRITORY

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION

- A. When this Endorsement is part of a Coverage Part including *EnergyMax 21* EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, paragraph E. Conditions, 2. General Conditions, h. (2) is deleted and replaced with the following:
 - (2) The Coverage Territory includes any country, territory or jurisdiction indicated in the Schedule below with an ∑.

However, the Coverage Territory does not include any country, territory or jurisdiction which is subject to United States Government trade sanctions, embargoes or any other similar regulations that prohibit or restrict the transactions of business with, or travel to, such country, territory or jurisdiction.

B. When this Endorsement is part of a Coverage Part including EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01, paragraph E. Conditions, 2. General Conditions, e. is deleted and replaced with the following:

e. Coverage Territory

Under this Coverage Part the Coverage Territory includes any country, territory or jurisdiction indicated in the Schedule below with an ⊠.

However, the Coverage Territory does not include any country, territory or jurisdiction which is subject to United States Government trade sanctions, embargoes or any other similar regulations that prohibit or restrict the transactions of business with, or travel to, such country, territory or jurisdiction.

SCHEDULE

X	The United States of America (including its territories and possessions).
\Box	Puerto Rico.
X	Canada.
\Box	All locations outside the United States of America (including its territories and possessions, Puerto Rico and
	Canada.
	The following countries, territories or jurisdictions:

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DRYING OUT COVERAGE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Policy including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00,

the following is added to A. Coverage, 2. Coverage Extensions and Limitations:

Drying Out Coverage Extension

- We will pay the expenses you incur to dry out electrical "Covered Equipment" if such electrical "Covered Equipment" requires drying out as a result of:
 - a. Flood, surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not;
 - b. Mudflow or mudslides; or
 - Water damage caused by backup of sewers, drains, or drainage piping;

all whether naturally occurring or due to manmade or other artificial causes.

- Coverage provided under this Coverage Extension does not apply to any electrical "Covered Equipment" located in Flood Zones A or V of the Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA).
- **3.** Coverage provided under this Coverage Extension does not include:
 - a. The cost to repair (other than the expense to dry out) or replace such "Covered Equipment"; or
 - **b.** Any other resulting loss or expense.
- 4. The most we will pay under this Coverage Extension is the least of:
 - The applicable Property Damage Limit of Insurance;
 - **b.** The actual cash value of such damaged electrical "Covered Equipment"; or
 - c. \$ 25,000

This limit is part of, not in addition to, the Property Damage Limit of Insurance.

- The deductible for coverage under this Coverage Extension is included within the Property Damage Deductible shown in the Declarations or elsewhere in this Coverage Part.
- **B.** When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25.

the following is added to A. COVERAGE, 5. Coverage Extensions:

Drying Out Coverage

- We will pay the expenses you incur to dry out any electrical "object" if such electrical "object" requires drying out as a result of:
 - a. Flood, surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not;
 - **b.** Mudflow or mudslides; or
 - **c.** Water damage caused by backup of sewers, drains, or drainage piping;

all whether naturally occurring or due to manmade or other artificial causes.

- Coverage provided under this extension does not apply to any electrical "object" located in Flood Zones A or V of the Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA).
- Coverage provided under this extension does not include:
 - The cost to repair (other than the expense to dry out) or replace such "object"; or
 - b. Any other resulting loss or expense.
- **4.** The most we will pay under this extension is the least of:
 - The applicable Direct Damage Limit of Insurance;

EQUIPMENT BREAKDOWN

- **b.** The actual cash value of such damaged electrical "object"; or
- **c.** \$.

This limit is part of, not in addition to, the Direct Damage Limit of Insurance.

5. The deductible for coverage under this extension is included within the Direct Damage Deductible shown in the Declarations or elsewhere in this Coverage Part.

GREEN COVERAGE ENHANCEMENTS

This endorsement modifies insurance provided under the following: EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION

A. The following coverage extension is added to section A. Coverage, 2. Coverage Extensions and Limitations:

Green Alternatives Coverage Extension

- 1. Green Alternative Additional Costs
 - **a.** We will pay for the reasonable additional cost you incur to:
 - (1) Repair or replace the damaged or destroyed portions of the "Covered Property" (except as may be provided under E. Conditions, 1. Loss Conditions, I. Valuation, (2) New Generation) using products or materials that:
 - (a) Are "Green" alternatives to the products or materials of the damaged or destroyed "Covered Property", in accordance with the documented standards of a "Green Authority"; and
 - (b) Are otherwise of comparable quality and function to the damaged or destroyed "Covered Property"; and
 - (2) Employ "Green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed "Covered Property", in accordance with the documented standards of a "Green Authority".

b. Green Reengineering, Recertification and Related Expenses

(1) If, as a direct result of the "Covered Cause of Loss", the pre-loss level of "Green" certification by a "Green Authority" on the "Covered Property" is lost, we will pay for the following reasonable additional expense you incur to re-attain the pre-loss level of "Green" certification from that "Green Authority":

- (a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:
 - (i) Designing, overseeing or documenting the repair or replacement of the damaged or destroyed "Covered Property"; or
 - (ii) Testing and recalibrating the systems and mechanicals of the damaged or destroyed "Covered Property" to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and
- **(b)** The reasonable registration and recertification fees charged by the "Green Authority".
- (2) After repair or reconstruction is completed, we will pay your reasonable expenses to flush out the renovated space and/or conduct air quality testing of the renovated space in accordance with the recommended procedures of a "Green Authority" and for the purpose of mitigating indoor air quality deficiencies resulting from the repair or reconstruction.
- (3) Coverage applies to the additional expenses described in paragraphs 1.b. (1) and (2) above that you incur to achieve the pre-loss level of "Green" certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

EQUIPMENT BREAKDOWN

- c. Coverage provided under paragraphs 1.a. and b. above applies only if replacement cost valuation applies to the damaged or destroyed "Covered Property" and then only if the "Covered Property" is actually repaired or replaced as soon as reasonably possible after the "Covered Cause of Loss".
- d. The most we will pay for coverage provided under paragraphs 1.a. and b. of this Coverage Extension for any "One Breakdown" is the least of:
 - (1) The percentage factor shown in the Schedule below multiplied by the amount we would otherwise pay for loss covered under A. Coverage, 1. Property Damage, prior to the application of any applicable deductible; or
 - (2) The Additional Costs Limit of Insurance shown in the Schedule below.

This limit is part of, not in addition to, the "Total Limit per Breakdown" shown in the Declarations.

2. Green Alternative Time Element

- a. If you have selected the Business Income Coverage Extension or Extra Expense Coverage Extension, the applicable coverage is extended to cover the actual and necessary loss or expense incurred during the reasonable and necessary increase in the "Period of Restoration" incurred to:
 - (1) Repair or replace the damaged or destroyed portions of the "Covered Property" using products or materials that:
 - (a) Are "Green" alternatives to the products or materials of the damaged or destroyed "Covered Property", in accordance with the documented standards of a "Green Authority"; and
 - (b) Are otherwise of comparable quality and function to the damaged or destroyed "Covered Property"; and

- (2) Employ "Green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed "Covered Property", in accordance with the documented standards of a "Green Authority".
- b. The coverage provided under paragraph 2.a. of this Coverage Extension does not increase the applicable Business Income or Extra Expense Limit of Insurance shown in the Declarations.

B. CONDITIONS

The following is added to section **E. Conditions**, **1. Loss Conditions**, **I. Valuation**:

Except as specifically provided under the **Green Alternatives Coverage Extension** the cost to repair, rebuild or replace "Covered Property" does not include any increased cost incurred to reattain a pre-loss level of "Green" certification from a "Green Authority".

C. DEFINITIONS

- The following are added to paragraph F. Definitions:
 - a. "Green" means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
 - **b.** "Green Authority" means a recognized authority on "Green" building or "Green" products, materials or processes.
- 2. The following is added to the definition of "Period of Restoration":

"Period of Restoration" does not include any increased period required to re-attain a preloss level of "Green" certification from a "Green Authority". But this does not apply to any increase in the "Period of Restoration" otherwise insured under the **Green Alternatives Coverage Extension.**

SCHEDULE

Percentage Factor: 5%

Additional Costs Limit of Insurance: \$25,000

Additional Number of Days: 0030

OFF PREMISES EQUIPMENT COVERAGE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00,

the following shall apply.

1. The following is added to A. Coverage, 2. Coverage Extensions and Limitations:

Off Premises Equipment Coverage Extension

- a. If you have transportable "Covered Equipment" that, at the time of the "Breakdown", is within the Coverage Territory but is at a temporary location that is not a Covered Premises described in the Declarations or any other location owned, leased or operated by you, we will pay for direct damage caused by a "Breakdown" to such "Covered Equipment".
- **b.** The most we will pay for loss under this Coverage Extension is \$ 25,000 . This limit is part of, not in addition to, the Property Damage Limit of Insurance.
- With respect to coverage provided under this Endorsement, the following is added to B. Exclusions:

We will not pay for any loss or damage resulting directly or indirectly from a "Breakdown" to transportable "Covered Equipment", if the "Breakdown" results from or is caused by capsizing, collapse, collision, impact ,upset or overturning of the transportable "Covered Equipment" or the vehicle on which the "Covered Equipment" is mounted or transported.

3. With regard to coverage provided under this Endorsement, Covered Premises includes the temporary locations of the transportable "Covered Equipment".

B. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM

the following shall apply.

1. The following is added to A. COVERAGE, 5. Coverage Extensions:

Off Premises Equipment

- a. If you have transportable "object(s)" that, at the time of the "accident", are within the coverage territory but are at a temporary location that is not a covered Location described in the Declarations or any other location owned, leased or operated by you, we will pay for direct damage to such "object(s)" caused by an "accident".
- **b.** The most we will pay for loss under this coverage extension is \$. This limit is part of, not in addition to, the Direct Damage Limit of Insurance.
- With respect to coverage provided under this Endorsement, the following is added to B. EXCLUSIONS:

We will not pay for any loss or damage caused directly or indirectly by an "accident" to transportable "object(s)", if the "accident" results from or is caused by capsizing, collapse, collision,impact, upset or overturning of the transportable "object(s)" or the vehicle on which the "object(s)" are mounted or transported.

 With regard to coverage provided under this Endorsement, covered Locations include the temporary locations of the transportable "object(s)".

