



**PENN NATIONAL
INSURANCE**

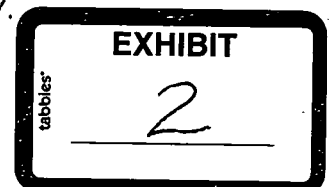
Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 Harrisburg, PA 17105-2361

A Certified true and exact copy of policy
number UL9 0630780

John L. Stowe
(name)

Underwriting Manager
(official title)

THIS POLICY JACKET WITH THE INFORMATION PAGE, POLICY, FORMS AND ENDORSEMENTS, IF ANY,
ISSUED TO FORM A PART THEREOF, COMPLETES THIS POLICY.



MUTUAL POLICY CONDITIONS

THIS POLICY IS NON-ASSESSABLE. THE POLICYHOLDER IS A MEMBER OF THE COMPANY AND SHALL PARTICIPATE TO THE EXTENT AND UPON THE CONDITIONS FIXED AND DETERMINED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH THE PROVISIONS OF LAW, IN THE DISTRIBUTION OF DIVIDENDS SO FIXED AND DETERMINED.

ANNUAL MEETING

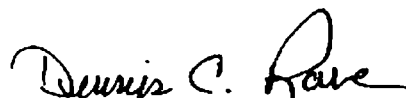
THE INSURED IS HEREBY NOTIFIED THAT BY VIRTUE OF THIS POLICY, HE IS A MEMBER OF THE PENNSYLVANIA NATIONAL MUTUAL CASUALTY INSURANCE COMPANY AND IS ENTITLED TO VOTE EITHER IN PERSON OR BY PROXY AT ANY AND ALL MEETINGS OF SAID COMPANY. THE ANNUAL MEETINGS OF THE COMPANY ARE HELD AT ITS HOME OFFICE IN THE CITY OF HARRISBURG, PA. ON THE SECOND MONDAY OF APRIL IN EACH YEAR, AT 10:00 O'CLOCK A.M., AND THE INCLUSION OF THIS NOTICE IN THIS POLICY SHALL CONSTITUTE NOTICE TO THE MEMBER OF THE ANNUAL MEETING.

IN WITNESS WHEREOF, The company has caused this policy to be signed by its president and secretary but this policy shall not be valid unless completed by the attachment hereto of a Declaration Page, Policy or Coverage Part(s) and Endorsements, if any, and countersigned on the aforesaid declarations page by a duly authorized representative of the company.

VIRGINIA EXCEPTION

Lack of countersignature does not invalidate the policy.

 Secretary

 President



**PENN NATIONAL
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P.O. Box 2361 - Harrisburg, PA 17106

**COMMERCIAL UMBRELLA
LIABILITY POLICY
NON-ASSESSABLE**

RENEWAL DECLARATION

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN THE	AGENCY	BR
UL90630780	05/01/2009	05/01/2010	Pennsylvania National Mutual Casualty Insurance Company	6508	25

NAMED INSURED AND ADDRESS	AGENCY
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG, SC 29304	DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA, SC 29221-1627 (803) 732-0060

IMPORTANT NOTICE: SOME OF THIS POLICY'S COVERAGE MAY BE SUBJECT TO "CLAIMS-MADE" CONDITIONS IF YOUR UNDERLYING INSURANCE IS WRITTEN ON A "CLAIMS-MADE" BASIS.

POLICY PERIOD: 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED AS STATED HEREIN.
PART TWO. THIS DECLARATIONS PAGE WITH "POLICY PROVISIONS PART ONE" COMPLETES THE ABOVE NUMBERED POLICY.

LIMITS OF INSURANCE

\$5,000,000	EACH OCCURRENCE
\$5,000,000	PRODUCTS-COMPLETED OPERATIONS AGGREGATE
\$5,000,000	GENERAL AGGREGATE

Insured's Retained Limit: \$10,000
each occurrence or offense not covered by underlying insurance.

CLAIMS MADE UNDERLYING

Retroactive Date:
(Applicable when underlying General Liability insurance is written on a claims-made basis.)

PREMIUM COMPUTATION

If the policy is written on an adjustable basis, the premium shall be paid as follows:

<u>Estimated Annual</u>	<u>Rate Per</u>	<u>Annual Minimum Premium</u>	<u>Advance Premium</u>
			Redacted - Privilege
		Personal Umbrella Endorsement(s)	
		Installment Service Fee	
		Surcharge	
		Total Advance Premium	

Forms and Endorsements attached to policy at inception.

SEE ATTACHED FORMS SCHEDULE, FORM 71-1084

Countersigned By _____
AUTHORIZED REPRESENTATIVE



**PENN NATIONAL
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Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361 - Harrisburg, PA 17105

SCHEDULE OF UNDERLYING INSURANCE

Attached to and forming a part of Policy No. UL90630780

CARRIER POLICY NUMBER POLICY PERIOD	TYPE OF POLICY	APPLICABLE LIMITS
Commercial General Liability		BODILY INJURY AND PROPERTY DAMAGE LIABILITY
Penn National Security Insurance Company CX9 0630780 05-01-09 05-01-10	\$2,000,000	General Aggregate Limit (Other than Products - Completed Operations)
	\$2,000,000	Products Completed Operations Aggregate Limit
	\$1,000,000	Personal and Advertising Injury Limit (Per Person or Organization)
	\$1,000,000	Each Occurrence Limit
Business Auto Liability		BODILY INJURY AND PROPERTY DAMAGE LIABILITY
Pennsylvania National Mutual Casualty Insurance Company AU9 0630780 05-01-09 05-01-10	\$1,000,000	Each Accident
Employee Benefit Programs Liability		
Penn National Security Insurance Company CX90630780 05-01-09 05-01-10	\$1,000,000	Each Claim
	\$3,000,000	Aggregate Limit

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE	AGENCY	BR
	FROM	TO			
UL90630780	05/01/2009	05/01/2010	Pennsylvania National Mutual Casualty Insurance Company	6508	25

FORMS SCHEDULE

CU0212 1007

CU2136 0108

IL0017 1198

710477 0593

710704 0309

710747 0405

711081 0203

711071 0108

711148 0108

711169 0405

711184 1105

711231 1105

711235 1105

711286 0107

711378 0309

711422 0509

POLICY SCHEDULE OF NAMES AND ADDRESSES

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN THE	AGENCY	BR
UL90630780	05/01/2009	05/01/2010	Pennsylvania National Mutual Casualty Insurance Company	6508	25

THE FOLLOWING ARE NAMED INSUREDS ON THIS POLICY

COMMERCIAL LINES POLICY COMMON NAMES AND ADDRESSES

PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC & PICKENS RESIDENTIAL ROOFING LLC



PENN NATIONAL INSURANCE

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

NOTICE - DISCLOSURE OF TERRORISM INSURANCE COVERAGE PREMIUM

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury under which the federal government shares with the insurance industry the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the federal Terrorism Risk Insurance Act of 2002 we are required to offer you coverage for losses resulting from certified acts of terrorism. The policy's other provisions will still apply to any such act.

DISCLOSURE OF PREMIUM

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$ 0.00.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

Under Federal Law, you have thirty (30) days to consider this offer of coverage for terrorist acts.

You may choose to reject the offer by signing the enclosed statement and returning it to us and your policy will be written to exclude the described coverage to the extent permissible by statute in your state.

Commercial Umbrella Policies Only

If you choose to accept this offer of coverage for certified acts of terrorism, coverage provided under your Commercial Umbrella Policy will be excess over any underlying policy limits regardless of whether you have accepted or rejected coverage on those policies for certified acts of terrorism.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

Effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States Government, Department of the Treasury pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.



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REJECTION OF TERRORISM INSURANCE COVERAGE

I hereby reject the offer of terrorism coverage. I understand that an exclusion of certain terrorism losses will be made part of this Coverage Part/Policy.

Policyholder Signature

Print Name

Date

Policy Number



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ATTACHED IS FORM 71 1061 0203

NOTICE - DISCLOSURE OF

TERRORISM INSURANCE COVERAGE

PREMIUM



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In accordance with the federal Terrorism Risk Insurance Act of 2002 we are required to offer you coverage for losses resulting from certified acts of terrorism. The policy's other provisions will still apply to any such act.

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Policyholder Signature

Print Name

Date

Policy Number



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IMPORTANT NOTICE

Enclosed are your renewal declarations. Please note that endorsements that are in effect as of the renewal effective date are listed on the Declaration page. We have only attached endorsements that are new to your policy and endorsements that display limits or exposures on the endorsement. For copies of any endorsement that is not attached, refer to your original policy or contact your agent.

To file a claim, contact your agent or call (800) 766-2245.

Thank you for placing your coverage with Penn National Insurance.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

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

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

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

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

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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



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NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

(General Liability and Commercial Umbrella)

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

YOUR POLICY AT START OF NEW POLICY TERM

If endorsement CG 21 70 or 71 1071 is attached to your policy

INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY

Under the federal Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, 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), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds the \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, 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 payment of any portion of the amount of such losses that exceeds the \$100 billion. 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.

Refer to the endorsement and to the rest of the insurance contract for provisions that govern coverage for, or that exclude coverage for, losses arising out of terrorism.

If endorsement CG 2170/CG 2173/711071/CU2133 is attached to your policy.

CHANGE IN DEFINITION OF CERTIFIED ACTS OF TERRORISM

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, the "certified acts of terrorism" exclusion is no longer limited to an act of terrorism committed by or on behalf of a foreign interest. The exclusion applies to any terrorist act when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program, including for example an act committed against the United States government by a United States citizen.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

If endorsement CG 2176/CU2136 is attached to your policy.

CHANGE IN DEFINITION OF CERTIFIED ACTS OF TERRORISM

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, the punitive damages exclusion related to "certified acts of terrorism" is no longer limited to an act of terrorism committed by or on behalf of a foreign interest. The exclusion applies to any terrorist act when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program, including for example an act committed against the United States government by a United States citizen.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.



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NOTICE TO POLICYHOLDERS
EMPLOYEE BENEFITS LIABILITY
CHANGES OF COVERAGE

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to coverage changes in the Benefits Liability Endorsement in this policy. Please read your policy, and the endorsements attached to your policy, carefully.

If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

This notice contains a brief synopsis of reduction in coverages in the following endorsements:

Employee Benefits Liability Endorsement 71 0619 0309
Employee Benefits Liability Endorsement 71 0668 0309
NC ABC Board Amendment Endorsement 71 1266 0309

The following Exclusions have been added:

Insufficiency of Funds - Coverage is excluded for damages arising out of an insufficiency of funds to meet any obligations under any of plan included in the "employee benefit program".

Available Benefits - Coverage is excluded for any "claim" for benefits to the extent that such benefits are available with reasonable effort and cooperation of the insured, from applicable funds accrued or other collectible insurance. This exclusion is designed to prevent a claim when the employee benefits are funded but not paid due to an error or omission of the insured. However, with this exclusion, coverage would still be available for the portion of such "claim" for which the benefits are not funded.

Taxes, Fines Or Penalties - Coverage is excluded for taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Employment - Related Practices - Coverage is excluded for damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

Inadequacy of Performance of Investment/Advice Given With Respect to Participation - Coverage is excluded for any "Claim" based upon failure of investment to perform or errors in providing information on past performance of investment vehicles. This exclusion also precludes coverage for any "claim" based upon advice given to any person to participate or not to participate in any benefit plan included in the "employee benefit program".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SOUTH CAROLINA CHANGES - CANCELLATION
AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

A. Paragraphs 2., 3. and 4. 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 and the agent, if any, written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

If this policy is canceled during the first 60 days, and is not a renewal or a continuation policy, the cancellation will be effective only on or after the 61st day of the policy period.

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

7. Cancellation Of Policies In Effect For 120 Days Or More

If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. Nonpayment of premium;

b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;

c. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;

d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item e., we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

C. Condition 10. When We Do Not Renew of Section IV - Conditions is replaced by the following:

WHEN WE DO NOT RENEW

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this policy, we will:

a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

(1) The expiration date of this policy, if the policy is written for a term of one year or less; or

(2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

(1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

(2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Any notice of nonrenewal will state the precise reason for nonrenewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF PUNITIVE DAMAGES
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This Insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"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:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



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EMPLOYEE BENEFITS LIABILITY (FOLLOWING FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:

2. Exclusions

This insurance does not apply to any "claim" or "suit" that the insured becomes legally obligated to pay as damages because of any act, error or omission of the insured or any other person for whose acts the insured is legally liable arising from the "administration" of your "employee benefit program". Unless such "claim" or "suit" is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance for the full limit shown, and then only for such liability for which coverage is afforded under the "underlying insurance".

The following additional definitions are added to SECTION V - DEFINITIONS:

1. "Administration" means:

- a. Providing information to "employees" including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
 - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans, and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, include military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

For the purposes of Employee Benefits Liability Coverage provided by this endorsement, Definitions 7. and 23. in Section V - Definitions are replaced by the following:

- 7. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 23. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT - AGGREGATE LIMITS OF INSURANCE
(PER PROJECT) (PER LOCATION)**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

1. The General Aggregate Limit under **SECTION III - LIMITS OF INSURANCE** applies separately to each of your projects away from premises owned by or rented to you.
2. The General Aggregate Limit under **SECTION III - LIMITS OF INSURANCE** applies separately to each "location" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.



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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

With respect to any one or more "certified acts of terrorism":

1. We will be liable only for that portion of damages in excess of:
 - a) The limits of the applicable underlying policy(s) listed in the schedule of underlying insurance regardless of whether the underlying insurance is providing or not providing coverage for "certified acts of terrorism"; and
 - b) The applicable limits of any other underlying insurance providing coverage to the insured;
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 federal 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.

"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:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTOR'S LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

The following exclusion is added to Paragraph 2.,
**Exclusions of Section I - Coverage A - Bodily
Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

1. To any liability for "property damage" arising out of:

- a) Blasting or explosion other than the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment;
- b) The collapse of or structural injury to any building or structure due to (i) grading of land, excavating, burrowing, filling or backfilling, tunneling, pile driving, coffer-dam work or caisson work, or (ii) moving, shoring, underpinning, raising or demolition of any building or structure, or removal or rebuilding of any structural support thereof;
- c) Injury to or destruction of wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving;

2. To any liability for "bodily injury" or "property damage" arising out of any project insured under a "wrap-up" or any similar rating plan. For purposes of this endorsement, "wrap-up" means any agreement or arrangement under which all the contractors working on a specified project are insured under one or more policies issued by a specified insurer for liability arising out of the project;

3. To any liability for "bodily injury" or "property damage" assumed by the insured under any contract;

4. To any liability for "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" with exterior insulation and finish systems or any part or portion thereof, or any substantially similar system including any exterior component, fixture or feature of any structure if an exterior insulation and finish system is used on any part or portion of that structure;

unless such liability is covered by valid and collectible "underlying insurance" as listed in the Schedule of Underlying Insurance, for the full limit shown therein, and then only for such hazards for which coverage is afforded under said "underlying insurance."



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COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

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

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. At our discretion, we may investigate any "occurrence" that may involve this insurance and settle any resultant claim or "suit", for which we have the duty to defend. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to the extent that valid "underlying insurance" for the liquor liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. E.R.I.S.A.

Any obligation of the insured under the Employees' Retirement Income Security Act (E.R.I.S.A.), and any amendments thereto or any similar federal, state or local statute.

f. Auto Coverages

(1) "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any "auto" which is not a "covered auto"; or

(2) Any loss, cost or expense payable under or resulting from any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law.

g. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

With respect to injury arising out of a "covered auto", this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits. For the purposes of this insurance, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

This exclusion does not apply to the extent that valid "underlying insurance" for the employer's liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

h. Employment-Related

Practices "Bodily injury" to:

- (1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

i. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual,

alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time; or

- (2) "Pollution cost or expense";

However, with respect to "covered autos", this exclusion does not apply to the extent that coverage exists under the "underlying insurance" or would have existed but for the exhaustion of the underlying limits. Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

j. Aircraft Or Watercraft

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 50 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft.
- (4) The extent that valid "underlying insurance" for the aircraft or watercraft liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance; or
- (5) Aircraft that is:
 - (a) Chartered by, loaned to, or hired by you with a paid crew; and
 - (b) Not owned by any insured.

k. Racing Activities

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" or "autos" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

l. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

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

m. Damage To Property

"Property damage" to:

- (1) Property:
 - (a) You own, rent, or occupy including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
 - (b) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto"
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (1)(b), (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to liability assumed under a written Trailer Interchange agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

n. Damage To Your Product

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

o. Damage To Your Work

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

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

p. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

q. Recall Of Products, Work Or Impaired Property

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

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

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

r. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

s. Professional Services

"Bodily injury" or "property damage" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Engineering services, including related supervisory or inspection services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services;
- (9) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (10) Law enforcement or firefighting services;
- (11) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies;
- (12) Printing or publishing services;

- (13) Insurance and insurance related services, including placement and sales of insurance products, insurance consulting, premium financing, notarizing, claim adjusting and claims administration, loss control services, appraising real or personal property, sale of mutual funds or variable annuities, real estate services including the ownership, use or transfer of real property.

This exclusion does not apply to the extent that valid "underlying insurance" for the professional services described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

t. Year 2000 Computer-Related and Other Electronic Problems

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or inadequacy of:
 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) Computer hardware, including microprocessors;
 - (b) Computer application software;
 - (c) Computer operating systems and related software
 - (d) Computer networks;
 - (e) Microprocessors (computer chips) not part of any computer system; or
 - (f) Any other computerized or electronic equipment or components; or
 - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a.(1) of this exclusion

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph a. of this exclusion.

u. Fungi or Bacteria

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

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

v. Lead Contamination

- 1. "Bodily injury" or "property damage" which would not have occurred in whole or in part but for the actual, alleged, or threatened ingestion, inhalation, absorption, dispersal, disposal, seepage, migration, release, or escape of lead in any form at any time.
- 2. Any loss, cost, or expense arising out of any:
 - a. request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of lead; or

- b. claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of lead.

w. Electromagnetic Radiation

"Bodily injury" or "property damage" arising out of any liability loss, cost or expense directly or indirectly arising out of, or resulting as, a consequence of "electromagnetic radiation".

x. Asbestos

"Bodily injury" or "property damage" arising out of:

- (1) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
- (2) The use of asbestos in constructing or manufacturing any good, product or structure; or
- (3) The removal of asbestos from any good, product or structure; or
- (4) The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

No coverage is provided for the investigation or defense of any loss, injury, or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

y. Nuclear Energy Liability

I. A. "Bodily injury" or "property damage" under any Liability Coverage:

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. "Bodily injury" or "property damage" under any Liability Coverage resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

II. As used in this exclusion (y):

"Hazardous properties" includes radioactive, toxic, or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material"

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages when the "underlying insurance" does not provide coverage or the limits of the "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. At our discretion, we may investigate any offense that may involve this insurance and settle any resultant claim or "suit", for which we have the duty to defend. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury":

(1) Knowing Violation Of Rights Of Another

Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

(2) Material Published With Knowledge Of Falsity

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

(3) Material Published Prior To Policy Period

Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

(4) Criminal Acts

Arising out of a criminal act committed by or at the direction of the insured.

(5) Contractual Liability

For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

(6) Breach Of Contract

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

(7) Quality Or Performance Of Goods - Failure To Conform To Statements

Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

(8) Wrong Description Of Prices

Arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

(9) Infringement Of Copyright, Patent, Trademark Or Trade Secret

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

(10) Insureds In Media And Internet Type Businesses

Committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of web-sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 17.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

(11) Electronic Chatrooms Or Bulletin Boards

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

(12) Unauthorized Use Of Another's Name Or Product

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

(13) Pollution

Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(14) Employment-Related Practices

To:

- (a) A person arising out of any:
 - (i) Refusal to employ that person;
 - (ii) Termination of that person's employment; or

(iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (b) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (i), (ii), or (iii) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

(15) Professional Services

Arising out of the rendering or failure to render any professional service. This includes but is not limited to:

- (a) Legal, accounting or advertising services;
- (b) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (c) Engineering services, including related supervisory or inspection services;
- (d) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (e) Any health or therapeutic service treatment, advice or instruction;
- (f) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (g) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (h) Body piercing services;
- (i) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (j) Law enforcement or firefighting services;
- (k) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies;
- (l) Printing or publishing services;
- (m) Insurance and insurance related services, including placement and sales of insurance products, insurance consulting, premium financing, notarizing, claim adjusting and claims administration, loss control services, appraising real or personal property, sale of mutual funds or variable annuities, real estate services including the ownership, use or transfer of real property.

This exclusion does not apply to the extent that valid "underlying insurance" for the professional services described above exists or would have existed but for the exhaustion of underlying limits for "personal and advertising injury". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

(16) War

However caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- 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.

(17) Year 2000 Computer-Related and Other Electronic Problems

Arising directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or
- (f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a.(1) of this exclusion.

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph a. of this exclusion.

(18) Fungi or Bacteria

Which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

(19) Lead Contamination

Which would not have occurred in whole or in part but for the actual, alleged, or threatened ingestion, inhalation, absorption, dispersal, disposal, seepage, migration, release, or escape of lead in any form at any time.

(20) Electromagnetic Radiation

Arising out of any liability loss, cost or expense directly or indirectly arising out of, or resulting as, a consequence of "electromagnetic radiation".

(21) Asbestos

Arising out of:

(1) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;

(2) The use of asbestos in constructing or manufacturing any good, product or structure; or

(3) The removal of asbestos from any good, product or structure; or

(4) The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

No coverage is provided for the investigation or defense of any loss, injury, or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

- b. "Pollution cost or expense".
- c. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- d. Any loss, cost, or expense arising out of any:
 - (1) request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of lead; or

- (2) claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of lead.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend, when the duty to defend exists:
 - a. All expenses we incur.
 - b. Up to \$2000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "occurrence" we cover. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All costs taxed against the insured in the "suit".
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- 2. When we have the right but not the duty to defend the insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the insured or the "underlying insurer".

These payments will not reduce the limits of insurance unless the "underlying insurance" includes defense within limits.

3. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments, or settlements, or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II - WHO IS AN INSURED

1. Except for liability arising out of the ownership, maintenance, or use of "covered autos":

a. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- b. Each of the following is also an insured:
- (1) Your "volunteer workers" only while performing duties related to the conduct of your business, your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (a) "Bodily injury" or "personal and advertising injury":
 - (i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" in the course of his or her employment or performing duties related to the conduct of your business or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (ii) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (a)(i) above; or
 - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (a)(i) or (ii) above.
 - (b) "Property damage" to property:
 - (i) Owned, occupied or used by,
 - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
 you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - (2) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - (3) Any person or organization having proper temporary custody of your property if you die, but only:
 - (a) With respect to liability arising out of the maintenance or use of that property; and
 - (b) Until your legal representative has been appointed.
 - (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- c. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:
- (1) "Bodily injury" to a co-"employee" of the person driving the equipment; or
 - (2) "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.
- d. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- (2) Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - (3) Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
2. Only with respect to liability arising out of the ownership, maintenance, or use of "covered autos":
- a. You are an insured.
 - b. Anyone else while using with your permission a "covered auto" you own, hire, or borrow is also an insured except:
 - (1) The owner or anyone else from whom you hire or borrow a "covered auto". This exception does not apply if the "covered auto" is a trailer or semi-trailer connected to a "covered auto" you own.
 - (2) Your "employee" if the "covered auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a "covered auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a "covered auto".
 - (5) A partner (if you are a partnership), or a member (if you are a limited liability company) for a "covered auto" owned by him or her or a member of his or her household.
 - (6) "Employees" with respect to "bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.
 - c. Anyone liable for the conduct of an insured described above is also an insured, but only to the extent of that liability.

3. Any additional insured under any policy of "underlying insurance" will automatically be an insured under this insurance.

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "underlying insurance".

Additional insured coverage provided by this insurance will not be broader than coverage provided by the "underlying insurance".

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made, "suits" brought, or number of vehicles involved; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage A for "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. The General Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage A and Coverage B, except:
 - a. "ultimate net loss" because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and,
 - b. "ultimate net loss" because of "bodily injury" or "property damage" arising out of the ownership, maintenance or use of a "covered auto".
4. Subject to 2. and 3. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage A. because of "bodily injury" and "property damage", and Coverage B. because of "personal and advertising injury", arising out of any one "occurrence".

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

1. Appeals

If the "underlying insurer" or insured elects not to appeal a judgment in excess of the "retained limit", we may do so at our own expense. We will be liable for taxable costs, pre- and postjudgment interest and disbursements.

2. Bankruptcy

a. Bankruptcy Of Insured

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

b. Bankruptcy Of Underlying Insurer

Bankruptcy of the "underlying insurer" will not relieve us of our obligations under this Coverage Part.

However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurance" were in full effect.

3. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense, regardless of the amount, which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

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

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

4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Other Insurance

a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

6. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. If the premium for coverage provided by this Coverage Part is based upon an audit of exposures, the premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

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

7. Representations Or Fraud

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us;

c. We have issued this policy in reliance upon your representations; and

d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

8. Separation Of Insureds

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

9. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

10. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

11. Loss Payable

Liability under this Coverage Part shall not apply unless and until the insured or insured's "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the insured to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the insured, claimant, and us.

12. Transfer Of Defense

When the underlying limits of insurance have been used up in the payment of judgments or settlements, the duty to defend will be transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or "suits" seeking damages to which this insurance applies which would have been covered by the "underlying insurance" had the applicable limit not been used up.

13. Maintenance Of Underlying Insurance

The "underlying insurance" listed in the schedule of "underlying insurance" in the declarations shall remain in full effect throughout the policy period except for reduction of the aggregate limit due to payment of claims, settlement, or judgments.

Failure to maintain "underlying insurance" will not invalidate this insurance. However, this insurance will apply as if the "underlying insurance" were in full effect.

You must notify us as soon as practicable when any "underlying insurance" is no longer in effect.

14. Expanded Coverage Territory

- a. If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.

- b. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
- c. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Canada or Puerto Rico.
- d. The insured must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payments of claims, judgments or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, disability, sickness, or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
5. "Covered auto" means only those "autos" to which "underlying insurance" applies.
6. "Electromagnetic radiation" includes magnetic energy waves, fields or forces generated, produced, distributed, transmitted or maintained by charges, currents, frequencies, forces of energy or electricity.
7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
8. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
9. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
10. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work", or your fulfilling the terms of the contract or agreement.

11. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraphs f. and g. do not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

(3) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a "covered auto" over a route or territory that person or organization is authorized to serve by public authority.

12. "Insured's retained limit" means the dollar amount listed in the declarations that will be paid by the insured before this insurance becomes applicable only with respect to "occurrences" or offenses not covered by the "underlying insurance". The "insured's retained limit" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits.

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

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

a. After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft;

b. While it is in or on an aircraft or watercraft; or

c. While it is being moved from an aircraft or watercraft to the place where it is finally delivered;

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
 However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
18. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Pollution cost or expense" means any loss, cost or expense arising out of any:
 - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
20. "Products-completed operations hazard":
 - a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

21. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

22. "Retained limit" means the available limits of "underlying insurance" scheduled in the declarations or the "insured's retained limit", whichever applies.

23. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.

24. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

25. "Ultimate net loss" means the total sum, after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay by reason of settlement or judgments or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.

26. "Underlying insurance" means any policies of insurance listed in the declarations under the schedule of "underlying insurance".

27. "Underlying insurer" means any insurer who provides any policy of insurance listed in the schedule of "underlying insurance".

28. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

29. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;

- (b) Others trading under your name; or

- (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) "Your product" includes the providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

30. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

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



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

SILICA OR SILICA-RELATED DUST

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.



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INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

**A. The following exclusion is added to Paragraph
2., Exclusions of Section I - Coverage A -
Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

**DISTRIBUTION OF MATERIAL IN
VIOLATION OF STATUTES**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**B. The following exclusion is added to Paragraph
2., Exclusions of Section I - Coverage B -
Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

**DISTRIBUTION OF MATERIAL IN
VIOLATION OF STATUTES**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DAMAGE TO YOUR WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

I. Damage To Your Work

The following is added **Section I - Coverages, COVERAGE A - Bodily Injury And Property Damage Liability, Paragraph 1. Insuring Agreement:**

- f. Damages because of "property damage" include damages the insured becomes legally obligated to pay because of "property damage" to "your work" and shall be deemed to be caused by an "occurrence", but only if:
 - (1) The "property damage" is the result of work performed on your behalf by the subcontractor(s) that is not a Named Insured;
 - (2) The work performed by the subcontractor(s) is within the "products-completed operations hazard"; and
 - (3) The "property damage" is unexpected and unintended from the standpoint of the insured.