EQUIPMENT BREAKDOWN ISSUE DATE: 05-20-14

POLICY NUMBER: M5J-BME1-7B31100A-COF-14

DEPENDENT PROPERTIES – LOCATION SCHEDULE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION

	e following locations are considered to be included on the Declarations under COVERAGE, 2. Coverage Ex- sions and Limitations, f. "Dependent Property" Locations, as indicated below with an X:
	As on file with us
X	As listed below:
	ALL DIRECT RECEIVERS AND SUPPLIERS

ARIZONA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00,

paragraph E. Conditions, 2. General Conditions, c. Concealment, Misrepresentation or Fraud is deleted and replaced with the following:

- c. We will not pay for any loss or damage in any case involving misrepresentation, omission, concealment of facts or incorrect statements:
 - (1) That are fraudulent;
 - (2) That are material either to the acceptance of the risk, or to the hazard assumed by us; and
 - (3) Where, if the true facts had been made known to us as required either by the application for the policy or otherwise, we in good faith would either:
 - (a) Not have issued the policy;
 - **(b)** Not have issued the policy in as large an amount; or
 - (c) Not have provided coverage with respect to the hazard resulting in the loss.
- **B.** When this Endorsement is part of a Coverage Part including:

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01,

paragraph E. Conditions, 2. General Conditions, d. Concealment, Misrepresentation or Fraud is deleted and replaced with the following:

- c. We will not pay for any loss or damage in any case involving misrepresentation, omission, concealment of facts or incorrect statements:
 - (1) That are fraudulent;

- (2) That are material either to the acceptance of the risk, or to the hazard assumed by us; and
- (3) Where, if the true facts had been made known to us as required either by the application for the policy or otherwise, we in good faith would either:
 - (a) Not have issued the policy;
 - **(b)** Not have issued the policy in as large an amount; or
 - (c) Not have provided coverage with respect to the hazard resulting in the loss.
- C. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25,

paragraph E. BOILER AND MACHINERY CON-DITIONS, 2. General Conditions, g. Concealment, Misrepresentation or Fraud is deleted and replaced with the following:

- c. We will not pay for any loss or damage in any case involving misrepresentation, omission, concealment of facts or incorrect statements:
 - (1) That are fraudulent:
 - (2) That are material either to the acceptance of the risk, or to the hazard assumed by us; and
 - (3) Where, if the true facts had been made known to us as required either by the application for the policy or otherwise, we in good faith would either:
 - (a) Not have issued the policy;
 - (b) Not have issued the policy in as large an amount; or
 - (c) Not have provided coverage with respect to the hazard resulting in the loss.

COLORADO CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- A. When this Endorsement is part of a Coverage Part including EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, paragraph E. Conditions, 1. Loss Conditions, k. Loss Payment (4) is deleted and replaced with the following:
 - (4) 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 loss; or
 - **(b)** An appraisal award has been made.
- B. When this Endorsement is part of a Coverage Part including EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01, paragraph E. Conditions, 1. Loss Conditions, g. Loss Payment (4) is deleted and replaced with the following:
 - (4) 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 loss; or
- (b) An appraisal award has been made.
- C. When this Endorsement is part of a Coverage Part including BOILER AND MACHINERY COVERAGE FORM, BM 00 25, the following is added to paragraph E. BOILER AND MACHIN-ERY CONDTIONS, 1. Loss Conditions:

LOSS PAYMENT

- (1) We will give you notice of our intentions within 30 days after we receive the sworn proof of loss; and
- (2) 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 loss; or
 - **(b)** An appraisal award has been made.

ILLINOIS CHANGES – NOTICE OF MAILING; LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. Mailing Of Notices

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice. **B.** The following is added to the **Legal Action Against Us** Condition:

The 2 year period for legal action against us is extended by the number of days between the date the statement of loss is filed with us and the date we deny the claim in whole or in part.

ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. Cancellation (Common Policy Conditions) is replaced by the following:

CANCELLATION

- The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
- a. We may cancel this policy by mailing to you written notice stating the reason for cancellation.
 - b. If we cancel for nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
 - c. If we cancel for a reason other than nonpayment of premium, we will mail the notice at least:
 - (1) 30 days prior to the effective date of cancellation if the policy has been in effect for less than 60 days.
 - (2) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
- 3. If this policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
 - **a.** Nonpayment of premium;
 - **b.** The policy was obtained through a material misrepresentation;
 - Any insured has violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - **e.** Certification to the Director of Insurance of the loss of reinsurance by the insurer

- that provided coverage to us for all or a substantial part of the underlying risk insured; or
- f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.
- Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 5. If this policy is cancelled we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- **6.** A copy of the notice will also be sent to your agent or broker.
- **B.** The following is added and supersedes any provision to the contrary:

NONRENEWAL

If we decide not to renew or continue this policy, we will mail you and your agent or broker written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

KANSAS CHANGES – APPRAISAL, INSPECTIONS AND SURVEYS, LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. The Appraisal Condition is replaced by the following:

If, after a claim has been made, a dispute arises because you and we disagree on the value of the property or the amount of loss, both parties may agree to an appraisal of the loss. However, an appraisal will be made only if both you and we agree, voluntarily, to have the loss appraised. If both parties so agree, 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.

- B. The Inspections And Surveys Common Policy Condition is amended by the addition of the following:
 - If the "Covered Equipment" being insured is a steam boiler and subject to KSA 44-923 (SB7) that steam boiler will be inspected at least annually by us.
- C. Paragraph (2) of the Legal Action Against Us Condition is amended to read:
 - (2) The action is brought within 5 years after the date of the "Breakdown"; or
- D. When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term:
 - (1) "Covered Equipment" shall include "Object"; and
 - (2) "Breakdown" shall include "Accident".

LOUISIANA CHANGES – APPRAISAL; TRANSFER OF RIGHTS; CONCEALMENT, MISREPRESENTATION, FRAUD; MORTGAGEHOLDERS; CATASTROPHIC EVENT; LENDER'S LOSS PAYEE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOIL FR AND MACHINERY COVERAGE FORM

A. Appraisal

1. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK—DOWN PROTECTION, EB T1 00; or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01;

paragraph 1.b. Appraisal of Section E. Conditions is replaced by the following Appraisal.

2. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25;

paragraph 1.b. Appraisal of Section E. BOILER AND MACHINERY CONDITIONS is replaced by the following b. Appraisal.

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 the 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. 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.

B. Transfer Of Rights Of Recovery Against Others To Us

1. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK-DOWN PROTECTION, EB T1 00;

paragraph 1.j. Transfer Of Rights Of Recovery Against Others To Us of Section E. Conditions is replaced by the following:

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

- (c) Your employee or employer;
- (d) The owner, lessor or tenant of a covered premises where the loss or damage occurred including their employees, partners and stockholders; or
- **(e)** Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver.

But we cannot recover more than the amount we paid you for that loss.

2. When this Endorsement is part of a Coverage Part including:

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION. EB T1 01:

paragraph 1.k. Transfer Of Rights Of Recovery Against Others To Us of Section E. Conditions is replaced by the following:

k. 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 "Builders Risk Property" or covered income.
- (2) After a loss to your "Builders Risk Property" or covered income only if, at time of loss, that party is one of the following:
 - (a) Someone insured by this insurance:
 - **(b)** A business firm:
 - i. Owned or controlled by you;
 or
 - ii. That owns or controls you;
 - (c) Your employee or employer;
 - (d) The owner, lessor or tenant of a covered premises where the loss or damage occurred including their employees, partners and stockholders; or

- **(e)** Your relative by blood or marriage.
- (3) We shall have no rights of subrogation against any person or entity added as an Additional Insured under this Coverage Part.

However, we shall retain the right to subrogate against any consulting architect, designer or engineer for any loss or damage paid under this Coverage Part caused by or resulting from the performance of their professional services, regardless of whether they are included as Additional Insureds under this Coverage Part, unless you have waived your rights to subrogate against them in writing prior to the loss.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver.

But we cannot recover more than the amount we paid you for that loss.

3. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25:

paragraph 1.k. Transfer Of Rights Of Recovery Against Others To Us of Section E. BOILER AND MACHINERY CONDITIONS is replaced by the following:

i. Transfer Of Rights Of Recovery Against Others To Us

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

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

- Owned or controlled by you;
 or
- ii. That owns or controls you;
- (c) Your employee or employer;
- (d) The owner, lessor or tenant of a covered premises where the loss or damage occurred including their employees, partners and stockholders; or
- **(e)** Your relative by blood or marriage.

If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver.

But we cannot recover more than the amount we paid you for that loss.

C. Concealment, Misrepresentation Or Fraud

1. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK–DOWN PROTECTION, EB T1 00; or

paragraph **2.c. Concealment, Misrepresentation Or Fraud** of Section **E. Conditions** is replaced with the following:

c. Concealment, Misrepresentation Or Fraud

With respect to any loss or damage and with respect to all insureds covered under this Coverage Part, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Coverage Part;
- (2) The "Covered Property";
- (3) Your interest in the "Covered Property"; or
- (4) A claim under this Coverage Part.
- When this Endorsement is part of a Coverage Part including:

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01;

paragraph **2.d. Concealment, Misrepresentation Or Fraud** of Section **E. Conditions** is replaced by the following:

d. Concealment, Misrepresentation Or Fraud

With respect to any loss or damage and with respect to all insureds covered under this Coverage Part, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

- (1) This Coverage Part;
- (2) The "Builders Risk Property";
- (3) Your interest in the "Builders Risk Property"; or
- (4) A claim under this Coverage Part.
- **3.** When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM. BM 00 25:

paragraph **2.g. Concealment, Misrepresentation Or Fraud** of Section **E. BOILER AND MACHINERY CONDITIONS** is replaced with the following:

d. Concealment, Misrepresentation Or Fraud

With respect to any loss or damage and with respect to all insureds covered under this Coverage Part, we provide no coverage for loss or damage if, whether before or after a loss, one or more insureds have intentionally concealed or misrepresented any material fact or circumstance, with the intent to deceive, concerning:

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

D. Mortgageholders

1. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK–DOWN PROTECTION, EB T1 00; or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01:

paragraph **5.f. and 5.g. Mortgageholders** of Section **E. Conditions** are replaced by the following:

- f. (1) If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the policy to have an insurable interest in any loss at least:
 - (a) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
 - **(b)** 60 days before the effective date of cancellation, if we cancel for any other reason.
 - (2) If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the policy to have an insurable interest in any loss 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.
- g. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other person shown in the policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

We need not mail or deliver this notice if:

- (1) We or another company within our insurance group have offered to issue a renewal policy; or
- (2) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage

Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. When this Endorsement is part of a Coverage Part including:

MORTGAGE HOLDERS, BM T5 67; paragraphs **F.** and **G.** are replaced by the following:

- F. 1. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the mortgageholder, pledgee or other known person shown in the policy to have an insurable interest in any loss at least:
 - a. 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
 - **b.** 60 days before the effective date of cancellation, if we cancel for any other reason.
 - 2. If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the mortgage-holder, pledgee or other known person shown in the policy to have an insurable interest in any loss 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.
- G. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the mortgageholder, pledgee or other person shown in the policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

We need not mail or deliver this notice if:

- We or another company within our insurance group have offered to issue a renewal policy; or
- 2. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

Any notice of nonrenewal will be mailed or delivered to the mortgageholder, pledgee or other known person shown in the policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

E. Catastrophic Event

 When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK-DOWN PROTECTION, EB T1 00; or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01;

a. The following is added to Paragraph 1.d.
 Duties in the Event of Loss or Damage
 (1)(e) of Section E. Conditions and supersedes any provision to the contrary:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the "Covered Property" is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180 day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

b. When coverage under this Coverage Part applies on a replacement cost basis, the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage of "Covered Property":

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the "Covered Property" is located in an area within the declaration, we will pay on a replacement cost basis only if the repair or replacement is completed within 24 months from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM BM 00 25;

a. The following is added to Paragraph 1.c.

Duties in the Event of Loss or Damage

(1)(f) of Section E. BOILER AND MA-CHINERY CONDITIONS and supersedes any provision to the contrary:

However, if loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, you must submit the proof of loss to us within 180 days; but this 180 day period does not commence as long as the declaration of disaster or emergency is in existence and civil authorities are denying you access to your property.

b. When coverage under this Coverage Part applies on a replacement cost basis, the following is added and supersedes any provision to the contrary with respect to the time period for completion of repair or replacement of loss or damage of Covered Property:

If the loss or damage arises due to a catastrophic event for which a state of disaster or emergency is declared pursuant to law by civil officials, and the Covered Property is located in an area within the declaration, we will pay on a replacement cost basis only if the repair or replacement is completed within 24 months from the date of loss or damage or the issuance of applicable insurance proceeds, whichever is later, or as soon as reasonably possible thereafter.

F. Lender's Loss Payee

1. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAK-DOWN PROTECTION, EB T1 00;

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION. EB T1 01: or

BOILER AND MACHINERY COVERAGE FORM, BM 00 25;

paragraphs **C.** and **D.** are replaced by the following:

C. 1. If we cancel a policy that has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we will give written notice to the Lender's Loss Payee shown in the policy to have an insurable interest in any loss at least:

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- a. 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
- **b.** 60 days before the effective date of cancellation, if we cancel for any other reason.
- 2. If we cancel a policy that has been in effect for 60 days or more, or is a renewal of a policy we issued, we will give written notice to the Lender's Loss Payee shown in the policy to have an insurable interest in any loss 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.
- D. If we decide not to renew this policy, we will mail or deliver written notice of nonre-

newal to the Lender's Loss Payee shown in the policy to have an insurable interest in any loss at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

We need not mail or deliver this notice if:

- 1. We or another company within our insurance group have offered to issue a renewal policy; or
- 2. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

Any notice of nonrenewal will be mailed or delivered to the Lender's Loss Payee shown in the policy to have an insurable interest in any loss, at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

MICHIGAN CHANGES – DUTIES IN THE EVENT OF LOSS OR DAMAGE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. With respect to the **Duties In The Event Of Loss Or Damage** Condition, notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

MINNESOTA CHANGES – EXAMINATION OF BOOKS; APPRAISAL; DUTIES IN THE EVENT OF LOSS; BANKRUPTCY; CONCEALMENT, MISREPRESENTATION OR FRAUD; DEFENSE; TRANSFER OF RIGHTS

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00,

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01, or

BOILER AND MACHINERY COVERAGE FORM, BM 00 25,

the following shall apply.

Common Policy Conditions – Examination of Your Books and Records

The Common Policy Condition **Examination Of Your Books And Records** is replaced by the following:

Examination of Your Books and Records

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

2. Loss Conditions - Appraisal

The Loss Condition **Appraisal** is replaced by the following:

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 the selection be made by a judge of a court of record in the state in which the loss at the described premises occurred. 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 expenses of the appraisal and umpire equally.

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

Loss Conditions – Duties in the Event of Loss or Damage

Paragraph (a) of Loss Condition Duties in the Event of Loss or Damage is replaced by the following:

Duties in the Event of Loss or Damage

- (a) Give us or our agent a prompt notice of the loss or damage. Include a description of the property involved.
- 4. General Conditions Bankruptcy

General Condition **Bankruptcy** is replaced with the following:

Bankruptcy

The bankruptcy, insolvency or dissolution of you or your estate will not relieve us of our obligation under this Coverage Part.

 General Conditions – Concealment, Misrepresentation or Fraud

General Condition Concealment, Misrepresentation Or Fraud is replaced by the following:

Concealment, Misrepresentation or Fraud

We will not pay for any loss or damage if you have:

1. Before a loss, willfully; or

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After a loss, willfully and with intent to defraud;

concealed or misrepresented any material fact or circumstances concerning:

- a. This Coverage Part;
- **b.** The "Covered Property";
- Your interest in the "Covered Property";
- d. A claim under this Coverage Part.
- **B.** When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01,

the following shall apply.

1. Loss Conditions - Defense

Loss Condition c. Defense in the Equipment Breakdown Protection Conditions is replaced by the following:

Defense

We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense including prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance,

we will not pay prejudgment interest based on the period of time after the offer.

2. Loss Conditions – Transfer of Rights of Recovery Against Others to Us

Loss Condition **Transfer of Rights of Recovery Against Others to Us** is amended by the addition of the following:

Transfer of Rights of Recovery Against Others to Us

Our rights do not apply against any person or organization insured under this or any other Coverage Part we issue with respect to the same "Breakdown".

C. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM. BM 00 25.

the following shall apply.

 Loss Conditions – Transfer of Rights of Recovery Against Others to Us

Loss Condition **Transfer of Rights of Recovery Against Others to Us** is amended by the addition of the following:

Transfer of Rights of Recovery Against Others to Us

Our rights do not apply against any person or organization insured under this or any other Coverage Part we issue with respect to the same "Accident"

MISSISSIPPI CHANGES – LEGAL ACTION AGAINST US; CANCELLATION

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- A. Paragraph (2) of the Legal Action Against Us Condition is replaced by the following:
 - (2) The action is brought within 3 years after the date of the "Breakdown"; or

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

B. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM BM 00 25: and

Cancellation Changes, BM T5 49

the following is added to Cancellation Changes, BM T5 49:

In no event shall the number of days used in paragraph **b**. be less than 30 days.

MISSOURI CHANGES – LEGAL ACTION AGAINST US; MPCIGAA; APPRAISAL; LOSS PAYMENT

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- A. Paragraph (2) of the Legal Action Against Us Condition is deleted and replaced by the following:
 - (2) The action is brought within 10 years after the date of "Breakdown": or

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

- B. Missouri Property And Casualty Insurance Guaranty Association Coverage Limitations
 - Subject to the provisions of the Missouri Property And Casualty Insurance Guaranty Association Act (to be referred to as the Act), if we are a member of the Missouri Property And Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay claims covered under the Act if we become insolvent.
 - 2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply subject to all other provisions of the Act:
 - a. Claims covered by the Association do not include a claim by or against an insured of an insolvent insurer, if the insured has a net worth of more than \$25 million on the later of the end of the insured's most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes insolvent; provided that an insured's net worth on such date shall be deemed to include the aggregate net worth of the insured and all of its affiliates as calculated on a consolidated basis.

b. Payments made by the Association for covered claims will include only that amount of each claim which is less than \$300,000.

However, the Association will not:

- (1) Pay an amount in excess of the applicable limit of insurance of the policy from which a claim arises; or
- (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this policy.

C. The **Appraisal** Loss Condition is deleted and replaced by the following:

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 and notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days then, upon your or our request, an umpire shall be selected by a judge of a court of record in the state and county (or city if the city is not within a county) in which the property covered is located. 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. The umpire shall make an award within 30 days after the umpire receives the appraisers' submissions of their differences. A decision agreed to by any two will be binding.

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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.

- **D.** Paragraph **E.** Conditions, 1. Loss Conditions, **Loss Payment (2)** is deleted and replaced with the following:
 - (2) We will give notice of our intentions within 15 days after we receive the proof of loss.

NEW YORK CHANGES – ESTIMATION OF CLAIMS; FUNGUS, WET ROT AND DRY ROT

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. The following provision is added to Section E. Conditions:

Estimation Of Claims

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within 30 days after your request or its preparation, whichever is later.

B. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00

the following shall apply.

- 1. The following paragraphs are deleted from EQUIPMENT BREAKDOWN PROTECTION DECLARATIONS, EB TO 00:
 - 2.j. "Fungus", Wet Rot and Dry Rot Coverage Extension. (1) and (2)
- 2. The following paragraphs are deleted from EQUIPMENT BREAKDOWN PROTECTION EB T1 00:
 - a. A. Coverage, 2. Coverage Extensions and Limitations, j. "Fungus", Wet Rot And Dry Rot Coverage Extension;
 - b. A. Coverage, 2. Coverage Extensions and Limitations, m. Ordinance or Law

(including Demolition and Increased Cost of Construction) Coverage Extension, (3)(f);

- A. Coverage, 2. Coverage Extensions and Limitations, m. Ordinance or Law (including Demolition and Increase Cost of Construction) Coverage Extension, (3)(g);
- d. B. Exclusions, 11. "Fungus", Wet Rot and Dry Rot;
- e. B. Exclusions, 19. virus, bacterium or other microorganism, b.; and
- f. F. Definitions, 13. "Fungus"
- The last paragraph in paragraph E. Conditions, 1. Loss Conditions, I. Valuation, (10)
 Brands and Labels is replaced with the following:

However, if costs identified in paragraphs (10)(a)(i) and (10)(a)(ii) above are incurred as a result of damage as covered under the Hazardous Substance Limitation, Refrigerant Contamination Limitation or Water Damage Limitation, such costs will be a part of, not in addition to, the respective limits shown in the Declarations or elsewhere in this Coverage Part for the Hazardous Substance Limitation, Refrigerant Contamination Limitation and Water Damage Limitation.