**PENN NATIONAL
INSURANCE**

Pennsylvania National Security Insurance Company
P.O. Box 2361 Harrisburg, PA 17105-2361

A Certified True and exact copy of policy

Number CX9 0630780

John P. Steiner

(name)

Underwriting Manager

(official title)

THIS POLICY JACKET WITH THE DECLARATIONS PAGE, POLICY, FORMS AND ENDORSEMENTS, IF ANY,
ISSUED TO FORM A PART THEREOF, COMPLETES THIS POLICY.

IN WITNESS WHEREOF, The company has caused this policy to be signed by its president and secretary but this policy shall not be valid unless completed by the attachment hereto of a Declaration Page, Policy or Coverage Part(s) and Endorsements, if any, and countersigned on the aforesaid declarations page by a duly authorized representative of the company.

VIRGINIA EXCEPTION

Lack of countersignature does not invalidate the policy.

Kenneth R. Shutt Secretary

Dennis C. Rave President



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2201 • Harrisburg, PA 17105

**COMMERCIAL LINES POLICY COMMON DECLARATIONS
RENEWAL OF CX9 0630780**

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

POLICY PERIOD: POLICY COVERS FROM: 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED STATED ABOVE.

FORM OF BUSINESS: **CORPORATION**

BUSINESS DESCRIPTION: **SHEET METAL WORK**

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

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

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART

\$
\$
\$
\$
\$
\$
\$
\$
\$

PREMIUM

Redacted - Privilege



INSTALLMENT SERVICE FEE \$ 40.00

FORMS APPLICABLE TO ALL COVERAGE PARTS:				710181	08/92	710891	08/99
711061	02/03	711286	01/07	1L0017	11/98	1L0021	09/08
1L0249	09/08						

COMPANY USE ONLY					
RISK TYPE	RISK CLASS	TMC	SIC CODE	INSURANCE	UND. TEAM
3	2	99		Y	026

COUNTERSIGNED BY: _____
Authorized Representative

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

FORM 71-0025 (ED. 03/91)

ISSUED 04/29/09
Pickens_143

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

ENDORSEMENT SCHEDULE

POLICY LEVEL FORMS:

710181	08/92	POLICY JACKET
710891	08/99	INLAND MARINE BRIDGE END
711081	02/03	TERRORISM DISCLOSURE NOTICE
711286	01/07	IMPORTANT NOTICE
IL0017	11/98	COMMON POLICY CONDITIONS
IL0021	09/08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
IL0249	09/08	SOUTH CAROLINA CHANGES - CANCELLATION AND NONRENEWAL

POLICY SCHEDULE OF NAMES AND ADDRESSES

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0008508	25

THE FOLLOWING ARE INSUREDS ON THIS POLICY

COMMERCIAL LINES POLICY COMMON NAMES AND ADDRESSES

PICKENS ROOFING & SHEET METALS
INC & PICKENS ROOFING INC &
PICKENS RESIDENTIAL ROOFING
LLC

CONTINUED NAMED INSURED



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

**COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
RENEWAL OF CX9 0630780**

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

POLICY PERIOD: POLICY COVERS FROM: 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED STATED ABOVE.

FORM OF BUSINESS: **CORPORATION**

BUSINESS DESCRIPTION: **SHEET METAL WORK**

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

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED
INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR THE COVERAGES SHOWN:

PREMISES NO. 1 : 300 SOUTH AVE DEDUCTIBLE: \$1,000
SPARTANBURG SC 29306

BUILDING NO.: 1 PROTECTION CLASS: 09
CONSTRUCTION: MODIFIED FIRE RESISTIVE
OCCUPANCY: SHEET METAL WORK - SHOP ONLY

COVERAGE: BUILDING
LIMIT OF INSURANCE: \$1,026,119 COINSURANCE: 80%
REPLACEMENT COST COVERED CAUSE OF LOSS: SPECIAL FORM

SEE SUPPLEMENTAL DECLARATIONS, FORM 71-0027S

TOTAL PREMIUM FOR THIS COVERAGE PART \$1,501.00

FORMS APPLICABLE TO THIS COVERAGE PART:					
711147	12/07	711252	01/06	710218	01/05
CP0010	04/02	CP0050	04/02	711342	01/08
CP1030	04/02	CP1211	10/00	CP0090	07/88
IL0415	04/98	IL0935	07/02	CP0110	07/88
				IL0194	07/02
				IL0952	03/08

COMPANY USE ONLY					
RISK TYPE	RISK CLASS	TMC	SIC CODE	COINSURANCE	UND. TEAM
3	2	99		Y	026

COUNTERSIGNED BY: _____
Authorized Representative

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

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED **INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR THE COVERAGES SHOWN:**

BUILDING NO.: 1	PROTECTION CLASS: 09
CONSTRUCTION: MODIFIED FIRE RESISTIVE	
COVERAGE: YOUR BUSINESS PERSONAL PROPERTY	
LIMIT OF INSURANCE: \$75,000	COINSURANCE: 80%
REPLACEMENT COST	COVERED CAUSE OF LOSS: SPECIAL FORM

BUILDING NO.: 1	PROTECTION CLASS: 09
CONSTRUCTION: MODIFIED FIRE RESISTIVE	
COVERAGE: EXTRA EXPENSE	
LIMIT OF INSURANCE: \$25,000	COINSURANCE: NONE
LIMITS ON LOSS PAYMENT: 40-80-100%	COVERED CAUSE OF LOSS: SPECIAL FORM

BUILDING NO.: 2	PROTECTION CLASS: 05
CONSTRUCTION: NON-COMBUSTIBLE	
OCCUPANCY: SHEET METAL WORK - OUTSIDE, CONTRACTORS STORAGE	
COVERAGE: BUILDING	
LIMIT OF INSURANCE: \$92,610	COINSURANCE: 80%
REPLACEMENT COST	COVERED CAUSE OF LOSS: SPECIAL FORM

BUILDING NO.: 2	PROTECTION CLASS: 05
CONSTRUCTION: NON-COMBUSTIBLE	
COVERAGE: YOUR BUSINESS PERSONAL PROPERTY	
LIMIT OF INSURANCE: \$10,000	COINSURANCE: 80%
REPLACEMENT COST	COVERED CAUSE OF LOSS: SPECIAL FORM

BUILDING NO.: 2	PROTECTION CLASS: 05
CONSTRUCTION: NON-COMBUSTIBLE	
COVERAGE: EXTRA EXPENSE	
LIMIT OF INSURANCE: \$25,000	COINSURANCE: NONE
LIMITS ON LOSS PAYMENT: 40-80-100%	COVERED CAUSE OF LOSS: SPECIAL FORM

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000850825	

DESCRIPTION OF PREMISES AND COVERAGES PROVIDED **INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR THE COVERAGES SHOWN:**

PREMISES NO.	2 : 2424 HWY 81N ANDERSON SC 29821	DEDUCTIBLE: \$1,000
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BUILDING NO.: 1	PROTECTION CLASS: 03
CONSTRUCTION: NON-COMBUSTIBLE	
OCCUPANCY: ROOFING - COMMERCIAL, CONTRACTORS STORAGE OR SALES OUTLET	

COVERAGE: BUILDING	COINSURANCE: 80%
LIMIT OF INSURANCE: \$196,796	COVERED CAUSE OF LOSS: SPECIAL FORM
REPLACEMENT COST	

BUILDING NO.: 1	PROTECTION CLASS: 03
CONSTRUCTION: NON-COMBUSTIBLE	
COVERAGE: YOUR BUSINESS PERSONAL PROPERTY	
LIMIT OF INSURANCE: \$182,000	COINSURANCE: 80%
REPLACEMENT COST	COVERED CAUSE OF LOSS: SPECIAL FORM

BUILDING NO.: 1	PROTECTION CLASS: 03
CONSTRUCTION: NON-COMBUSTIBLE	
COVERAGE: EXTRA EXPENSE	
LIMIT OF INSURANCE: \$25,000	COINSURANCE: NONE
LIMITS ON LOSS PAYMENT: 40-80-100%	COVERED CAUSE OF LOSS: SPECIAL FORM

ADDITIONAL MISCELLANEOUS COMMERCIAL PROPERTY PREMIUMS:	INCLUDED
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POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

ENDORSEMENT SCHEDULE

COMMERCIAL PROPERTY FORMS:

710218	01/05	COMMERCIAL PROPERTY PENNPAC ENDORSEMENT
711101	01/05	CRIME COVERAGE ENDORSEMENT
711147	12/07	POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE
711252	01/06	EQUIPMENT BREAKDOWN COVERAGE
711342	01/08	SC-INFO ON WIND LOSS MITIG FEAT & AVAIL PREM DISC
711355	08/08	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP0010	04/02	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP0050	04/02	EXTRA EXPENSE COVERAGE FORM
CP0090	07/88	COMMERCIAL PROPERTY CONDITIONS
CP0110	07/88	SOUTH CAROLINA CHANGES - VALUATION
CP1030	04/02	CAUSES OF LOSS - SPECIAL FORM
CP1211	10/00	BURGLARY AND ROBBERY PROTECTIVE
CP1218	06/95	LOSS PAYABLE PROVISION
IL0194	07/02	SOUTH CAROLINA CHANGES - LEGAL ACTION AGAINST US
IL0415	04/98	PROTECTIVE SAFEGUARD
IL0935	07/02	EXCLUSION OF CERTAIN COMPUTER - RELATED LOSSES
IL0952	03/08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

POLICY SCHEDULE OF NAMES AND ADDRESSES

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

THE FOLLOWING ARE INSURED ON THIS POLICY

COMMERCIAL PROPERTY NAMES AND ADDRESSES

PREMISES NO.: 1

FIRST CITIZENS BANK
PO BOX 29
COLUMBIA SC 29202

MORTGAGEE
BLDGS 1,2

PREMISES NO.: 1 BUILDING NO.: 1

FIRST CITIZENS BANK
PO BOX 29
COLUMBIA SC 29202

LOSS PAYEE

PREMISES NO.: 2 BUILDING NO.: 1

DAVID WEBB
317 OLD VINLAND SCHOOL RD
EASLEY SC 29640

LOSS PAYEE



**PENN NATIONAL COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS
INSURANCE OCCURRENCE POLICY**

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361 • Harrisburg, PA 17105

RENEWAL OF CX9 0830780

NON-ASSESSABLE THIS POLICY IS SUBJECT TO A GENERAL AGGREGATE LIMIT

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

POLICY PERIOD: POLICY COVERS FROM: 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED STATED ABOVE.

FORM OF BUSINESS: **CORPORATION** BUSINESS DESCRIPTION: **SHEET METAL WORK**

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

LIMITS OF INSURANCE

General Aggregate Limit	\$	2,000,000
(Other than products - completed operations)	\$	2,000,000
Products - Completed Operations Aggregate Limit	\$	1,000,000
Personal and Advertising Injury Limit - Any one person or organization	\$	1,000,000
Each Occurrence Limit	\$	100,000
Damage to Premises Rented to you Limit - Any one premises	\$	5,000
Medical Expense Limit - Any one person	\$	

PREMIUM INFORMATION

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS

SEE SUPPLEMENTAL DECLARATIONS, FORM 71-0029S

For an Advance Premium for this Coverage, please contact your agent.

FORMS APPLICABLE TO THIS COVERAGE PART:

SEE ATTACHED FORMS SCHEDULE, FORM 71-1084

COMPANY USE ONLY					
RISK TYPE	RISK CLASS	TMC	SIC CODE	INSURANCE	UND. TEAM
3	2	99		N	026

COUNTERSIGNED BY: _____
Authorized Representative

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

71 0029 0500

ISSUED 04/29/09
Pickens_151

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

PREMISES NO. 1 : 300 SOUTH AVE
SPARTANBURG SC 29308

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
58922	IF ANY GROSS SALES	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - SHOP ONLY						

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91580	IF ANY PAYROLL	1000	VARIOUS		INCLUDED	
CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT						

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91585	Redacted - TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS						

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91590	Redacted - PAYROLL P II	1000	VARIOUS		INCLUDED	
CONTRACTORS PERMANENT YARDS - MAINTENANCE OR STORAGE OF EQUIPMENT PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT						

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98877	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
ROOFING - COMMERCIAL						

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98884	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - OUTSIDE						

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

PREMISES NO. 2 : 2424 HWY 81N
ANDERSON SC 29621

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
58922	IF ANY GROSS SALES	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - SHOP ONLY						

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
91580	Redacted - PAYROLL PTII	1000	VARIOUS		INCLUDED	
CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT						

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
91585	Redacted - TOTAL COST Division	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS						

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
98677	Redacted - PAYROLL Division	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
ROOFING - COMMERCIAL						

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
98884	Redacted - PAYROLL Division	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - OUTSIDE						

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006506	25

FORMS SCHEDULE

GENERAL LIABILITY FORMS:

710543	05/00	710619	03/09	710680	05/09	710741	09/06
710939	08/01	710948	01/03	711146	01/05	711148	01/08
711153	01/05	711229	11/05	711233	11/05	711378	03/09
CG0001	10/01	CG0062	12/02	CG0300	01/96	CG2147	07/98
CG2150	09/89	CG2154	01/96	CG2161	04/98	CG2167	04/02
CG2170	01/08	CG2176	01/08	CG2279	07/98	CG2426	07/04

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

ENDORSEMENT SCHEDULE

GENERAL LIABILITY FORMS:

710543	05/00	EXCLUSION-LEAD CONTAMINATION
710619	03/09	EMPLOYEE BENEFITS LIABILITY ENDORSEMENT
710680	05/09	COMMERCIAL GENERAL LIABILITY PENNPAC
710741	09/06	AUTOMATIC ADDITIONAL INSURED'S ONGOING OPERATIONS
710939	06/01	EXTERIOR INSULATION & FINISH SYS
710948	01/03	ASBESTOS ENDORSEMENT (EXCLUSION)
711146	01/05	NOTICE TO POLICYHOLDERS
711148	01/08	POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE
711153	01/05	PRODUCTS-COMPLETED OPERATIONS REDEFINED
711229	11/05	SILICA OR SILICA-RELATED DUST EXCLUSION
711233	11/05	VIOLATION OF STATUTES
711378	03/09	POLICYHOLDER NOTICE - EMP BENEFITS LIAB PROCESS LEVEL PM
CG0001	10/01	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0062	12/02	WAR LIABILITY EXCLUSION
CG0300	01/98	DEDUCTIBLE LIABILITY INSURANCE
CG2147	07/98	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG2150	09/89	AMENDMENT OF LIQUOR LIABILITY EXCLU
CG2154	01/98	EXCLUSION - DESIGNATED OPERATION
CG2161	04/98	YR 2000 COMPUTER EXCLUSION
CG2167	04/02	FUNGI OR BACTERIA EXCLUSION
CG2170	01/08	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG2176	01/08	EXC OF PUNITIVE DAMAGE REL TO CERTIFIED ACTS OF TERR
CG2279	07/98	EXCLUSION-CONTRACTORS PROFESSIONAL LIABILITY
CG2426	07/04	AMENDMENT OF INSURED CONTRACT DEFINITION



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
Penna National Security Insurance Company
P.O. Box 2281 - Harrisburg, PA 17105

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS
RENEWAL OF CX9 0830780**

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000850825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

POLICY PERIOD: POLICY COVERS FROM: 12:01 A.M. STANDARD TIME AT THE ADDRESS OF THE INSURED STATED ABOVE.

FORM OF BUSINESS: CORPORATION

BUSINESS DESCRIPTION: SHEET METAL WORK

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

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

CONTRACTOR'S EQUIPMENT

INSTALLATION RISKS

PREMIUM

Redacted - Privilege

\$
\$
\$
\$
\$
\$
\$
\$
\$
\$



FORMS APPLICABLE TO ALL COVERAGE PARTS:							
CL0100	03/99	CL0114	06/07	710890	08/99	711151	12/07
IN1271	03/99	IN1668	1.0	CL0600	01/08	CL5999	08/01
IN7001	1.1	IN7011	1.0	IN1672	1.0	IN3020	03/99
IN7100	1.0	IN7105	1.0	IN7012	1.1	IN7015	2.0

COMPANY USE ONLY					
RISK TYPE	RISK CLASS	TMC	SIC CODE	REFERENCE	UNIT TEAM
3	2	99		N	028

COUNTERSIGNED BY: _____

Authorized Representative

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

COMMERCIAL INLAND MARINE DECLARATIONS - CONTRACTOR'S EQUIPMENT

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	

EACH ITEM THAT IS COVERED MUST BE DESCRIBED BELOW OR ON A SCHEDULE THAT IS A PART OF THIS POLICY. A COVERAGE AMOUNT MUST BE SHOWN FOR EACH ITEM. THIS IS THE MOST THAT WE WILL PAY FOR A LOSS TO THAT ITEM.

DEDUCTIBLE : \$1000

ITEM	DESCRIPTION OF EQUIPMENT	COVERAGE AMOUNT
1	1984 FORD TRACTOR LOADER S#C709460	\$ 12,000
2	1981 FORD TRACTOR LOADER S#C5594613	\$ 12,000
3	1975 FORD TRACTOR LIFT S#3551373	\$ 10,000
4	1962 AETROIL CONVEYOR 856 S#856	\$ 10,000
5	1981 AETROIL ASPHALT KETTLE S#1086	\$ 3,000
6	1986 GARLOCK 72" ROOF CONVEYOR	\$ 27,000
7	MASTERCRAFT LIFT S#MCL542E	\$ 11,000
8	1981 TRIPLE "A" TRAILER S#6856	\$ 3,640
9	1989 FORD TRACTOR LOADER S#A400746	\$ 15,000
10	1997 NISSAN FORKLIFT S#909199	\$ 22,000
11	1998 NISSAN FORKLIFT S#9U0118	\$ 22,000
12	1988 MASTERCRAFT FORKLIFT S#1726	\$ 11,000

TOTAL AMOUNT IN CLAIM FOR THIS POLICY IS \$118,640

COMMERCIAL INLAND MARINE DECLARATIONS - CONTRACTOR'S EQUIPMENT

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

ITEM	DESCRIPTION OF EQUIPMENT	COVERAGE AMOUNT
13	MASTERCRAFT FORKLIFT S#3029	\$ 11,000
14	GARLOCK ELEVATOR	\$ 44,363
15	1999 LULL FORKLIFT W/ OUTRIGGER MODEL 1044C-54 S#99AB21P19	\$ 54,000
16	NEW REACH LULL FORKLIFT S#98X24N21548	\$ 20,475
17	SCHLEBACH RBM PANEL CURVER	\$ 29,468

TOTAL AMOUNT OF INSURANCE \$ 317,946

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

ENDORSEMENT SCHEDULE

COMMERCIAL INLAND MARINE FORMS:

710890	08/99	CONTRACTORS EQUIPMENT DEC
711151	12/07	POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE
CL0100	03/99	COMMON POLICY CONDITIONS
CL0114	06/07	AMENDATORY ENDORSEMENT SOUTH CAROLINA
CL0600	01/08	CERTIFIED TERRORISM LOSS
CL5999	08/01	AMENDATORY ENDORSEMENT PREMIUM DUE DATE
IM1271	03/99	LOSS PAYABLE SCHEDULE
IM1668	1.0	LOSS PAYABLE ENDORSEMENT
IM1672	1.0	LIMITED THEFT COVERAGE
IM3020	03/99	AMENDATORY ENDORSEMENT SC
IM7001	1.1	CONTRACTORS EQUIPMENT COVERAGE
IM7011	1.0	PROPERTY LEASED OR RENTED
IM7012	1.1	PROPERTY LEASED OR RENTED FROM OTHERS ENDORSEMENT
IM7015	2.0	SMALL TOOLS ENDORSEMENT
IM7100	1.0	INSTALLATION FLOATER COVERAGE
IM7105	1.0	INSTALLATION FLOATER DECLARATIONS

POLICY SCHEDULE OF NAMES AND ADDRESSES

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

THE FOLLOWING ARE INSURED ON THIS POLICY

COMMERCIAL INLAND MARINE NAMES AND ADDRESSES

PREMISES NO.: 1 BUILDING NO.: 1

POPULAR EQUIPMENT FINANCE &
C/O INS SERVICE CENTER
PO BOX 979235
MIAMI FL 33197

LOSS PAYEE

PENN NATIONAL SECURITY INS CO

COMMERCIAL LINES POLICY FORMS INVENTORY

POLICY NUMBER CX9 0630780 04

RENEWAL OF CX9 0630780 03

NAMED INSURED: PICKENS ROOFING & SHEET METALS

POLICY PERIOD: 05/01/09 TO 05/01/10

POLICY LEVEL FORMS:

710161	08/92	710891	08/99	711061	02/03 *
711286	01/07 *	IL0017	11/98	IL0021	09/08 *
IL0249	09/08 *				

COMMERCIAL PROPERTY FORMS:

710218	01/05	711101	01/05 *	711147	12/07 *
711252	01/06 *	711342	01/08 *	711355	08/08 *
CP0010	04/02	CP0050	04/02	CP0090	07/88
CP0110	07/88 *	CP1030	04/02	CP1211	10/00
CP1218	06/95 *	IL0194	07/02	IL0415	04/98 *
IL0935	07/02	IL0952	03/08 *		

GENERAL LIABILITY FORMS:

710543	05/00	710619	03/09 *	710680	05/09 *
710741	09/06	710939	06/01	710948	01/03
711146	01/05	711148	01/08 *	711153	01/05
711229	11/05	711233	11/05	711378	03/09 *
CG0001	10/01	CG0082	12/02	CG0300	01/96 *
CG2147	07/98	CG2150	09/89	CG2154	01/96 *
CG2161	04/98	CG2167	04/02	CG2170	01/08 *
CG2176	01/08 *	CG2279	07/98	CG2426	07/04

COMMERCIAL INLAND MARINE FORMS:

710890	08/99 *	711151	12/07 *	CL0100	03/99
CL0114	06/07 *	CL0600	01/08 *	CL5999	08/01
IM1271	03/99 *	IM1688	1.0	IM1672	1.0 *
IM3020	03/99	IM7001	1.1	IM7011	1.0 *
IM7012	1.1	IM7015	2.0 *	IM7100	1.0
IM7105	1.0 *				

XXX

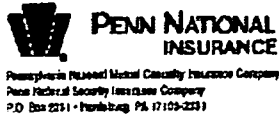
AGENCY BILL INSTALLMENTS

STAMPING REQUIREMENT

SC CO-INSURANCE - PROPERTY

SC CO-INSURANCE - INLAND MARINE
FORM NO. FORMSINV 1/86

ISSUED 04/29/09



COMMERCIAL LINES POLICY COMMON DECLARATIONS

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below.

THE FOLLOWING COVERAGE PART WAS AMENDED WITH A PREMIUM CHANGE:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PREMIUM
\$ Redacted - Privilege

NEW ANNUAL PREMIUM:

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

ADDITIONAL
PREMIUM

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____



COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

ENDORSEMENT NUMBER 01 EFFECTIVE DATE 05/01/09

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

PREMISES NO. 1 : 300 SOUTH AVE
SPARTANBURG SC 29308

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91580	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91585	IF ANY TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS

SEE SUPPLEMENTAL DECLARATIONS, FORM 71-0050S

NEW ANNUAL PREMIUM: Redacted - Privilege TOTAL PREMIUM THIS ENDORSEMENT

ADDITIONAL
PREMIUM

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91590	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS PERMANENT YARDS - MAINTENANCE OR STORAGE OF EQUIPMENT
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98677	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

ROOFING - COMMERCIAL

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98884	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

SHEET METAL WORK - OUTSIDE

PREMISES NO. 2 : 2424 HWY 81N
ANDERSON SC 29621

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91580	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
91585	IF ANY TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0008508	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
98877	Redacted - PAYROLL PT II	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
ROOFING - COMMERCIAL						

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
98884	Redacted - PAYROLL Outside	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - OUTSIDE						

UPDATED EXPOSURES DUE TO FINAL AUDIT.



**PENN NATIONAL
INSURANCE**
Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2301 • Harrisburg, PA 17105-2301

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS AMENDMENTS
AMENDMENT OF POLICY EFFECTIVE DATE MAY. 01, 2009**

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE WAS AMENDED WITH A PREMIUM CHANGE:

PREMIUM

IN7100 1.0

IN7105 1.0

NEW ANNUAL PREMIUM:

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

PENN NATIONAL SECURITY INS CO

COMMERCIAL LINES POLICY FORMS INVENTORY

POLICY NUMBER CX9 0830780 04

RENEWAL OF CX9 0830780 03

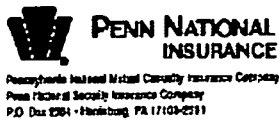
AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NAMED INSURED: PICKENS ROOFING & SHEET METALS

POLICY PERIOD: 05/01/09 TO 05/01/10

THE FOLLOWING FORMS HAVE BEEN ADDED TO THE POLICY.

**** NO FORMS GENERATED ****



COMMERCIAL LINES POLICY COMMON DECLARATIONS

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10		PENN NATIONAL SECURITY INS CO	0006508	25
NAMED INSURED AND ADDRESS				AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304				DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE PART WAS AMENDED WITH A PREMIUM CHANGE:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PREMIUM
\$Redacted - Privilege

NEW ANNUAL PREMIUM:

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

REFUND
DUE

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS****ENDORSEMENT NUMBER 02 EFFECTIVE DATE 05/01/09****NON-ASSESSABLE**

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10		PENN NATIONAL SECURITY INS CO	0006506	25
NAMED INSURED AND ADDRESS				AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304				DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

**PREMISES NO. 1 : 300 SOUTH AVE
SPARTANBURG SC 29306**

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
91580	IF ANY PAYROLL	1000	VARIOUS		INCLUDED	

**CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT****THE PREMIUM BASIS IS CHANGED.**

CODE	PREMIUM BASIS	PER	RATES		ADVANCE PREMIUM	
			PREMS/OPS	PRODUCTS	PREMS/OPS	PRODUCTS
91585	Redacted - Privilege	TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED

**CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS**

SEE SUPPLEMENTAL DECLARATIONS, FORM 71-0050S

NEW ANNUAL PREMIUM FOR THIS COVERAGE PART	Redacted - Privilege	TOTAL PREMIUM THIS ENDORSEMENT
--	----------------------	--------------------------------

**REFUND
DUE**

Redacted - Privilege

**THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.****PRO-RATA PERCENTAGE: 100.0%**

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006506	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91590	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS PERMANENT YARDS - MAINTENANCE OR STORAGE OF EQUIPMENT
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
98677	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

ROOFING - COMMERCIAL

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
98884	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

SHEET METAL WORK - OUTSIDE

PREMISES NO. 2 : 2424 HWY 81N
ANDERSON SC 29621

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91580	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91585	Redacted - TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0008508	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
98677	Redacted - PAYROLL PT II	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
ROOFING - COMMERCIAL						

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
98884	Redacted - PAYROLL PT II	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
SHEET METAL WORK - OUTSIDE						

END NUMBER 1 IS CONSIDERED NULL AND VOID



**PENN NATIONAL
INSURANCE**
Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2201 • Harrisburg, PA 17103-0221

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS AMENDMENTS
AMENDMENT OF POLICY EFFECTIVE DATE MAY. 01, 2009**

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE WAS AMENDED WITH A PREMIUM CHANGE:
PREMIUM

IN7100 1.0 IN7105 1.0

NEW ANNUAL PREMIUM:

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
PENN NATIONAL SECURITY INS CO						

COMMERCIAL LINES POLICY FORMS INVENTORY

POLICY NUMBER CX9 0630780 04

RENEWAL OF CX9 0630780 03

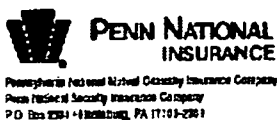
AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NAMED INSURED: PICKENS ROOFING & SHEET METALS

POLICY PERIOD: 05/01/09 TO 05/01/10

THE FOLLOWING FORMS HAVE BEEN ADDED TO THE POLICY.