NORTH CAROLINA CHANGES – LEGAL ACTION AGAINST US; TIME PERIOD FOR PERFORMANCE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- **A.** Paragraph **(2)** of the **Legal Action Against Us** Condition is replaced by the following:
 - (2) The action is brought within three years after the date of "Breakdown": or

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

B. The following condition is added:

TIME PERIOD FOR PERFORMANCE OF CONTRACTUAL OBLIGATIONS

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set

forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this Coverage Part or in an endorsement attached to this Coverage Part) shall be extended by 45 days or by the number of days the disaster declaration or proclamation remains in effect, whichever number is greater.

 Except as otherwise provided in Paragraph B.1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for performance of a duty or any act (including transmittal of information), and such performance would be required during the time period covered by the declaration or proclamation, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

UTAH CHANGES – DUTIES IN THE EVENT OF LOSS, OTHER INSURANCE, LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. Loss Conditions – Duties in the Event of Loss or Damage

 When this Endorsement is part of a Coverage Part including:

> EnergyMax 21 EQUIPMENT BREAK-DOWN PROTECTION, EB T1 00, or

> EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01,

the following shall apply.

Paragraphs (1)(a) and (1)(g) of the Duties In The Event Of Loss Or Damage Loss Condition are deleted and replaced by the following:

(a) Give prompt notice of the "loss" or damage to us or our agent. Include a description of the property involved.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(g) Send us a signed, sworn statement of loss containing the information we request to settle the claim. We will, on request, promptly furnish you with any necessary forms and instructions.

You must do this within 60 days after our request. Failure to submit the requested statement of loss within 60 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the statement of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office. **2.** When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM. BM 00 25.

the following shall apply.

Paragraphs (1)(a) and (1)(f) of the Duties In The Event Of Loss Or Damage Loss Condition are deleted and replaced by the following:

(a) Give prompt notice of the "loss" or damage to us or our agent. Include a description of the property involved.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(f) Send us a signed, sworn statement of loss containing the information we request to settle the claim. We will, on request, promptly furnish you with any necessary forms and instructions.

You must do this within 60 days after our request. Failure to submit the requested statement of loss within 60 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the statement of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

B. Loss Conditions - Other Insurance

Paragraph **(2)** of the **Other Insurance** Loss Condition is deleted and replaced by the following:

(2) If there is other insurance covering the same loss or damage, other than that described in Paragraph (1), we will pay only for the

EQUIPMENT BREAKDOWN

amount of covered loss or damage in excess of the amount due from that other insurance.

C. Loss Conditions – Legal Action Against Us
The Legal Action Against Us is deleted and replaced by the following:

No one may bring legal action against us under this Coverage Part unless the action is brought within 3 years after the date of the "Breakdown".

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

WASHINGTON CHANGES – EXCLUSIONS; APPRAISAL; LEGAL ACTION AGAINST US; MORTGAGEHOLDER; LOSS PAYEE PROVISION; VALUATION

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. In the section **B. Exclusions**, the introductory paragraph preceding the list of exclusions is replaced by the following paragraph, which pertains to application of those exclusions:

We will not pay for loss or damage caused by any of the excluded events described below. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event:

- Directly and solely results in loss or damage; or
- Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.
- **B.** In the **Appraisal** Condition, the last sentence is replaced by the following:
 - Neither we nor you shall be held to have waived any rights by any act relating to appraisal.
- C. The following is added to the Legal Action Against Us Condition:

If this action is brought pursuant to Sec. 3 of RCW 48.30 then 20 days prior to filing such action you are required to provide written notice of the basis for the cause of action to us and the Office of the Insurance Commissioner. Such notice

- may be sent by regular mail, registered mail, or certified mail with return receipt requested.
- **D.** In the **Mortgageholders** Condition, paragraph f.(2) is replaced with the following:
 - (2) 45 days before the effective date of cancellation if we cancel for any other reason.

If this Endorsement is part of a Coverage Part including BOILER AND MACHINERY COVER-AGE FORM BM 00 25, it is understood that reference to paragraph f.(2) shall also include paragraph F.2.

- **E.** If **Loss Payable Provisions** EB T4 08 forms a part of the Policy, paragraph C. 2. is replaced with the following:
 - 2. 45 days before the effective date of cancellation if we cancel for any other reason.
- **F.** When this Endorsement is a part of a Coverage Part including *EnergyMax 21* EQUIPMENT BREAKDOWN PROTECTION EB T1 00, paragraph E. Conditions, 1. Loss Conditions, I. Valuation, (1) (c) is replaced with the following:
 - (c) The cost to repair, rebuild or replace the damaged property with property of same kind, capacity, size or quality on the same site or another site whichever is less costly; or

WEST VIRGINIA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

The **Appraisal** Loss Condition is replaced by the following:

If we and you shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then on request of you or us, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stat-

ing separately the actual cash value and amount of loss to each item; and, failing to agree, shall submit their differences, only, to the umpire.

A written decision agreed to by any two will be binding.

Each party will:

- 1. Pay its chosen appraiser; and
- 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.

WISCONSIN CHANGES – LEGAL ACTION; TRANSFER OF RIGHTS; CONCEALMENT, MISREPRESENTATION OR FRAUD; KNOWLEDGE AND ACTS OF AGENTS; NOTICE; CONFORMITY TO STATUTE

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. Loss Conditions

1. Legal Action Against Us

The **Legal Action Against Us** Condition is deleted.

2. Loss Conditions – Transfer of Rights of Recovery Against Other to Us

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We will be entitled to a recovery only after you have been fully compensated for damages.

B. General Conditions

Concealment, Misrepresentation Or Fraud The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

- a. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this insurance affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
 - (1) We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive: or
 - (2) The facts misrepresented or falsely warranted contribute to the loss.
- b. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this insurance

unless such failure or breach exists at the time of loss and either:

- Increases the risk at the time of loss;
- (2) Contributes to the loss.

2. Knowledge And Acts Of Agents

The following is added to General Conditions:

- **a.** If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:
 - (1) Is known to the agent at the time the policy is issued or an application made; or
 - (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.
- b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:
 - (1) Void this policy; or
 - (2) Prevent a recovery in the event of loss.

3. Notice

The following is added to General Conditions:

Wherever notice of "Breakdown" is required to be given immediately, that requirement is amended to provide that the notice must be given promptly.

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

EQUIPMENT BREAKDOWN

C. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01.

General Conditions 4. Statutes or Regulations is deleted and replaced with the following:

4. Conformity To Statute Or Rule

Any provision of this Coverage Part (including Endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

D. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25.

the following is added to General Conditions:

Conformity To Statute Or Rule

Any provision of this Coverage Part (including Endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

WYOMING CHANGES - LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. The Legal Action Against Us Condition is replaced by the following:

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;
- (2) The action is brought within 4 years after you first have knowledge of the loss or damage; and
- (3) We agree in writing that you have an obligation to pay or until the amount of that obligation has finally been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

FLORIDA CHANGES – COINSURANCE, LOSS PAYMENT, NAMED INSURED

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- A. Coinsurance contract. For any coverage subject to a coinsurance clause, the rate charged is based upon the use of the coinsurance clause identified in this Coverage Part, with your consent
- **B.** If Cancellation Changes BM T5 49 or Amendatory Endorsement EB T3 39 endorsements form a part of this policy, the term 'first Named Insured' shall be replaced with the term 'Named Insured'.
- C. When this Endorsement is part of a Coverage Part including EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, paragraph E. Conditions, 1. Loss Conditions, k. Loss Payment (4) is deleted and replaced with the following:
 - (4) If you have complied with all terms of this Coverage Part, we will pay for covered loss:
 - (a) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
 - **(b)** Within 30 days after we receive the sworn proof of loss and:
 - (i) There is an entry of a final judgment; or
 - (ii) There is a filing of an appraisal award with us.
- D. When this Endorsement is part of a Coverage Part including EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01, paragraph E. Conditions, 1. Loss Conditions, g. Loss Payment (4) is deleted and replaced with the following:

- (4) If you have complied with all terms of this Coverage Part, we will pay for covered loss:
 - (a) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
 - **(b)** Within 30 days after we receive the sworn proof of loss and:
 - (i) There is an entry of a final judgment; or
 - (ii) There is a filing of an appraisal award with us.
- E. When this Endorsement is part of a Coverage Part including BOILER AND MACHINERY COVERAGE FORM, BM 00 25, the following is added to paragraph E. BOILER AND MACHINERY CONDITIONS, 1. Loss Conditions:

LOSS PAYMENT

If you have complied with all terms of this Coverage Part, we will pay for covered loss:

- (a) Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
- **(b)** Within 30 days after we receive the sworn proof of loss and:
 - (i) There is an entry of a final judgment; or
 - (ii) There is a filing of an appraisal award with us.

INDIANA CHANGES – TRANSFER OF RIGHTS

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

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. Our right to recover damages from another may be enforced even if the person or organization to or for whom we make payment has not been fully compensated for damages.

The person or organization to or for whom we make payment 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:

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

This will not restrict your insurance.

VERMONT CHANGES – LEGAL ACTION AGAINST US, LOSS PAYMENT

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE PART

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00.

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01,

BOILER AND MACHINERY COVERAGE FORM, BM 00 25,

the following shall apply.

Loss Conditions – Legal Action Against Us

The following is added to **Legal Action Against Us:**

However, your right to bring legal action against us is not conditioned upon your compliance with the provisions of the **Appraisal** condition, if any.

B. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00, or

EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, EB T1 01,

the following shall apply.

Loss Conditions - Loss Payment

The following provision supersedes any provision to the contrary:

We will pay for covered loss or damage within 10 working days after we reach agreement with you on the amount of loss, provided all other terms of the Loss Payment Loss Condition are satisfied.

C. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25,

the following shall apply.