** NO FORMS GENERATED **



COMMERCIAL LINES POLICY COMMON DECLARATIONS

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10		PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS				AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304				DAVIS-GARVIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE PART WAS AMENDED WITH A PREMIUM CHANGE:

COMMERCIAL GENERAL LIABILITY COVERAGE PART	PREMIUM \$ 11,080.00 ADDITIONAL
--	------------------------------------

NEW ANNUAL PREMIUM: Redacted - Privilege			TOTAL PREMIUM THIS ENDORSEMENT	ADDITIONAL PREMIUM
				Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

ENDORSEMENT NUMBER 03 EFFECTIVE DATE 05/01/09

NON-ASSESSABLE

POLICY NUMBER	POLICY PERIOD FROM TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0008508	25
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

**PREMISES NO. 1 : 300 SOUTH AVE
SPARTANBURG SC 29308**

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91580	Redacted - Privilege	1000	VARIOUS		INCLUDED	

**CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT**

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMIUM PREMS/OPS	PRODUCTS
91585	IF ANY TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

**CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS**

SEE SUPPLEMENTAL DECLARATIONS, FORM 71-0050S

NEW ANNUAL PREMIUM: Redacted - Privilege
FOR THIS COVERAGE PART

TOTAL PREMIUM THIS ENDORSEMENT

**ADDITIONAL
PREMIUM**

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006508	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
91590	Redacted - PAYROLL	1000	VARIOUS		INCLUDED	

CONTRACTORS PERMANENT YARDS - MAINTENANCE OR STORAGE OF EQUIPMENT
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
98677	Redacted - PAYROLL P.I.I.	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
	ROOFING - COMMERCIAL					

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
98884	Redacted - PAYROLL P.I.I.	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
	SHEET METAL WORK - OUTSIDE					

PREMISES NO. 2 : 2424 HWY 81N
ANDERSON SC 29821

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
91580	Redacted - PAYROLL Business	1000	VARIOUS		INCLUDED	

CONTRACTORS EXECUTIVE SUPERVISORS OR EXECUTIVE SUPERINTENDENTS
PRODUCTS-COMPLETED OPERATIONS SUBJECT TO GENERAL AGGREGATE LIMIT

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PRENS/OPS	PRODUCTS	ADVANCE PRENS/OPS	PREMIUM PRODUCTS
91585	IF ANY TOTAL COST	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

CONTRACTORS - SUBCONTRACTED WORK - IN CONNECTION WITH
CONSTRUCTION, RECONSTRUCTION, REPAIR OR ERECTION OF BUILDINGS

COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

POLICY NUMBER	FROM POLICY PERIOD TO		COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	0006506	25

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98877	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

ROOFING - COMMERCIAL

THE PREMIUM BASIS IS CHANGED.

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98884	Redacted - PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED

SHEET METAL WORK - OUTSIDE

UPDATED EXPOSURES DUE TO FINAL AUDIT AND AMEND
INSTALLMENTS TO REFLECT CHANGE



**PENN NATIONAL
INSURANCE**
Participating Member United Security Insurance Company
Penn National Security Insurance Company
P.O. Box 2361 • Spartanburg, PA 17103-2361

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS AMENDMENTS
AMENDMENT OF POLICY EFFECTIVE DATE MAY. 01, 2009**

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000850825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE WAS AMENDED WITH A PREMIUM CHANGE:

PREMIUM

IN7100 1.0 IN7105 1.0

NEW ANNUAL PREMIUM:

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
PENN NATIONAL SECURITY INS CO						

COMMERCIAL LINES POLICY FORMS INVENTORY

POLICY NUMBER CX9 0830780 04

RENEWAL OF CX9 0830780 03

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

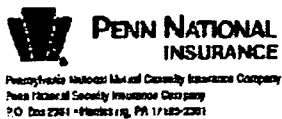
NAMED INSURED: PICKENS ROOFING & SHEET METALS

POLICY PERIOD: 05/01/09 TO 05/01/10

THE FOLLOWING FORMS HAVE BEEN ADDED TO THE POLICY.

** NO FORMS GENERATED **

AGENCY BILL INSTALLMENTS



COMMERCIAL LINES POLICY COMMON DECLARATIONS

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD	TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10		PENN NATIONAL SECURITY INS CO	000850825	
NAMED INSURED AND ADDRESS				AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304				DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE PART WAS AMENDED WITH A PREMIUM CHANGE:

PREMIUM

NEW ANNUAL PREMIUM:		Redacted - Privilege	TOTAL PREMIUM THIS ENDORSEMENT	ADDITIONAL PREMIUM
				Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____



**PENN NATIONAL
INSURANCE**

Pennsylvania Licensed Mutual Security Insurance Company
Penn National Security Insurance Company
P.O. Box 2261 • Harrisburg, PA 17103-2261

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

ENDORSEMENT NUMBER 04 EFFECTIVE DATE 05/01/09

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0830780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARYIN AGENCY P O BOX 21827 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

PREMISES NO. 1 : 300 SOUTH AVE
 SPARTANBURG SC 29306

THE FOLLOWING CLASSIFICATION IS ADDED:

CODE	PREMIUM BASIS	PER	RATES PREMS/OPS	PRODUCTS	ADVANCE PREMS/OPS	PREMIUM PRODUCTS
98678	IF ANY PAYROLL	1000	VARIOUS	VARIOUS	INCLUDED	INCLUDED
ROOFING - RESIDENTIAL						

ADDED CLASS 98678 AT FINAL AUDIT.

NEW ANNUAL PREMIUM:
FOR THIS COVERAGE PART

Redacted - Privilege

TOTAL PREMIUM THIS ENDORSEMENT

ADDITIONAL
PREMIUM

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____



**PENN NATIONAL
INSURANCE**
Pennsylvania National Marine Insurance Company
Penn National Security Insurance Company
P.O. Box 2201 • Harrisburg, PA 17105-2201

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS AMENDMENTS
AMENDMENT OF POLICY EFFECTIVE DATE MAY. 01, 2009**

NON-ASSESSABLE

POLICY NUMBER	FROM	POLICY PERIOD TO	COVERAGE IS PROVIDED IN	AGENCY	BR
CX9 0630780	05/01/09	05/01/10	PENN NATIONAL SECURITY INS CO	000650825	
NAMED INSURED AND ADDRESS			AGENCY		
PICKENS ROOFING & SHEET METALS INC & PICKENS ROOFING INC PO BOX 2508 SPARTANBURG SC 29304			DAVIS-GARVIN AGENCY P O BOX 21627 COLUMBIA SC 29221		

It is agreed that this policy is hereby amended as indicated below:

THE FOLLOWING COVERAGE WAS AMENDED WITH A PREMIUM CHANGE: PREMIUM

IM7100 1.0 IM7105 1.0

NEW ANNUAL PREMIUM

Redacted -
Privilege

TOTAL PREMIUM THIS ENDORSEMENT

Redacted - Privilege

THIS ENDORSEMENT IS SUBJECT TO THE DECLARATIONS, CONDITIONS AND OTHER TERMS OF THE
POLICY WHICH ARE NOT INCONSISTENT HERewith AND WHEN COUNTERSIGNED BY AN AUTHORIZED
REPRESENTATIVE OF THE COMPANY, FORMS A PART OF THE POLICY DESCRIBED HEREIN.

PRO-RATA PERCENTAGE: 100.0%

SIGNATURE OF AUTHORIZED REPRESENTATIVE _____

PENN NATIONAL SECURITY INS CO

COMMERCIAL LINES POLICY FORMS INVENTORY

POLICY NUMBER CX9 0630780 04

RENEWAL OF CX9 0630780 03

AMENDMENT OF POLICY EFFECTIVE: MAY 01, 2009

NAMED INSURED: PICKENS ROOFING & SHEET METALS

POLICY PERIOD: 05/01/09 TO 05/01/10

THE FOLLOWING FORMS HAVE BEEN ADDED TO THE POLICY.

** NO FORMS GENERATED **



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

NOTICE - DISCLOSURE OF TERRORISM INSURANCE COVERAGE PREMIUM

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury under which the federal government shares with the insurance industry the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States, certifies that an event meets the definition of an act of terrorism. The Act provides that, to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the federal Terrorism Risk Insurance Act of 2002 we are required to offer you coverage for losses resulting from certified acts of terrorism. The policy's other provisions will still apply to any such act.

DISCLOSURE OF PREMIUM

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$ 0.00.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

Under Federal Law, you have thirty (30) days to consider this offer of coverage for terrorist acts.

You may choose to reject the offer by signing the enclosed statement and returning it to us and your policy will be written to exclude the described coverage to the extent permissible by statute in your state.

Commercial Umbrella Policies Only

If you choose to accept this offer of coverage for certified acts of terrorism, coverage provided under your Commercial Umbrella Policy will be excess over any underlying policy limits regardless of whether you have accepted or rejected coverage on those policies for certified acts of terrorism.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

Effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States Government, Department of the Treasury pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

REJECTION OF TERRORISM INSURANCE COVERAGE

I hereby reject the offer of terrorism coverage. I understand that an exclusion of certain terrorism losses will be made part of this Coverage Part/Policy.

Policyholder Signature

Print Name

Date

Policy Number



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

NOTICE TO POLICYHOLDERS

**POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE
(IM & COP)**

This Notice has been prepared in conjunction with the implementation of changes related to coverage of terrorism under your policy.

This notice does not form a part of your insurance contract. The Notice is designed to alert you to revised provisions in the terrorism endorsement in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

**CHANGE IN THE DEFINITION OF CERTIFIED ACTS OF TERRORISM
AND
INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY**

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, 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), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, 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. 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.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

IMPORTANT NOTICE

Enclosed are your renewal declarations. Please note that endorsements that are in effect as of the renewal effective date are listed on the Declaration page. We have only attached endorsements that are new to your policy and endorsements that display limits or exposures on the endorsement. For copies of any endorsement that is not attached, refer to your original policy or contact your agent.

To file a claim, contact your agent or call (800) 766-2245.

Thank you for placing your coverage with Penn National Insurance.

CERTIFIED TERRORISM LOSS

1. The following definitions are added.

a. "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:

- 1) to be an act of terrorism;
- 2) to be a violent act or an act that is dangerous to human life, property or infrastructure;
- 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- 4) 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; and
- 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".

2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".

3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

4. The following provisions are added.

a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion; and

b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:

- 1) exclusions that address war, military action, or nuclear hazard; or
- 2) any other exclusion.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

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

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

- a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

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

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

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

2. We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.

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

7. Cancellation Of Policies In Effect For 120 Days Or More

If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;

c. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;

d. Substantial breaches of contractual duties, conditions or warranties; or

e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

Prior to cancellation for reasons permitted in this Item e., we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

Any notice of cancellation will state the precise reason for cancellation.

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

Nonrenewal

- 1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.

2. If we decide not to renew this policy, we will:

a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:

- (1) The expiration date of this policy, if the policy is written for a term of one year or less; or
- (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or

(2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.

3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. Any notice of nonrenewal will state the precise reason for nonrenewal.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2261
Harrisburg, PA 17105-2261

SOUTH CAROLINA - INFORMATION ON WINDSTORM LOSS MITIGATION FEATURES AND AVAILABLE PREMIUM DISCOUNTS - ADVISORY NOTICE TO POLICYHOLDERS

This Notice provides information on the availability and range of premium discounts for properties on which fixtures or construction techniques demonstrated to reduce the amount of loss in a windstorm have been installed or implemented. The discounts apply only to the Group II portion of the premium which includes wind coverage. Listed below is general information about available discounts. The estimates below are general in nature and the actual amount of the discount(s), if any, may vary depending on specific features and conditions of the insured property. Please contact your producer or Penn National Insurance for more specific information.

Description Of Mitigation Measure	Estimated Premium Discount Percent Or Range	
	Coastal And Seacoast Areas	Remainder Of State
Roof Covering and Roof Covering Attachment • South Carolina Building Code (SCBC) Equivalent: Roof coverings and attachments in compliance with the SCBC.	Redacted - Privilege	
Roof Deck and Roof Deck Attachment For Buildings One to Three Stories • Plywood/Oriented Strand Board with nails 2 1/2-inches long spaced at 6 inches from the edge of the plywood and 12 inches in the field on 24-inch truss spacing; • Plywood/Oriented Strand Board with nails 2 1/2-inches long spaced at 6 inches from the edge of the plywood and 6 inches in the field on 24-inch truss spacing; or • Dimensional Lumber and Tongue and Groove Decks composed of 3/4-inch thick boards with nominal widths of 4 inches or more. • Reinforced Concrete Roof Deck For Buildings Four Stories or Higher • Metal • Reinforced Concrete		
Roof-To-Wall Connection (Roof Anchorage) For Buildings One to Three Stories • Clips: Pieces of metal that are nailed into the side of the rafter/truss and into the side of the top plate or wall stud. The metal does not wrap around the top of the rafter/truss, and the clip is only located on one side of the connection; • Hurricane Ties - Single Wraps: A single strap that is attached to the side and/or bottom of the top plate and is nailed to the rafter/truss; or • Hurricane Ties - Double Wraps: Straps that are wrapped on both sides, are attached to the side and/or bottom of the top plate, and are nailed to the rafter/truss.		

Description Of Mitigation Measure	Estimated Premium Discount Percent Or Range	
	Coastal And Seacoast Areas	Remainder Of State
Door Strength For Buildings One to Three Stories Reinforced Single-Width Doors.	Redacted - Privilege	
Opening Protection - Tempered, Heat-Strengthened or Laminated Glass or Insulating Glass Units with no Engineered Shutters; or - Hurricane Engineered Shutters: All openings protected to meet the requirements of the SCBC.		
Roof Shape For Buildings One to Three Stories - Hip: Roof has sloping ends and sloping sides down to the roof eaves line; or - Gable: Roof has vertical walls that extend all the way to the top of the inverted V. Gable roof must be braced to qualify for a discount.		
Secondary Water resistance For Buildings One to Three stories - Self-adhering modified bitumen tape to the plywood joints of the roof; or - Foamed polyurethane structural adhesive from inside the attic to cover the joints between all plywood sheets of the roof. For Buildings Four Stories or Higher (Applies to Wood Roof Decks Only) - Self-adhering modified bitumen tape to the plywood joints of the roof; or - Foamed polyurethane structural adhesive from inside the attic to cover the joints between all plywood sheets of the roof.		

Penn National Insurance will require evidence that building construction or the retrofitting measure has been implemented according to applicable standards. Two acceptable forms of documentation to prove the existence and compliance of loss mitigation features are:

- (a) A written certification or a report (with certification) from a licensed professional with expertise in construction techniques, building design or property inspection or appraisal including, but not limited to, an architect, appraiser, building inspector or contractor; or
- (b) An affidavit from the property owner certifying that the mitigation or construction techniques have been implemented, accompanied by certified copies of the applicable receipts.