Loss Conditions - Loss Payment

The following provision supersedes any provision to the contrary:

We will pay for covered loss or damage within 10 working days after we reach agreement with you on the amount of loss, provided all other terms of the Loss Payment Loss Condition are satisfied

MARYLAND CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- **A.** Paragraph **(2)** of the **Legal Action Against Us** Condition is replaced by the following:
 - (2) The action is brought within 3 years after the date of the "Breakdown"; or
- **B.** When this Endorsement is attached to the Equipment Breakdown Coverage Form, it is un-
- derstood that the Coverage Part shall include the term policy.
- C. When this endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

SOUTH DAKOTA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

- C. Paragraph (2) of the Legal Action Against Us Condition is replaced by the following:
 - (2) The action is brought within 6 years after the date of "Breakdown"; or

When this Endorsement is attached to the Boiler and Machinery Coverage Form, it is understood that the term "Breakdown" shall include "Accident".

TEXAS CHANGES – ARBITRATION, DEFENSE, LEGAL ACTION

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION

A. Paragraph 3.e. Arbitration of Section E. Conditions in is replaced by the following:

e. Arbitration

- 1. If any of the circumstances described in paragraphs c.(2)(a) and c.(2)(b) exist, then the commercial property insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.
- 2. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial property insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.
- If we and commercial property insurers agree to submit to arbitration as described in Paragraph e.(1) above, the insured will incur no delay in receiving payment in the manner specified in Paragraph d.
- **4.** Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.
- B. Paragraph 1.c. Defense of Section E. Conditions is replaced with the following:

c. Defense

If there is damage to "Covered Property"
 of another in your care, custody or control
 and for which you are legally liable, that
 was directly caused by a "Breakdown" to
 "Covered Equipment", we will have the
 right and duty to defend you against any
 "Suit" alleging liability for damage to that

- "Covered Property". However, we have no duty to defend you against any "Suit" alleging liability for damage to property not covered by this Coverage Part.
- 2. If a claim or "Suit" is brought against you alleging that you are liable for damage to "Covered Property" of another that was caused by a "Breakdown" to "Covered Equipment", we will either:
 - (a) Settle the claim or "Suit"; or
 - **(b)** Defend you against the "Suit" but keep for ourselves the right to settle it at any point.
- **3.** We will pay the following Supplementary Payments, with respect to any claim or any "Suit" we defend:
 - (a) All expenses we incur;
 - **(b)** The cost of bonds to release attachments, but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds:
 - (c) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "Suit", including actual loss of earnings up to \$100 a day because of time off from work;
 - (d) All costs taxed against you in any "Suit" we defend;
 - (e) Pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer; and
 - (f) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in

EQUIPMENT BREAKDOWN

court the part of the judgment that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance.

C. The following definition is added to Section F. Definitions:

"Suit" means a civil proceeding and includes:

- An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
- 2. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

- D. Paragraph E. Conditions, 1. Loss Conditions, f. Legal Action Against Us, (2) is deleted and replaced with the following:
 - (2) The action is brought within 2 years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action; or
- E. When this Endorsement is part of a Policy including EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION, it is agreed that the term "Covered Property" is understood to mean "Builders Risk Property".

GEORGIA CHANGES – VALUATION

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION BOILER AND MACHINERY COVERAGE FORM

A. When this Endorsement is part of a Coverage Part including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, EB T1 00.

The following is added to Section E. Conditions, 1. Loss Conditions, I. Valuation:

The cost of loss or damage to "Covered Property" does not include any actual or perceived reduction in the market value of the repaired, rebuilt or replaced "Covered Property" and therefore this policy does not pay any compensation for an actual or perceived reduction in the market value of any "Covered Property".

But if the "Covered Property" that has sustained the loss or damage is subject to an endorsement in this policy which explicitly addressees market value, then that endorsement will apply to such "Covered Property" in accordance with its terms.

B. When this Endorsement is part of a Policy including:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION, BM T1 57,

The following is added to Section E. Conditions, 1. Loss Conditions, I. Valuation:

The cost of loss or damage to "Covered Property" does not include any actual or perceived reduction in the market value of the repaired, rebuilt or

replaced "Covered Property" and therefore this policy does not pay any compensation for an actual or perceived reduction in the market value of any "Covered Property".

But if the "Covered Property" that has sustained the loss or damage is subject to an endorsement in this policy which explicitly addressees market value, then that endorsement will apply to such "Covered Property" in accordance with its terms.

C. When this Endorsement is part of a Coverage Part including:

BOILER AND MACHINERY COVERAGE FORM, BM 00 25.

The following is added to Section E. BOILER AND MACHINERY CONDITIONS, 1. Loss Conditions, j. Valuation:

The cost of loss or damage to Covered Property does not include any actual or perceived reduction in the market value of the repaired, rebuilt or replaced Covered Property and therefore this policy does not pay any compensation for an actual or perceived reduction in the market value of any Covered Property.

But if the Covered Property that has sustained the loss or damage is subject to an endorsement in this policy which explicitly addressees market value, then that endorsement will apply to such Covered Property in accordance with its terms.

IMPORTANT NOTICE TO NORTH CAROLINA POLICYHOLDERS

FLOOD, EARTHQUAKE, MUDSLIDE, MUDFLOW, LANDSLIDE, WINDSTORM AND HAIL LOSSES NOT COVERED

The following warning is provided in accordance with North Carolina law.

WARNING: THIS EQUIPMENT BREAKDOWN POLICY DOES NOT PROTECT YOU AGAINST LOSSES FROM FLOODS, EARTHQUAKES, MUDSLIDES, MUDFLOWS, LANDSLIDES, WINDSTORM OR HAIL. YOU SHOULD CONTACT YOUR INSURANCE COMPANY OR AGENT TO DISCUSS YOUR OPTIONS FOR OBTAINING COVERAGE FOR THESE LOSSES. THIS IS NOT A COMPLETE LISTING OF ALL OF THE CAUSES OF LOSSES NOT COVERED UNDER YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY TO UNDERSTAND WHAT IS COVERED AND WHAT IS NOT COVERED.

PN EB 08 12 13 Page 1 of 1

ALABAMA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax 21 EQUIPMENT BREAKDOWN PROTECTION EQUIPMENT BREAKDOWN BUILDERS RISK PROTECTION BOILER AND MACHINERY COVERAGE FORM

Paragraph (2) of the Legal Action Against Us Condition is replaced by the following:

(2) The action is brought within the time limitations prescribed by Alabama law; or

INTERLINE
ENDORSEMENTS

INTERLINE ENDORSEMENTS

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART DELUXE PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

(Boiler And Machinery; Crime & Fidelity)

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART CRIME AND FIDELITY COVERAGE PART

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

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value

applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

STANDARD PROPERTY POLICY

- **A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:

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

- 1. This Coverage Part;
- 2. The Covered Property;
- **3.** That insured's ("insured's") interest in the Covered Property; or
- A claim under this Coverage Part or Coverage Form.
- C. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

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

- 1. This Coverage Part;
- 2. The Covered Property;
- An insured's ("insured's") interest in the Covered Property; or
- A claim under this Coverage Part or Coverage Form.
- **D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:

If we and you disagree on the value of the property or the amount of loss ("loss"), either may

make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("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
- 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.

- **E.** The Appraisal Condition in:
 - Business Income (And Extra Expense) Coverage Form CP 00 30; and
 - Business Income (Without Extra Expense) Coverage Form CP 00 32;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A

decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

VIRGINIA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

The **Appraisal** Condition is replaced by the following: **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. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, the insured or the insurer may apply in writing, for the appointment of an umpire, to the judge of the circuit court of the county or city in which the damaged or destroyed property was located at the time of loss. The appraisers will state separately the value of the property and amount of

loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Any outcome of the appraisal will not be binding on either party. Each party will:

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

However, if we make written demand for an appraisal of the loss, we will reimburse you for the reasonable cost of your chosen appraiser, and for your portion of the cost of the umpire.

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

NEVADA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL

COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE

FORM

STANDARD PROPERTY POLICY

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss ("loss") or damage in any case of:

- Concealment or misrepresentation of a material fact; or
- 2. Fraud:

committed by an insured ("insured") at any time and relating to a claim under this policy.

NEBRASKA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

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

In our determination of the actual cash value of Covered Property at the time of loss or damage, we will take into account factors such as depreciation, deterioration and obsolescence.

VERMONT CHANGES – STATUTORY LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

COMMERCIAL PROPERTY - LEGAL LIABILITY COVERAGE FORM

COMMERCIAL PROPERTY - MORTGAGEHOLDER'S ERRORS AND OMISSIONS COVERAGE FORM

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART

FARM UMBRELLA LIABILITY POLICY

LIQUOR LIABILITY COVERAGE PART

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

- **A.** In addition to paying and satisfying judicial judgments rendered against you* in consequence of claims to which this Coverage Part applies, we will protect you* against the levy of executions issued on such judgments or claims against you*.
- **B.** We may, without your* consent, continue litigation after a judgment has been rendered with respect to your* legal liability under this Coverage Part for damages in a particular instance. In that event, no limitation of our liability will be valid where the matter of that litigation is concerned.
- C. Under Coverage Forms to which this endorsement applies, any legal action against us to recover for loss under this Coverage Part must be brought within one year after amount of loss is finally established. The amount of loss can be established only by:
 - 1. Judicial judgment: or
 - 2. An agreement between the parties involved with our written consent.
- D. In the event of your* bankruptcy or insolvency, an injured person or claimant who has obtained a judgment against you* may bring suit against us, provided:

- The judgment was for damages covered by this policy; and
- 2. The suit is for damages in amounts no greater than the applicable Limits of Insurance of this policy.
- **E.** Payment by you* of any judicial judgment or claim for any of our liability under this Coverage Part will not deprive you* of the right to bring action against us.
- * For the Commercial General Liability Coverage Part, Commercial Liability Umbrella Coverage Part, Employment-Related Practices Liability Coverage Part, Farm Coverage Part, Farm Umbrella Liability Policy, Liquor Liability Coverage Part, Owners And Contractors Protective Liability Coverage Part, Pollution Liability Coverage Part, Products/Completed Operations Liability Coverage Part, Medical Professional Liability Coverage Part and Railroad Protective Liability Coverage Part, the word "you" is replaced by the term "the insured" and the word "your" is replaced by the term "the insured's".

VIRGINIA CHANGES

This endorsement modifies insurance provided under the following when written as part of a Commercial Package Policy containing liability coverage and supersedes the cancellation and nonrenewal provisions contained in any amendatory endorsement(s) of a policy to which this endorsement is attached.

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

- A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:
 - 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least:
 - a. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - 45 days before the effective date of cancellation if we cancel for any other reason
 - We will mail or deliver written notice to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent by ordinary mail for which a Certificate of Mailing has been obtained, or by registered or certified mail.
 - 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium:
 - **a.** We will compute return premium pro rata and round to the next higher whole dollar when this policy is cancelled:
 - (1) At our request;
 - (2) Because you no longer have a financial or insurable interest in the property or business operation that is the subject of insurance;

- **(3)** And rewritten by us or a member of our company group; or
- (4) After the first year, if it is a prepaid policy written for a term of more than one year.
- b. When this policy is cancelled at your request (except when Paragraph a.(2), a.(3) or a.(4) applies), we will return 90% of the pro rata unearned premium, rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years. In addition, earned premium will not be less than our policywriting minimum premium.
- **B.** The following is added and supersedes any other provision to the contrary:

Nonrenewal

- If we elect not to renew this policy, we will mail or deliver a notice of nonrenewal to the first Named Insured shown in the Declarations, stating the reason for nonrenewal, at least:
 - a. 15 days before the expiration date if the nonrenewal is due to nonpayment of premium; or
 - **b.** 45 days before the expiration date if the nonrenewal is for any other reason.
- 2. We will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. If notice is mailed, it will be sent by ordinary mail for which a Certificate of Mailing has been obtained, or by registered or certified mail.

INDIANA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL AUTOMOBILE COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART

The **CONCEALMENT**, **MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

- Concealment or misrepresentation of a material fact or
- 2. Fraud

committed by an insured at any time and relating to a claim under this policy.

NEBRASKA CHANGES – FRAUD OR MISREPRESENTATION

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

The CONCEALMENT, MISREPRESENTATION OR FRAUD General Condition is replaced by the following:

MISREPRESENTATION OR BREACH OF CONDITION OR WARRANTY

 A misrepresentation or warranty made by you or on your behalf in the negotiation of or application for this Coverage Part will void this policy if:

- a. It is material;
- **b.** It is made with the intent to deceive;
- c. We rely on it; and
- **d.** We are deceived to our injury.
- **2.** A breach of warranty or condition will void the policy if such breach exists at the time of loss and contributes to the loss.

KANSAS CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage under this Coverage Part if you or any other insured in relation to an insurance application, rating, claim or coverage under this policy knowingly and with intent to defraud:

- Presents, causes to be presented or prepares with the knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement which such person knows to contain materially false information concerning any material fact; or
- **2.** Conceals information concerning any material fact for the purpose of misleading.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART

- **A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The following is added to the Common Policy Conditions:

MULTI-YEAR POLICIES

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules

- **C.1.** Except as provided in **C.2.** below, the **Appraisal** Condition, if any, is replaced by the following:
 - a. If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make a written request for an appraisal of the loss ("loss"). However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss ("loss") appraised. If so agreed, 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 ("loss"). If they fail to agree, they will submit their differences to the umpire.
 - **b.** An appraisal decision will not be binding on either party.
 - **c.** If there is an appraisal, we will still retain our right to deny the claim.
 - d. Each party will:
 - (1) Pay its chosen appraiser; and
 - **(2)** Bear the other expenses of the appraisal and umpire equally.

- C.2. The Appraisal Condition in Business Income Coverage Form (And Extra Expense) CP 00 30 Business Income Coverage Form (Without Extra Expense) CP 00 32 and Capital Assets Program Coverage Form (Output Policy), OP 00 01, Paragraph A.7. Business Income And Extra Expense is replaced by the following:
 - **a.** If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire.
 - **b.** An appraisal decision will not be binding on either party.
 - **c.** If there is an appraisal, we will still retain our right to deny the claim.
 - d. Each party will:
 - (1) Pay its chosen appraiser; and
 - **(2)** Bear the other expenses of the appraisal and umpire equally.
- D.1. This Paragraph, D.2., does not apply to the following:

Farm Liability Coverage Form Legal Liability Coverage Form

2. The 2-year limitation in the Legal Action Against Us Condition is changed to 5 years.

NORTH DAKOTA CHANGES – EXAMINATION OF YOUR BOOKS AND RECORDS

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 FARM COVERAGE PART FARM UMBRELLA LIABILITY POLICY LIQUOR LIABILITY COVERAGE PART MEDICAL PROFESSIONAL LIABILITY COVERAGE PART POLLUTION LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The Examination Of Your Books And Records Common Policy Condition is replaced by the following:

EXAMINATION OF YOUR BOOKS AND RECORDS

- Except as provided in 2. below, 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.
- 2. Any audit conducted to determine the premium due or to be refunded must be completed within 180 days after:
 - a. The expiration date of the policy; or
 - **b.** The anniversary date, if this is a continuous policy or a policy written for a term longer than one year;

unless you agree in writing to extend the audit period.

PENNSYLVANIA CHANGES - ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART STANDARD PROPERTY POLICY

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

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, deprecia-

tion and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

MONTANA CHANGES – CONFORMITY WITH STATUTES

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

FARM COVERAGE PART

FARM UMBRELLA LIABILITY POLICY

LIQUOR LIABILITY COVERAGE PART

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. The following Condition is added:

Conformity with Montana statutes. The provisions of this policy or Coverage Part conform to the minimum requirements of Montana law and control over any conflicting statutes of any state in which you reside on or after the effective date of this policy or Coverage Part.

However, with respect to insurance provided under the Commercial Automobile Coverage Part, while a covered "auto" is away from Montana:

 We will increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to

- the limit or limits specified by any law governing motor carriers of passengers or property.
- We will provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.
- **3.** No one will be entitled to duplicate payments for the same elements of loss.
- **B.** Any provision of this policy or Coverage Part (including endorsements which modify the policy or Coverage Part) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.

COLORADO CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL

COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND

EQUIPMENT COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

- Concealment or misrepresentation of a material fact; or
- 2. Fraud;

committed by you or any other insured ("insured") at any time and relating to coverage under this policy.

VERMONT CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM

The **CONCEALMENT**, **MISREPRESENTATION OR FRAUD** Condition is replaced by the following: **CONCEALMENT**, **MISREPRESENTATION OR FRAUD**

We will not pay for any loss or damage in any case of:

- 1. Concealment or misrepresentation of a material fact; or
- 2. Fraud:

committed by you at any time and relating to coverage under this policy.

TEXAS CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

A. Loss Payment

- With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
- With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item E. Loss Payment in the Commercial Inland Marine Loss Conditions:

a. Claims Handling

- (1) Within 15 days after we receive written notice of claim, we will:
 - (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - **(b)** Begin any investigation of the claim; and
 - (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- (2) We will notify you in writing as to whether:
 - (a) The claim or part of the claim will be paid;
 - (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
 - (c) More information is necessary; or
 - (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in (2)(a) through (2)(d) above, within:

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

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

- **b.** We will pay for covered loss or damage within 5 business days after:
 - (1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

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

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

(1) Declared a disaster under the Texas Disaster Act of 1975; or

- **(2)** Determined to be a catastrophe by the State Board of Insurance.
- **d.** The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.
- **B.** With respect to the Commercial Inland Marine Coverage Part the following is added:
 - We will not be liable for any part of a "loss" that has been paid or made good by others.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART

A. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part

Commercial Property Coverage Part

Crime And Fidelity Coverage Part

Equipment Breakdown Coverage Part

The **TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY** Common Policy Condition is replaced by the following:

F. TRANSFER OF YOUR RIGHTS AND DU-TIES 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.

If you die, this Coverage Part will remain in effect as provided in 1. or 2. below, whichever is later:

- 1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
- **2.** Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

B. For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part

Commercial Property Coverage Part

Farm Coverage Part

The following is added to the **LOSS PAYMENT** Loss Condition and supersedes any provision to the contrary:

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

- Except as provided in 3. below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
 - a. Accept your claim;
 - b. Deny your claim; or
 - c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

- 2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
- 3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or con-

tributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim

within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

FLORIDA CHANGES - LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART FARM COVERAGE PART

The following replaces the second paragraph of the Legal Action Against Us condition:

LEGAL ACTION AGAINST US

Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

OKLAHOMA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.
- **B.** The **Concealment**, **Misrepresentation Or Fraud** condition is replaced by the following:

Except as provided in Paragraphs **C.** and **D.**, we do not provide coverage in any case of fraud by you as it relates to this Coverage Part at any time. We also do not provide coverage if you or any other insured ("insured"), at any time, intentionally conceal or misrepresent a material fact concerning:

- 1. This Coverage Part;
- 2. The Covered Property;
- 3. Your interest in the Covered Property; or
- **4.** A claim under this Coverage Part.
- C. The Concealment, Misrepresentation Or Fraud condition in the Commercial Auto Coverage Part is replaced by the following:

We do not provide coverage in any case of fraud by you at any time as it relates to this Coverage Part. We also do not provide coverage if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- 1. This Coverage Part;
- **2.** The covered "auto";
- 3. Your interest in the covered "auto"; or
- 4. A claim under this Coverage Part.

However, this provision does not apply, but only up to the compulsory or financial responsibility limits required by Oklahoma law, if an "accident" results in a third party liability claim against the "insured" under this Coverage Part.

D. Under the Kidnap/Ransom And Extortion Coverage Form, the Concealment, Misrepresentation Or Fraud condition is replaced by the following:

We do not provide coverage in any case of fraud by you as it relates to this insurance at any time. We also do not provide coverage if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- 1. This insurance;
- **2.** A person insured under this insurance;
- The "property" covered under this insurance;
- Your interest in the "property" covered under this insurance; or
- 5. A claim under this insurance.