Penn National Insurance may verify through physical inspection that the work described in the aforementioned certification or affidavit has been performed.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

(Commercial Property)

This Notice has been prepared in conjunction with the implementation of changes related to coverage of terrorism under your policy.

This notice does not form a part of your insurance contract. The Notice is designed to alert you to revised provisions in the terrorism endorsement in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

CHANGE IN THE DEFINITION OF CERTIFIED ACTS OF TERRORISM AND INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, 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), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, 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. 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.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BURGLARY AND ROBBERY PROTECTIVE
SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE*

Premises No.	Building No.	Protective Safeguards Symbols Applicable
1	1	BR-1
1	2	BR-1
Describe any "BR-4":		
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

**A. The following is added to the Commercial
Property Conditions:**

**BURGLARY AND ROBBERY PROTECTIVE
SAFEGUARDS**

1. As a condition of this insurance, you are required to maintain the protective devices and/or services listed in the Schedule above.
2. The protective safeguard(s) to which this endorsement applies are identified by the following symbols:
 - a. "BR-1" Automatic Burglary Alarm, protecting the entire building, that signals to:
 - (1) An outside central station; or
 - (2) A police station.
 - b. "BR-2" Automatic Burglary Alarm, protecting the entire building, that has a loud sounding gong or siren on the outside of the building.

- c. "BR-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

- d. "BR-4" The protective safeguard described in the Schedule.

**B. The following is added to the Exclusions
section of the Causes Of Loss - Special Form:**

**BURGLARY AND ROBBERY PROTECTIVE
SAFEGUARDS**

We will not pay for loss or damage caused by or resulting from theft if, prior to the theft, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Provisions Applicable

Loss Payable	Lender's Loss Payable	Contract Of Sale
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X

Prem. No.	Bldg. No.	Description of Property
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1

1

CONTENTS

Loss Payee
(Name & Address)

FIRST CITIZENS BANK
PO BOX 29
COLUMBIA, SC 29202

- 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.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

- d. If we pay the Loss Payee 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 Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Provisions Applicable			Description of Property	Loss Payee (Name & Address)
Loss Payable	Lender's Loss Payable	Contract Of Sale		
X				
Prem. No.	Bldg. No.			
2	1		CONTENTS	DAVID WEBB 317 OLD VINLAND SCHOOL RD EASLEY SC 29640

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.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgages, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

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

- d. If we pay the Loss Payee 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 Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

SCHEDULE*

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
1	1	P-9
1	2	P-9
Describe any "P-9": CENTRAL STATION WITH KEYS		

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

A. The following is added to the:

Commercial Property Conditions

General Conditions in the

Farm Property - Other Farm

Provisions Form - Additional Coverages,
Conditions, Definitions

General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form

General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System,
including related supervisory
services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
 - (1) Sprinklers and discharge nozzles;
 - (2) Ducts, pipes, valves and fittings;
 - (3) Tanks, their component parts and supports; and
 - (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
 - (1) Non-automatic fire protective systems; and
 - (2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS - BASIC FORM
CAUSES OF LOSS - BROAD FORM
CAUSES OF LOSS - SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM - FARM
PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRIME COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY CONDITIONS
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM**

SCHEDULE

Employee Benefit Plan(s) Included as Insureds: Any Plan(s) Administered By The Named Insured

Insuring Agreements	Limit of Insurance	Deductible Amount
1. Employee Theft	\$200,000	\$1,000
2. Forgery Or Alteration	\$200,000	\$1,000
3. Inside The Premises - Theft of Money And Securities		
4. Outside The Premises		

The following is added to Additional Coverages:

ADDITIONAL COVERAGE - CRIME COVERAGES

A. Insuring Agreements

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

2. Forgery or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any instrument in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises - Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises" resulting directly from "theft", disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

4. Outside The Premises

a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.

b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

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B. Limit Of Insurance

Under this Additional Coverage, the most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Schedule plus:

1. \$10,000 for Employee Theft
2. \$10,000 for Forgery or Alteration
3. \$10,000 for Inside The Premises - Theft Of Money And Securities
4. \$5,000 for Outside The Premises.

C. Deductible

With respect to this Additional Coverage, we will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount. The Deductible Amount is shown in the Schedule or, if blank, \$500. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.

D. Exclusions

1. With respect to this Additional Coverage Exclusion B.2.h. is deleted and replaced by the following:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by"

(1) You; or

(2) Any of your partners or "members";

whether acting alone or in collusion with other persons.

b. Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives;

(1) Whether acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise;

except when covered under the Employee Theft Insuring Agreement.

2. With respect to this Additional Coverage, the following Exclusions are added:

This insurance does not apply to:

a. Indirect Loss

Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:

(1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".

(2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

(3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

b. Legal Expenses

Expenses related to any legal action, except when covered under the Forgery or Alteration Insuring Agreement.

3. With respect to the Employee Theft Insuring Agreement under this Additional Coverage, the following exclusions are added:

This insurance does not apply to:

a. Employee Cancelled Under Prior Insurance

Loss caused by any "employee" or yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

c. Trading

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

d. Warehouse Receipts

Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

4. With respect to the Inside The Premises - Theft Of Money And Securities and the Outside The Premises Insuring Agreements under this Additional Coverage, the following exclusions are added:

This insurance does not apply to:

a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Transfer Or Surrender Of Property

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

- (a) On the basis of unauthorized instructions;
- (b) As a result of a threat to do bodily harm to any person; or
- (c) As a result of a threat to do damage to any property.

- (2) But, this Exclusion does not apply under the Outside The Premises Insuring Agreement to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

f. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

E. CONDITIONS

With respect to this Additional Coverage, the following Conditions in the Commercial Property Conditions and the Loss Conditions in the Commercial Property Coverage Forms are deleted and replaced:

1. Loss Condition E.3. Duties In The Event Of Loss Or Damage is deleted and replaced by the following:

3. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Theft or Forgery Or Alteration Insuring Agreements) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Give us a detailed, sworn proof of loss within 120 days.
- (4) Cooperate with us in the investigation and settlement of any claim.

2. Commercial Property Condition D. Legal Action Against Us is deleted and replaced by the following:

D. Legal Action Against Us

You may not bring legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you discover the loss.

3. Commercial Property Condition G. Other Insurance is deleted and replaced by the following:

G. Other Insurance

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.

However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Schedule.

4. Loss Condition E.5. Recovered Property is deleted and replaced by the following:

E.5. Recoveries

- (1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

- (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (b) Then to us, until we are reimbursed for the settlement made; and
- (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

- (2) Recoveries do not include any recovery:

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original "securities" after duplicates of them have been issued.

5. Common Property Conditions I. Transfer Of Your Rights Of Recovery Against Others To Us is deleted and replaced by the following:

I. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

6. Loss Conditions E.4. Loss Payment and E.7. Valuation are deleted and replaced by the following:

E.7. Valuation - Settlement

- (1) Subject to the Limit of Insurance, we will pay for:

- (a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (i) At the face value in the "money" issued by that country; or
- (ii) In the United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the day the loss was discovered.

- (b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

- (i) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

- (ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Value of the "securities" at the close of business on the day the loss was discovered; or

- ii. Limit of Insurance.

- (c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

- (i) The Limit of Insurance applicable to the lost or damaged property;

- (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or

- (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

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

- (i) Until the lost or damaged property is actually repaired or replaced; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We may, at our option, pay for loss of or damage to property other than "money":

- (a) In the "money" on the country in which the loss occurred; or

- (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was discovered.

- (3) Any property that we pay for or replace becomes our property.

F. ADDITIONAL CONDITIONS

With respect to this Additional Coverage, the following Conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Conditions Applicable To All Insuring Agreements

a. Cancellation As To Any Employee

This insurance is cancelled as to any "employee":

(1) Immediately upon discovery by

(a) You; or

(b) Any of your partners, "members", "managers"; officers, directors or trustees not in collusion with the "employee";

of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Consolidation - Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become "employees" or you acquire the use and control of any additional "premises":

(1) You must give us written notice and obtain our written consent to extend this insurance to such additional "employees" or "premises". We may condition our consent upon payment of an additional premium; but

(2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for "employees" or "premises" also applies to these additional "employees" or "premises" for acts committed or events occurring within this 90 day period.

c. Employee Benefit Plan(s)

(1) The "employee benefit plan(s)" shown in the Schedule are included as Insureds under the Employee Theft Insuring Agreement.

(2) If any "employee benefit plan(s)" is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Employee Theft Insuring Agreement that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) With respect to losses sustained or discovered by any such Plan, the Employee Theft Insuring Agreement is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(4) If the first Named Insured is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

(5) If two or more Plans are insured under this insurance, any payment we make for loss:

- (a) Sustained by two or more Plans; or
- (b) Of commingled "funds" or "other property" of two or more Plans;

that arises out of one "occurrence", is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.

(6) The Deductible Amount applicable to the Employee Theft Insuring Agreement does not apply to loss sustained by any "employee benefit plan(s)".

d. Extended Period To Discover Loss

(1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you no later than 1 year from the date of that termination or cancellation.

(2) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

e. Joint Insured

(1) If more than one Insured is named in the Declarations and Schedule, the first Named Insured in the Declaration will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

(2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of the Insured.

(3) An "employee" of any Insured is considered to be an "employee" of every Insured.

(4) If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered by you during the period of time provided in the Extended Period To Discover Loss Condition F.1.d.

However, this extended period to discover loss terminates as to that Insured immediately upon the effective date of any other insurance obtained by that Insured replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

f. Loss Coverage Under This Insurance And Prior Insurance Issued By Us Or Any Affiliate

If any loss is covered:

(1) Partly by this insurance; and

(2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

The most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

Regardless of the number of years this insurance remains in force or the number of premium paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

g. Loss Sustained

Subject to the Loss Sustained During Prior Insurance Condition F.1.h., we will pay for loss that you sustain through acts committed or events occurring during the policy period shown in the Declarations and discovered by you:

(1) During the policy period; or

(2) During the period of time provided in the Extended Period To Discover Loss Condition F.1.d.

h. Loss Sustained During Prior Insurance

(1) If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance provided:

(a) This insurance became effective at the time of cancellation or termination of the prior insurance; and

(b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

(2) The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

(a) This insurance as of its effective date; or

(b) The prior insurance had it remained in effect.

i. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

(1) That you own or lease;

(2) That you hold for others; or

(3) For which you are legally liable, except for property inside the premises of a "client" of yours.

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

j. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

2. Conditions Applicable To The Employee Theft Insuring Agreement

a. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition H. of the Commercial Property Conditions for a period of not more than 90 days.

3. Conditions Applicable To The Forgery Or Alteration Insuring Agreement

a. Deductible

The Deductible Amount does not apply to legal expenses paid under the Forgery Or Alteration Insuring Agreement.

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss you sustain anywhere in the world. The Territory Condition H. of the Commercial Property Conditions does not apply to the Forgery Or Alteration Insuring Agreement.

4. Conditions Applicable To The Outside The Premises Insuring Agreement

a. Armored Motor Vehicle Companies

Under the Outside The Premises Insuring Agreement, will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such article; or
- (2) Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

G. Definitions

With respect to this Additional Coverage, the following definitions are added:

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Client" means any entity for whom you perform services under a written agreement.
3. "Employee"
 - a. "Employee" means:
 - (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;
 - (2) Any natural person who furnished temporarily to you:
 - (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions;while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
 - (4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this insurance; and
 - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this insurance;
- (5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".
- b. "Employee" does not mean:
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
4. "Employee benefit plan(s)" means any welfare or pension benefit plan shown in the Schedule that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
5. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
6. "Funds" means "money" and "securities".
7. "Manager" means a person serving in a directorial capacity for a limited liability company.
8. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
9. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
10. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
11. "Occurrence" means:
- a. As respects the Employee Theft Insuring Agreement, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
 - b. As respects the Forgery Or Alteration Insuring Agreement, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 - c. As respects the Inside The Premises-Theft of Money And Securities and the Outside The Premises Insuring Agreements:
 - (1) An act or series of related acts involving one or more persons; or
 - (2) An act or event, or a series of related acts or events not involving any person.
12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this insurance.
13. "Premises" means the interior of that portion of any building "you" occupy in conducting "your" business. As respects the Inside The Premises- Theft Of Money And Securities and the Outside The Premises Insuring Agreement, "premises" does not include any "premises" shown in the Exclude Designated Premises Schedule.
14. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
15. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
16. "Theft" means the unlawful taking of "money", "securities", or "other property" to the deprivation of the insured.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Pena National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

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

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below. These coverages apply to all locations covered on the policy, unless otherwise specified.

SCHEDULE

COVERAGES	LIMIT OF INSURANCE
Equipment Breakdown Limit	
Business Income	
Extra Expense	
Expediting Expenses	
Hazardous Substances	
Spoilage Coinsurance %	
Service Interruption	
DEDUCTIBLES	
Combined, All Coverages	
Direct Coverages	
Indirect Coverages	
	or hrs.
	or times ADV
Spoilage	or % of loss, minimum
OTHER CONDITIONS	

The following is added as an Additional Coverages:

Additional Coverage -- Equipment Breakdown

A. Insuring Agreement

- "We" will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- mechanical breakdown, including rupture or bursting caused by centrifugal force;
- artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by "you", or operated under "your" control;

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- d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. The following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expediting Expenses

With respect to "your" damaged Covered Property, "we" will pay up to \$50,000 unless otherwise shown in the Schedule, the reasonable extra cost to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

b. Hazardous Substances

"We" will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most "we" will pay for loss, damage or expense under this coverage, including actual loss of Business Income "you" sustain and necessary Extra Expense "you" incur, is \$50,000 unless otherwise shown in the Schedule. We will only pay for Business Income and Extra Expense if coverage for the same is indicated in the Declarations or Schedule.

c. Spoilage

- (1) "We" will pay:
 - (a) for physical damage to "perishable goods" due to spoilage;
 - (b) for physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;

(c) any necessary expenses "you" incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If "you" are unable to replace the "perishable goods" before its anticipated sale, the amount of "our" payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident," less discounts and expenses "you" otherwise would have had. Otherwise "our" payment will be determined in accordance with the Valuation condition.