NEW MEXICO CHANGES – PROPERTY CLAIMS SETTLEMENT IN THE EVENT OF A CATASTROPHE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART

- A. The provisions of this endorsement apply to a claim for direct physical loss or damage to Covered Property, provided that:
 - The claim is for loss or damage that results from a catastrophe declared by the Superintendent of Insurance; and
 - 2. The catastrophic event is a Covered Cause of Loss
- B. The word loss, as used in this endorsement, includes "loss" as defined in certain coverage forms.
- C. The following provisions, C.1. and C.2., are added to the policy and supersede any provisions to the contrary:
 - 1. If you reported your claim to us:
 - a. Before the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date the catastrophe was declared;
 - **b.** After the catastrophe was declared, we will reach agreement with you on the

- amount of loss within 90 days after the date on which you reported the claim.
- 2. However, the time periods specified in C.1. above will be extended by the period of time taken to resolve the following situations:
 - We suspect the claim is fraudulent and commence an investigation to make such a determination;
 - You do not provide the necessary information regarding the nature of the claim, following our request for such information; or
 - **c.** You filed suit against us in connection with the claim before expiration of the applicable 90-day period.
- D. All other provisions of this policy continue to apply in the event of a catastrophe, including the Suit Against Us and Appraisal conditions.
- **E.** This endorsement does not invalidate our right to deny your claim, nor the right of either party to seek judgment in a court having jurisdiction.

OKLAHOMA NOTICE

The following statement is added to the policy:

WARNING:

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

MONTANA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL

COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND

EQUIPMENT COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for loss ("loss") or damage in a case of:

- Concealment or misrepresentation of a material fact; or
- 2. Fraud;

committed by you or any other insured ("insured"), whether before or after the loss ("loss") and relating to coverage of the loss ("loss") under this policy.

We will not pay for any loss ("loss") or damage in any case if:

- Concealment or misrepresentation of a material fact; or
- 2. Fraud;

is committed by you or any other insured ("insured") in the application for this policy.

NEW YORK CHANGES – FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

The **CONCEALMENT**, **MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

SOUTH DAKOTA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL AUTOMOBILE COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

A. Except as provided in Paragraph B. of this endorsement, the Appraisal Loss Condition is replaced by the following:

APPRAISAL

If we and you disagree on the value of the property or the amount of the loss both parties may agree to an appraisal of the loss. If both parties so agree, then 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 the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

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

If we submit to an appraisal, we will retain our right to deny the claim.

B. The Appraisal Condition in Capital Assets Program Coverage Form (Output Policy), OP 00 01,

Paragraph **A.7.** Business Income And Extra Expense is replaced by the following:

APPRAISAL

If we and you disagree on the amount of net income and operating expense or the amount of the loss, both parties may agree to an appraisal of the loss. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of net income and operating expense and the amount of the loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

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

If we submit to an appraisal, we will retain our right to deny the claim.

NEW HAMPSHIRE CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY
AND EQUIPMENT COVERAGE FORM
STANDARD PROPERTY POLICY

The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We do not provide coverage to one or more insureds ("insureds") who, at any time:

- 1. Intentionally concealed or misrepresented a material fact;
- 2. Engaged in fraudulent conduct; or
- **3.** Made a false statement;

relating to this insurance.

MAINE CHANGES - POST-JUDGMENT INTEREST

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART STANDARD PROPERTY POLICY

The following provision is added and supersedes any provision to the contrary with respect to the payment of post-judgment interest:

Post-judgment Interest

We will pay interest accruing after a judgment is entered in accordance with Maine law. Our duty to pay interest ends when we pay, offer to pay or deposit in court that part of the judgment which does not exceed our Limit of Insurance for which coverage is provided under this Coverage Part or Policy.

This payment will not reduce the Limit of Insurance for which coverage is provided under this Coverage Part or Policy.

MAINE CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

COMMERCIAL AUTOMOBILE COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART

COMMERCIAL PROPERTY COVERAGE PART

CRIME AND FIDELITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL

COVERAGES, CONDITIONS, DEFINITIONS

FARM COVERAGE PART - LIVESTOCK COVERAGE FORM

FARM COVERAGE PART - MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE

FORM

STANDARD PROPERTY POLICY

The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We do not provide coverage to one or more insureds ("insureds") who, at any time:

- Intentionally concealed or misrepresented a material fact;
- 2. Engaged in fraudulent conduct; or
- 3. Made a false statement;

relating to this insurance.

ALABAMA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART COMMERCIAL INLAND MARINE COVERAGE PART COMMERCIAL PROPERTY COVERAGE PART CRIME AND FIDELITY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART FARM COVERAGE PART

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

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

RHODE ISLAND CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

COMMERCIAL PROPERTY - LEGAL LIABILITY COVERAGE FORM

COMMERCIAL PROPERTY - MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM

EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE PART

FARM LIABILITY COVERAGE FORM

FARM UMBRELLA LIABILITY POLICY

LIQUOR LIABILITY COVERAGE PART

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

RAILROAD PROTECTIVE LIABILITY COVERAGE PART

UNDERGROUND STORAGE TANK POLICY

A. The following is added to the **Transfer Of Rights**Of Recovery Against Others To Us Condition:

When an insurer or its agents recover payment on a casualty loss from a third party through subrogation, the insurer must first pay the insured the deductible portion of the casualty loss, less the prorated share of subrogation expenses and thereafter retain any funds in excess of the deductible portion of the recovery.

B. The following provision is added:

DIRECT LIABILITY OF INSURERS

We will be directly liable for those sums the insured becomes legally obligated to pay as damages to the injured party to which this insurance applies. In the event of that injured party's death, we will be directly liable for those sums the insured becomes legally obligated to pay as damages to the party entitled to sue as a result of the injured party's death, and to which this insurance applies.

VIRGINIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE PART

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 cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium
 - a. We will compute return premium pro rata and round to the next higher whole dollar when this policy is cancelled:
 - (1) At our request;
 - (2) Because you no longer have a financial or insurable interest in the property or business operation that is the subject of insurance;
 - (3) And rewritten by us or a member of our company group; or
 - (4) After the first year, if it is a prepaid policy written for a term of more than one year.

- b. When this policy is cancelled at your request (except when Paragraph a.(2), a.(3) or a.(4) applies), we will compute return premium as follows:
 - (1) 75% of the pro rata unearned premium, rounded to the next higher whole dollar, for the Equipment Breakdown Coverage Part; or
 - (2) 90% of the pro rata unearned premium, rounded to the next higher whole dollar, for the Commercial Inland Marine Coverage Part.

However, when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years. In addition, earned premium will not be less than our policywriting minimum premium.

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

- 1. Surveys;
- 2. Consultation or advice; or
- 3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or

omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

- If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors:
- To consultation services required to be performed under a written service contract not related to a policy of insurance; or
- 3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

NEW HAMPSHIRE - CHANGES

This endorsement modifies the:

COMMON POLICY CONDITIONS

PROVISIONS

The following additional provision applies:

Unless otherwise provided by law we shall pay any amount finally agreed upon in settlement of all or part of a claim not later than 5 working days from the date of such agreement or from the date of the performance by the insured, claimant or authorized representative of either of any condition set forth by such agreement.

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TEXAS CHANGES — NOTICE OF CLAIM OR SETTLEMENT

This endorsement modifies insurance provided under the following:

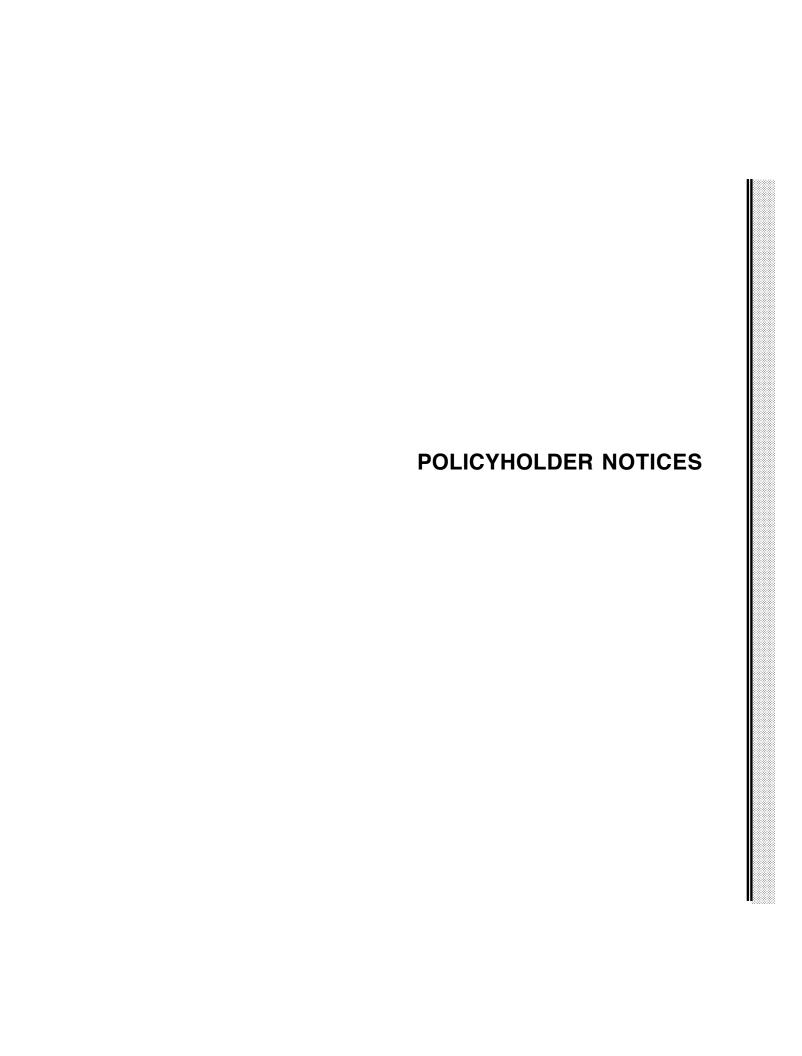
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PHARMACISTS PROFESSIONAL LIABILITY COVERAGE FORM
VETERINARIANS PROFESSIONAL LIABILITY COVERAGE PART
CATASTROPHE UMBRELLA POLICY
EMPLOYEE BENEFITS LIABILITY

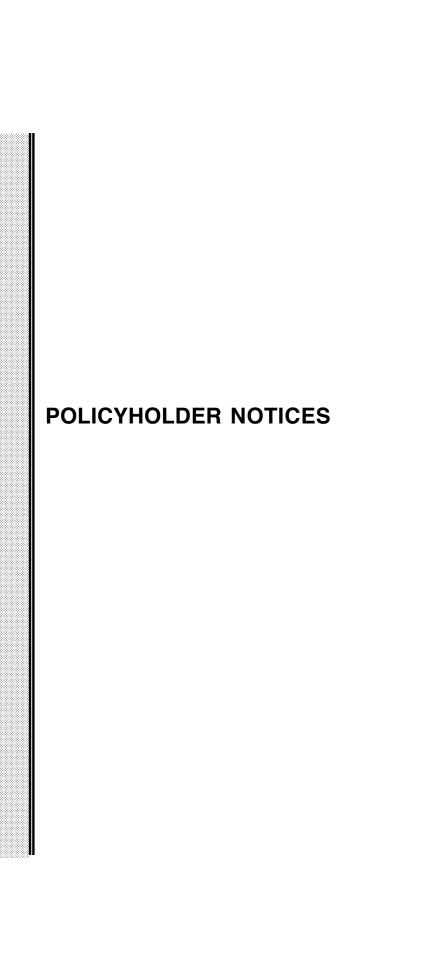
PROVISIONS

If a claim is made against you under a casualty policy, we must notify you of the initial offer to compromise or settle the claim. We must do so within 10 business days after the date on which the offer is made.

If a claim under a casualty policy is settled, we must notify you within 30 days of the settlement.

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Dear Valued Customer,

Travelers Boiler & Machinery appreciates your Equipment Breakdown Insurance business. We understand that life and business are dynamic and the best way to serve you is to deliver highly-rated and customized services that behave the same way – evolving to keep in synch with life and business as they change.

Travelers Boiler & Machinery offers the following exceptional services as part of your insurance coverage:

ENGINEERING SERVICES

Proactive Boiler Inspections and Object Management

Travelers Boiler & Machinery performs inspections on boilers and pressure vessels as required by jurisdictions across the country. Travelers can help you with the identification of any boilers or pressure vessels which require inspection according to state or city laws. If your business has this equipment, we can perform the inspection. Speak with your Equipment Breakdown professional for more information.

Help Line Support for Inspections

When life is out of synch our Help Line staff is available to provide you with assistance on any questions, problems, or concerns about our engineering services. **To schedule an inspection or seek help with inspections, call toll-free at 1-800-425-4119**. We also provide you with dedicated support via fax at 1-877-764-9535 and offer our assistance via email at boilinsp@travelers.com. Support by phone, fax, and email are available between 8:00 a.m. to 5:00 p.m. Eastern Time.

Risk Control and Loss Prevention Information Warehouse

With 100 years of experience in the Equipment Breakdown Insurance business, Travelers Boiler & Machinery wants to share with you the broad range of innovative risk control and loss prevention solutions we have developed over the years. Travelers Boiler & Machinery also shares information such as preventive maintenance guidelines for machinery and equipment as well as workplace safety topics beyond just Boiler & Machinery. Our information can be accessed by calling **1-800-425-4119** or viewing our website at **www.travelers.com/riskcontrol**.

CLAIM SERVICES

24/7/365 Claim Reporting

Travelers Boiler & Machinery offers you a variety of ways to report your claim and the peace of mind of knowing our local claim professionals manage claims with a blend of skill, tenacity, and common sense.

To report an Equipment Breakdown (Boiler and Machinery) loss:

- Contact Your Agent
- Call toll-free at 1-800-238-6225; or
- Fax your loss information to us toll free at 1-877-QUIK-FAX (1-877-784-5329).

Sharing our Experience

During the claim investigation process, our Claim Support Manager, claim staff and field engineers act as technical resources and help you by suggesting reputable repair companies and contractors in your area so you can get back up and running quickly. Speak with your claim professional for more information.

PN BM 17 07 06 Page 1 of 1

NOTICE TO MICHIGAN POLICYHOLDERS

THIS POLICY IS EXEMPT FROM THE FILING REQUIREMENTS OF SECTION 2236 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.2236.

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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, 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.

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IMPORTANT NOTICE - POLICYHOLDER INFORMATION - ARKANSAS

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.

In the event you need to contact someone about this policy, please contact your agent as shown on your policy or in the material accompanying the policy. If you need additional assistance, you may contact us at the address listed below:

Travelers
One Tower Square
Hartford, CT 06183

Telephone: 1-800-328-2189

If you feel we have failed to provide you with reasonable and adequate service, feel free to contact:

Arkansas Insurance Department 1200 West Third Street Little Rock, Arkansas 72201

Telephone: (501) 371-2640 or (800) 852-5494

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IMPORTANT NOTICE - COMPLAINTS - ILLINOIS

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.

If you are having problems you may contact your insurance agent directly or you may contact the company at:

Mail: Consumer Affairs

One Tower Square Hartford, CT 06183

Phone: (860) 277-1561 or

Email: consumeraffairs@travelers.com

The address of the consumer complaint division of the Illinois Department of Insurance is:

Illinois Department of Insurance Consumer Division 320 W Washington St Springfield, IL 62767

Complaints may also be filed electronically to the Illinois Department of Insurance at https://insurance.illinois.gov/applications/ComplaintForms/default.aspx

IMPORTANT NOTICE – RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT – ILLINOIS

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.

The Illinois Religious Freedom Protection and Civil Union Act provides that persons of the same or opposite sex who enter into a civil union must be afforded the same obligations, protections, and legal rights as married persons. This law became effective June 1, 2011, and is designed to ensure that civil unions and marriage are treated identically under Illinois law. In accordance with law, this policy will be interpreted to provide the same benefits and protections to persons in a civil union or in a marriage.

IMPORTANT NOTICE – DISCLOSURE OF LOCAL GOVERNMENT TAXES – KENTUCKY

ISSUE DATE: 05-20-14

In compliance with Kentucky Administrative Regulation 806 KAR 2:092 we are providing the amount of Kentucky local government tax being charged to you and the taxing jurisdiction to which the tax is due. Any applicable collection fee is included in the tax.

Taxing Jurisdiction	Amount of Local Government Tax	
BOWLING GREEN	\$	104
LEXINGTON-FAYETTE	\$	96
LOUISVILLE USD	\$	27
MOREHEAD	\$	6
MURRAY	\$	80

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NOTICE TO NEW JERSEY POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

The State of New Jersey has implemented new regulations regarding jurisdictional inspections. As of October 6th, 2008, the State of New Jersey has expanded its jurisdictional inspection requirements to include unfired pressure vessels. Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If you own or operate:

- Air Tanks, Heat Exchangers, Pressurized Storage Tanks, and
- We insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then call this toll-free number - 1-800-425-4119

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location, including Zip Code, where the equipment is located
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

OR

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. If we provide the inspection service for you, we will be responsible for paying this fee. Otherwise, it is your responsibility to pay such fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

For more information regarding regulations for inspections of Unfired Pressure Vessels, please refer to the following State of New jersey Website: http://lwd.dol.state.nj.us/labor/lsse/laws/boiler law.html

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

REQUEST FOR JURISDICTIONAL INSPECTION

Name of					
Business: FRATERNAL PROPERTY MANAGEMENT ASSOCIATION (As Shown on Policy)					
Policy Number: 7B31100A	(
Location of Equipment:					
City	State	ZipCode			
Person to Contact for Scheduling Insp	pection:				
Telephone Number of Person to Cont	act:				
Equipment Type	Certificate Number	Certificate Expiration Date			
		1			
Fax Form to 1-877-764-9535					
Completed by:	Phone Number:				

IMPORTANT NOTICE – FILING COMPLAINTS WITH THE INDIANA DEPARTMENT OF INSURANCE

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.

Questions regarding your policy or coverage should be directed to:

Travelers

(800) 328-2189

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer, you may contact the Department of Insurance by mail, telephone or email:

State of Indiana Department of Insurance Consumer Services Division 311 West Washington Street, Suite 300 Indianapolis, Indiana 46204 Consumer Hotline: (800) 622-4461; (317) 232-2395

Complaints can be filed electronically at www.in.gov/idoi

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IMPORTANT NOTICE – RISK MANAGEMENT PLANS – FLORIDA

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.

Florida loss control insurance statutes require insurers to provide commercial policyholders, at their request, with guidelines for risk management plans. Travelers' Risk Control Department has available guidelines to assist you with your accident prevention activities. These guidelines are available to you free of charge.

A risk management plan shall include safety measures for different exposures, including, as applicable, pollution and environmental hazards; disease hazards; accidental occurrences; fire hazards and fire prevention and detection; liability for acts from the course of business; slip and fall hazards; product injury; and hazards unique to a particular class or category of insureds. Training in safety management techniques and safety management counseling services are also available.

If you would like to request assistance with risk management or your safety program, please call our Risk Control Department at 407-388-3307. For access to over 1,600 safety and health resources, including training programs, checklists, management guides, etc. visit our Risk Control Customer Portal at http://www.travelers.com/riskcontrol.

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NOTICE – IMPORTANT INFORMATION REGARDING YOUR INSURANCE – VIRGINIA

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.

Should you need to contact anyone about this insurance for any reason, please contact your agent. If you have additional questions you may contact Travelers at:

One Tower Square Hartford, CT 06183 1-800-328-2189

Travelers.com

If you have been unable to contact or obtain satisfaction from our company or your agent, you may contact the Virginia State Corporate Commission's Bureau of Insurance at:

State Corporation Commission, Virginia Bureau of Insurance PO Box 1157 Richmond, VA 23218

> Toll free: 1-877-310-6560 Richmond, VA area: 804-371-9741

Email: bureauofinsurance@scc.virginia.gov

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.

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IMPORTANT NOTICE - CONTACT INFORMATION - MISSOURI

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.

Questions regarding your policy or coverage should be directed to your agent or us at:

Travelers
One Tower Square
Hartford, CT 06183
(800) 328-2189
Travelers.com

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IMPORTANT NOTICE - CONTACT INFORMATION - FLORIDA

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOUR 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.

Please review your policy carefully. Should you have any questions concerning coverages, billings, additions or deletion, please contact your agent. Should you feel the need for additional information or wish to make a complaint, we offer the following number:

For information or to make a complaint, call: 1-800-328-2189

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NOTICE TO POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We Insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then:

Call this toll-free number — 1-800-425-4119

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

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REQUEST FOR JURISDICTIONAL INSPECTION

Business:			
	(As Shown on Policy)		
Policy Number:			
Location of Equipment:			
City	State	Zip Code	
Person to Contact for Scheduling Insp Telephone Number of Person to Cont			
Equipment Type	Certificate Number	Certificate Expiration Date	
Fax Form to 1-877-764-9535			
Completed by:	Phone Number:		

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