The most "we" will pay for loss, damage or expense under this coverage is \$50,000 unless otherwise shown in the Schedule.

d. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to "your" loss, damage or expense caused by an "accident" to equipment that is owned by a utility, landlord or other supplier with whom "you" have a contract to supply "you" with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

- (2) The most "we" will pay for loss, damage or expense under this coverage is the limit that applies to Business Income, Extra Expense or Spoilage, except that if a limit is shown in the Schedule for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

e. Business Income and Extra Expense

Any insurance provided under any coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most "we" will pay for loss of Business Income "you" sustain or necessary Extra Expense "you" incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Schedule.

B. Limit Of Insurance

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

C. Deductible

With respect to this Additional Coverage, the deductible amount shown in the Declarations applies to any "one accident" unless a separate Equipment Breakdown deductible is shown in the Schedule. If a separate Equipment Breakdown deductible is shown, the following applies.

a. Deductibles for Each Coverage

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

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- (2) Unless more specifically indicated in the Schedule:
 - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and

(b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

(1) Dollar Deductibles

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

(2) Time Deductible

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

(3) Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

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

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

(4) Percentage of Loss Deductibles

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

D. Exclusions

See applicable Causes of Loss Form as shown in the Declarations, all exclusions apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

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

However, if electrical "covered equipment" requires drying out because of Water as described in g.(1) through g.(3) above, "we" will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

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

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

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

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

b. "We" will not pay under this endorsement for loss, damage or expense caused by or resulting from:

- (1) any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind. But if an "accident" results, "we" will pay for the resulting loss, damage or expense; or

(2) any of the following tests:

a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.

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

- d. With respect to Business Income, Extra Expense and Service Interruption coverages, "we" will also not pay for any increase in loss resulting from an agreement between "you" and "your" customer or supplier.

- e. "We" will not pay under this endorsement for any loss or damage to animals.

E. Conditions

With respect to this Additional Coverage, the following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

a. Suspension

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

(1) "your" last known address; or

(2) the address where the "covered equipment" is located.

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

b. Jurisdictional Inspections

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

c. Environmental, Safety and Efficiency Improvements

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

However, "we" will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

d. Coinsurance

If a coinsurance percentage is shown in the Schedule for Spoilage coverage, the following condition applies.

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

F. Definitions

With respect to this Additional Coverage, the following definitions are added:

a. "Boilers and vessels" means:

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

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

b. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

c. "Covered equipment"

(1) "Covered equipment" means, unless otherwise specified in the Schedule, Covered Property:

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

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

- (a) structure, foundation, cabinet, compartment or air supported structure or building;
- (b) insulating or refractory material;
- (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "vehicle" or any equipment mounted on a "vehicle";
- (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) dragline, excavation or construction equipment;
- (h) equipment manufactured by "you" for sale; or
- (i) "computer equipment," unless used to control or operate "covered equipment."

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

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

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

- g. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- h. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- i. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

This term does not appear elsewhere in this endorsement, but may appear in the Schedule.

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

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

This endorsement changes
the policy
--PLEASE READ THIS CAREFULLY--

AMENDATORY ENDORSEMENT PREMIUM DUE DATE

The following condition is added:

Additional Premium Due After Expiration - If the premium for coverage provided by this policy is based upon an audit of exposures or reports of value and the final premium is determined after the expiration of the policy, any additional premium owed to "us" is due on the due date that appears on the billing notice.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, A.1., and limited in A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property - Separation of Coverage form:

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

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;

n. Electronic data, except as provided under Additional Coverages - Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD - ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your "stock" of prepackaged software.

o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.

p. Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
- (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

(4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no coinsurance penalty.

Example #1

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

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

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up And Removal

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

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

(3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

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

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced, at the same or another premises; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

(1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data.

(2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:

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- (a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Electronic Data includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage - Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Your Business Personal Property

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

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

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

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

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

b. Personal Effects And Property Of Others

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

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

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

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

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered - Electronic Data.

(2) If the Causes Of Loss - Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(3) If the Causes Of Loss - Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

(4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-Premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

- (a) Temporarily at a location you do not own, lease or operate;
- (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
- (c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or

(b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

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

e. Outdoor Property

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

(1) Fire;

(2) Lightning;

(3) Explosion;

(4) Riot or Civil Commotion; or

(5) Aircraft.

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

f. Non-Owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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

B. Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

C. Limits Of Insurance

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

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

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

D. Deductible

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

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

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance - Bldg 1:	\$ 60,000
Limit of Insurance - Bldg 2:	\$ 80,000
Loss to Bldg. 1:	\$ 60,100
Loss to Bldg. 2:	\$ 90,000

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

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

\$ 60,100
- 250

\$ 59,850 Loss Payable - Bldg. 1

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

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

Example No. 2:

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

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$ 70,000
(exceeds Limit of Insurance plus Deductible)	
Loss to Bldg. 2:	\$ 90,000
(exceeds Limit of Insurance plus Deductible)	
Loss Payable - Bldg. 1:	\$60,000
(Limit of Insurance)	
Loss Payable - Bldg. 2:	\$80,000
(Limit of Insurance)	
Total amount of loss payable:	\$140,000

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

- 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.

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

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

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

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

- b. The cost to repair, rebuild, or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

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

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

b. Vacancy Provisions

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

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

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

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

7. Valuation

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

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

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

- d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.

- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

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

F. Additional Conditions

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

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example No. 1 (Underinsurance):

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

Step(1): $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

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

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

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

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

Example No. 2 (Adequate Insurance):

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

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

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

Example No. 3:

When: The value of the property is:

Bldg at Location No. 1	\$ 75,000
Bldg at Location No. 2	\$ 100,000
Personal Property at Location No. 2	\$ 75,000
The Coinsurance percentage for it is	\$ 250,000 90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$ 180,000
The Deductible is	\$ 1,000
The amount of loss is:	
Bldg at Location No. 2	\$ 30,000
Personal Property at Location No. 2.	\$ 20,000
	\$ 50,000

Step(1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
(2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

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

1. Agreed Value

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

- c. The terms of this Optional Coverage apply only to loss or damage that occurs:

- (1) On or after the effective date of this Optional Coverage; and
(2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

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

Example:

If: The applicable Limit of Insurance is \$ 100,000
The annual percentage increase is 8%
The number of days since the beginning of the policy year (or last policy change) is 146
The amount of increase is
 $\$100,000 \times .08 \times 146 / 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
b. This Optional Coverage does not apply to:
(1) Personal property of others;
(2) Contents of a residence;

- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
- (4) "Stock", unless the including "Stock" option is shown in the Declarations.

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

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:

- (1) Until the lost or damaged property is actually repaired or replaced; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

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

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

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

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

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

EXTRA EXPENSE COVERAGE FORM

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

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

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

A. Coverage

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property at premises which are described in the Declarations and for which an Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- a. The portion of the building which you rent, lease or occupy; and
- b. Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

1. Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- a. Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- b. Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

2. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes of Loss Form as shown in the Declarations.

3. Additional Limitation - Interruption Of Computer Operations

- a. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage - Interruption Of Computer Operations.
- b. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

4. Additional Coverages

a. Alterations And New Buildings

We will pay for the actual and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

b. Civil Authority

We will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. This coverage will apply for a period of up to three consecutive weeks from the date of that action.

c. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(a) If the Causes Of Loss - Special Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.

(b) If the Causes Of Loss - Broad Form applies, coverage under this Additional Coverage - Interruption Of Computer Operations includes Collapse as set forth in that form.

(c) If the Causes of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Interruption Of Computer Operations.

(d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected; designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(4) The most we will pay under this Additional Coverage - Interruption Of Computer Operations is \$2,500 for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.

- (5) This Additional Coverage - Interruption Of Computer Operations does not apply to loss sustained after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

5. Coverage Extension

You may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Extra Expense Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire the property; or
- (3) You notify us of how you want this coverage to apply to that location.

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

This Extension is additional insurance.

B. Limits Of Insurance

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

The limit applicable to the Coverage Extension is in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and New Buildings; or
2. Civil Authority.

C. Loss Conditions

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

1. Appraisal

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

The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

2. Duties If You Incur Extra Expense

- a. You must see that the following are done if you incur Extra Expense:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

- (6) 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.

- (7) Cooperate with us in the investigation or settlement of the claim.

- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limits On Loss Payment

We will not pay more for Extra Expense than the percentages, shown in the Declarations times the Limit of Insurance.

When the "period of restoration" is:

- a. 30 days or less, the first percentage applies.
- b. 60 days or less, but more than 30 days, the second percentage applies.
- c. More than 60 days, the third percentage applies.

Example: The Limit of Insurance is \$100,000
The percentages shown in the Declarations are 40%-80%-100%
The "period of restoration" is 45 days
The amount of Extra Expenses incurred is \$90,000
We will not pay more than \$100,000 times 80% (the percentage applicable for a "period of restoration" of 31-60 days), or \$80,000. The remaining \$10,000 is not covered.

4. Loss Determination

- a. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

- (2) Necessary expenses that reduce the Extra Expense otherwise incurred.

- b. We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- c. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for any loss within 30 days after we receive the proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We reach agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Definitions

- 1. "Operations" means your business activities occurring at the described premises.
 - 2. "Period of Restoration" means the period of time that:
 - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.
- "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (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 "pollutants".

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

- 3. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 4. "Suspension" means the slowdown or cessation of your business activities.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

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

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

**I. TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES - VALUATION

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
BUILDERS' RISK COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

Prem. No.	Bldg. No.	SCHEDULE * Agreed Value of Buildings	Total Amount of Insurance to be Carried
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- 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 VALUATION Loss Condition:
1. For loss or damage to buildings caused by or resulting from fire or lightning, you and we agree that:
 - a. The value of buildings described in this Coverage Part; and
 - b. The total amount of insurance to be carried on the buildings, including this Coverage Part; are the amounts shown in the Schedule.
 2. The following applies to the Builders' Risk Coverage Form, or the Builders' Risk Changes - Standard Property Policy, if applicable:

The Agreed Value of Buildings represents the value of the building when it is completed.

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

CAUSES OF LOSS - SPECIAL FORM

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

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of any ordinance or law:

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

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

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

b. Earth Movement

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

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

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

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

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

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

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

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

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph B.4.a.(1) applies to these coverages.

f. War And Military Action

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

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

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

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

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

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

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

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

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

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

d. (1) Wear and tear;

- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) Smog;

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

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

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

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

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

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

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

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

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

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

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

- (2) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or

- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

- (4) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and

any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.

- (2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;

- (b) The suspension, lapse or cancellation of any license; or

- (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:

- (a) Paragraph B.1.a., Ordinance Or Law;

- (b) Paragraph B.1.c., Governmental Action;

- (c) Paragraph B.1.d., Nuclear Hazard;

- (d) Paragraph B.1.e., Utility Services; and

- (e) Paragraph B.1.f., War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

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

- (i) Your assumption of liability was executed prior to the accident; and

- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

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

C. Limitations

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

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

- (2) Business Income coverage or Extra Expense coverage.

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

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or

- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

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

- (2) To Business Income coverage or to Extra Expense coverage.

3. The special limit shown for each category, a. through d., is the total limit of loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.

- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

- c. \$2,500 for patterns, dies, molds and forms.

- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

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

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

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

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

D. Additional Coverage - Collapse

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in D.1. through D.5. below.

1. With respect to buildings:

- a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:

- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
- b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

- c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:

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

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

- a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
- b. The personal property which collapses is inside a building; and

- c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

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

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

- 5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

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

- 1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

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

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

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

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

- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

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

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

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

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

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

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

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke, aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal Property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof of an outside wall of the building or structure is first damaged by a falling object.

- c. **Water damage** means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning, or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SOUTH CAROLINA CHANGES -
LEGAL ACTION AGAINST US**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART - FARM LIVESTOCK COVERAGE FORM
FARM COVERAGE PART - FARM MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT
COVERAGE FORM
FARM COVERAGE PART - FARM PROPERTY - OTHER FARM PROVISIONS FORM - ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
STANDARD PROPERTY POLICY

- A. The **Legal Action Against Us** Condition, in the Commercial Property Conditions, the Standard Property Policy, the Capital Assets Program Coverage Form (Output Policy), and in the Farm Forms listed above, is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part, Coverage Form or Policy to which this Condition applies unless:

1. There has been full compliance with all of the terms of this Coverage Part, Coverage Form or Policy; and
2. The action is brought within 3 years after the date on which the direct physical loss ("loss") or damage occurred.

- B. Under the Commercial Property Coverage Part, Paragraph a. of the **Legal Action Against Us** Condition in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

- a. No one may bring a legal action against us under Coverages A and B unless:

- (1) There has been full compliance with all of the terms of Coverages A and B; and
- (2) The action is brought within 3 years after you discover the error or accidental omission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in 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:

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a 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.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL PROPERTY PENNPAC ENDORSEMENT

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
EXTRA EXPENSE COVERAGE FORM**

I. COVERAGE AMOUNT CHANGES

The amount we pay provisions in the following Additional Coverages and Coverage Extensions are amended as follows:

- 1. Fire Department Service Charge**
In paragraph c. of the Additional Coverages, the amount we will pay is increased to \$2,500.
- 2. Newly Acquired or Constructed Property**
In paragraph a. of the Coverage Extensions, subparagraphs (1) and (2), the amount we will pay is increased to \$1,000,000 for Buildings and \$500,000 for Your Business Personal Property; and, subparagraph (3)(b) is increased to 90 days.
- 3. Personal Effects and Property of Others**
In paragraph b. of the Coverage Extensions, the amount we will pay is increased to \$25,000.
- 4. Valuable Papers and Records - Cost of Research**
In paragraph c. of the Coverage Extensions, the amount we will pay is increased to \$25,000.
- 5. Property Off-Premises**
In paragraph d. of the Coverage Extensions, the amount we will pay is increased to \$25,000.
- 6. Outdoor Property**
In paragraph e. of the Coverage Extensions, the amount we will pay is increased to \$5,000 for outdoor property other than signs and \$1,000 for any one tree, shrub or plant.

7. Property in Transit

In paragraph 1. of the Additional Coverage Extensions, the most we will pay is increased to \$25,000. This Extension does not apply to contractors' tools or equipment.

II. ADDITIONAL COVERAGES

- (1) Paragraph e. Increased Cost Of Construction** is deleted and replaced with the following:

e. Ordinance or Law Coverages

If a Covered Cause of Loss occurs to covered Building property, we will pay for:

- (1) The loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:**
 - (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;**
 - (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and**
 - (c) Is in force at the time of loss.**
- (2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.**
- (3) The increased cost to repair or reconstruct damaged portions of that Building property and/or reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.**

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction until the building is actually repaired, reconstructed or remodeled and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

We will not pay for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

If the Building property is repaired or replaced at the same premises, we will pay the lesser of:

(1) The amount you actually spend to demolish and clear the site of the described premises, plus the amount you actually spend to repair, rebuild or reconstruct the property but not for more than buildings of the same height, floor area, and style; or

(2) \$50,000

If the Building property is not repaired or replaced, we will pay the lesser of:

(1) The amount you actually spend to demolish and clear the site of the described premises, plus the cost to replace the damaged or destroyed property with other property:

(a) of like kind, and quality

(b) of the same height, floor area, and style; and

(c) used for the same purpose; or

(2) \$50,000

(2) The following Additional Coverages are added:

9. Back Up of Sewers and Drains

We will pay for loss or damage to Covered Property caused by a back up from a sewer or drain or an overflow from a sump within a building at the described premises.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all expenses arising from back up or overflow during each 12 month period of this policy.

Exclusion B.1.g.(3) does not apply to this Additional Coverage.

h. Lock Replacement

We will pay up to \$1,000 for the cost to replace your locks if your key(s) are lost or stolen.

We will not pay for the replacement of locks if you discharge an employee and you do not have him/her return the key(s).

i. Extra Expense

We will pay up to \$25,000 for the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 1,000 feet, at premises which are described in the Declarations, caused by or resulting from any Covered Cause of Loss.

(1) If you are a tenant, your premises is the portion of the building which you rent, lease or occupy including:

(a) All routes within the building to gain access to the described premises; and

(b) Your personal property in the open (or in a vehicle) within 1,000 feet.

(2) Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

(3) Loss Determination

(a) The amount of Extra Expense will be determined based on:

(i) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed.

(ii) All necessary expenses that reduce the Extra Expense otherwise incurred.

(b) We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

(c) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(4) Additional Definitions

(a) "Operations" means your business activities occurring at the described premises.

(b) "Period of Restoration" means the period of time that:

(i) Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

(ii) Ends on the earlier of:

(i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(ii) The date when business is resumed at a new location.

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

(i) Regulates the construction, use or repair, or requires the tearing down of any property; or

(ii) Requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

j. Loss Data Preparation Costs

We will pay up to \$2,500 for reasonable costs you incur in preparing loss data required by policy conditions after a covered property loss. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss.

k. Accounts Receivable Coverage

We will pay to cover losses and expenses that you incur as a result of loss or damage caused by a Covered Cause of Loss to your records of accounts receivable.

(1) Losses and expenses under this coverage means:

(a) The sums that are due from your customers which you cannot collect.

(b) The interest charge on a loan if that loan is used to offset those sums that cannot be collected.

(c) Collection costs that result from a loss which are above your normal collection costs.

(d) The reasonable cost to reconstruct your accounts receivable records.

(2) Additional Exclusions

We do not pay for loss to accounts receivables that is a result of:

(a) Electrical or magnetic damage, disturbance, or erasure of electronic data or records that is caused by

(i) Erroneous programming or faulty equipment instructions; or

(ii) Faulty or inadequate installation or maintenance of data processing equipment.

(b) A discrepancy that is discovered in your books or records if this is the only means to prove that a loss has occurred. If there is other evidence to prove that a loss has occurred, you may use the discrepancy to support your claim.

(c) Errors or omissions in bookkeeping, accounting, or billing

(3) We pay the least of:

(a) The sum of all accounts receivable due (with reasonable deductions);

(b) The reasonable cost to reconstruct your accounts receivable records; or

(c) \$25,000.

- I. Computer Equipment - Disturbance Coverage**
We will pay up to \$15,000 for direct physical loss to Computer Equipment caused by "electrical disturbance" and "power supply disturbance" if the cause of such disturbance took place within 1000 feet of the premises where the loss occurred. This Additional Coverage does not apply to loss caused by lightning.

Computer Equipment means "hardware" and "software" owned by you or in your care, custody, or control while at the locations listed in the Declarations and while at any temporary unscheduled locations.

Additional Definitions

- (1) "Electrical Disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
- (2) "Hardware" means an assemblage of electronic machine components capable of accepting instructions and information, processing the information according to the instructions, and producing desired results.
- (3) "Power Supply Disturbance" means interruption of power supply, power surge, blackout, or brownout.
- (4) "Software" means:
 - (a) Processing, recording, or storage media used for electronic data processing operations. This includes films, tapes, cards, discs, drums, cartridges, or cells; and
 - (b) Data, information, and instructions stored on processing, recording, or storage media used for electronic data processing operations.

m. Fire Protection Device Recharge

When the fire protective devices that are permanently installed in buildings at the described premises have been discharged to save or protect a covered property from a Covered Cause of Loss, we will pay up to \$5,000 to recharge or refill the fire protective devices.

n. Arson Rewards

We will pay up to \$5,000 as a reward to any person or persons, other than you or your officers, for information leading to an arson conviction in connection with a covered fire loss to the described premises. This is the most we will pay regardless of the number of persons who provided information.

o. Fine Arts

We will pay up to \$15,000 at each described premises for loss or damage to Fine Arts. Fine Arts means paintings, etchings, pictures, tapestries, art glass windows and other bona fide works of art or articles of rarity, historical value or artistic merit. The value of Fine Arts will be the market value at the time of loss or damage.

III. ADDITIONAL COVERAGE EXTENSIONS

The following Additional Coverage Extensions are added:

4. Outdoor Signs

You may extend the insurance provided by this Coverage Form to apply to your outdoor signs (other than signs attached to buildings), including debris removal expense, caused by or resulting from any of the Covered Causes of Loss.

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

IV. DESCRIBED PREMISES DISTANCE EXTENSION

All references to distance from or within the described premises are increased from 100 feet to 1,000 feet for the following:

- (a) BUILDING AND PERSONAL PROPERTY COVERAGE FORM:
Section A.1. Covered Property
Section A.5. Coverage Extensions
- (b) CAUSES OF LOSS-SPECIAL FORM:
Section C.2. Limitations
Section F.1. Property in Transit
- (c) BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORMS:
Section A.1. Business Income
Section A.4. and A.5. Additional Coverages
Section A. Coverage

V. LIMITS OF INSURANCE

Paragraph C., LIMITS OF INSURANCE, is deleted and replaced by the following:

C. Limits of Insurance

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

The most we will pay for loss or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Additional Coverages are in addition to the Limits of Insurance except for the following:

1. Preservation of Property; or
2. Debris Removal; but if:

a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage;

Payments under the above listed Coverage Extensions and Additional Coverages will not increase the applicable Limit of Insurance.

VI. COINSURANCE

The Additional Condition, Coinsurance, does not apply to the Coverage Extensions or the Additional Coverages except for the following:

1. Debris Removal;
2. Preservation of Property;
3. Fire Department Service Charge; or
4. Pollutant Clean Up and Removal.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

GENERAL LIABILITY

NOTICE TO POLICYHOLDERS

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

I. REVISIONS TO ADDITIONAL INSURED - VENDORS

CG 20 15 07 04 Additional Insured - Vendors

When this endorsement is attached to your policy, there is NO coverage for an additional insured vendor for bodily injury or property damage arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf, unless the bodily injury or property damage is caused by:

1. Repackaging solely for the purpose of inspection, demonstration, testing or the substitution of parts under instruction from you, and then repackaged in the original container; or
2. Inspections, adjustments, tests or servicing that the vendor has agreed to make or normally undertake to make in the usual course of business, in connection with the distribution or sale of the products.

This may be a reduction in coverage in states where you are contractually permitted to hold harmless an additional insured for that additional insured's sole negligence or in states where courts have enabled coverage for the sole negligence of the additional insured.

II. REVISIONS TO OTHER ADDITIONAL INSURED ENDORSEMENTS

- | | |
|-----------------------|--|
| 71.0741 0105 | Automatic Additional Insureds - Owners, Contractors and Subcontractors (Ongoing Operations). This form replaces all CG 0131, CG 0132, CG 2009 and CG 2010 endorsements that were attached to your expiring policy. |
| 71 1145 0105 | Automatic Additional Insureds - Owners, Contractors and Subcontractors (Completed Operations). This form replaces all CG 2037 endorsements that were attached to your expiring policy. |
| CG 20 07 07 04 | Additional Insured - Engineers, Architects, Or Surveyors |
| CG 20 26 07 04 | Additional Insured - Designated Person Or Organization |
| CG 20 28 07 04 | Additional Insured - Lessor Of Leased Equipment |
| CG 20 31 07 04 | Additional Insured - Engineers, Architects Or Surveyors |
| CG 20 32 07 04 | Additional Insured - Engineers, Architects Or Surveyors Not Engaged By The Named Insured |
| CG 20 34 07 04 | Additional Insured - Lessor Of Leased Equipment. Automatic Status When Required In Lease Agreement With You |

When any of the above referenced endorsements shown in paragraphs I. or II. are attached to your policy, there is coverage for a person or organization that you name as an additional insured on your policy **ONLY** if the bodily injury, property damage or personal and advertising injury is caused in whole or in part by your acts or omissions or the acts or omissions of those working on your behalf.

There is **NO** coverage for the additional insured for bodily injury, property damage or personal and advertising injury caused entirely by any negligence that is not attributable to you or those acting on your behalf.

This may be a reduction in coverage in states where you are contractually permitted to hold harmless an additional insured for that additional insured's sole negligence or in states where courts have enabled coverage for the sole negligence of the additional insured.

III. AMENDMENT OF INSURED CONTRACT DEFINITION

CG 24 26 07 04 Amendment Of Insured Contract Definition

When this endorsement is attached to your policy, you will no longer be provided coverage for tort liability that you assume under an insured contract unless you or someone acting on your behalf contributed in whole or in part to the bodily injury or property damage.

This may be a reduction in coverage in states where you are permitted to hold harmless a party for that party's sole negligence.



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NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

(General Liability and Commercial Umbrella)

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

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

YOUR POLICY AT START OF NEW POLICY TERM

If endorsement CG 21 70 or 71 1071 is attached to your policy

INFORMATION ON LIMITATIONS ON FEDERAL AND INSURER LIABILITY

Under the federal Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, coverage for "certified acts of terrorism" now encompasses, for example, an act committed against the United States government by a United States citizen, when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program. Coverage is subject to all policy exclusions (for example, nuclear hazard and war exclusions) and other policy provisions.

The government may participate in paying for some of the losses from a "certified act of terrorism". However, 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), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds the \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, 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 payment of any portion of the amount of such losses that exceeds the \$100 billion. 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.

Refer to the endorsement and to the rest of the insurance contract for provisions that govern coverage for, or that exclude coverage for, losses arising out of terrorism.

If endorsement CG 2170/CG 2173/711071/CU2133 is attached to your policy.

CHANGE IN DEFINITION OF CERTIFIED ACTS OF TERRORISM

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, the "certified acts of terrorism" exclusion is no longer limited to an act of terrorism committed by or on behalf of a foreign interest. The exclusion applies to any terrorist act when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program, including for example an act committed against the United States government by a United States citizen.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.

If endorsement CG 2176/CU2136 is attached to your policy.

CHANGE IN DEFINITION OF CERTIFIED ACTS OF TERRORISM

Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the definition of "certified acts of terrorism" (which is more fully defined in the endorsement) no longer requires that the act of terrorism be committed by or on behalf of a foreign interest. Therefore, the punitive damages exclusion related to "certified acts of terrorism" is no longer limited to an act of terrorism committed by or on behalf of a foreign interest. The exclusion applies to any terrorist act when the act is determined by the federal government to be a "certified act of terrorism" under the terms of the federal Terrorism Risk Insurance Program, including for example an act committed against the United States government by a United States citizen.

Refer to the terrorism endorsement for the definition of "certified acts of terrorism". Refer to the endorsement, and to the rest of the insurance contract, for provisions that govern coverage for, or that exclude coverage for, losses arising from terrorism.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph B. does not apply to the following:
 - 1.** Loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part; or
 - 2.** Coverage otherwise provided under Food Contamination Shutdown Additional Coverage in Commercial Property Pennpac Plus For Restaurants 71 0858 (if that endorsement is attached to this Coverage Part).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- E.** The following provisions in this Coverage Part are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F.** The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.



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Important Message

Don't pay more premium than necessary on your **workers' compensation or general liability insurance**

- 1** If you engage the services of an independent contractor who does not have workers' compensation insurance, the law may hold you responsible for work-related injuries.

If it is determined that you may be held liable for workers' compensation benefits, Part Five - Premium, C-2 - Remuneration of your policy states that you will pay an additional premium for either the independent contractor's payroll or the contract price, if you do not have payroll records.

For independent contractors with a workers' compensation policy, you must provide proof that coverage applies. To avoid payment of any additional premium, you should secure a certificate of insurance that states the independent contractor has workers' compensation insurance. Keep this certificate of insurance in your file for your workers' compensation premium audit.

- 2** Your workers' compensation and/or general liability policy may have been assigned two or more classifications of operations. You, as the employer, must keep appropriate records showing a correct and verifiable segregation of payroll between the assigned classifications. If it is determined that your records fail to properly separate the payroll by the assigned classifications, the payroll of all employees will have to be assigned to the classification of operations carrying the highest rate.

- 3** Please visit the Business Insurance section of www.PennNationalInsurance.com for more details.



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NOTICE TO POLICYHOLDERS
EMPLOYEE BENEFITS LIABILITY
CHANGES OF COVERAGE

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to coverage changes in the Benefits Liability Endorsement in this policy. Please read your policy, and the endorsements attached to your policy, carefully.

If there is any conflict between the policy and this notice, the provisions of the policy shall prevail.

This notice contains a brief synopsis of reduction in coverages in the following endorsements:

Employee Benefits Liability Endorsement 71 0619 0309

Employee Benefits Liability Endorsement 71 0668 0309

NC ABC Board Amendment Endorsement 71 1266 0309

The following Exclusions have been added:

Insufficiency of Funds - Coverage is excluded for damages arising out of an insufficiency of funds to meet any obligations under any of plan included in the "employee benefit program".

Available Benefits - Coverage is excluded for any "claim" for benefits to the extent that such benefits are available with reasonable effort and cooperation of the insured, from applicable funds accrued or other collectible insurance. This exclusion is designed to prevent a claim when the employee benefits are funded but not paid due to an error or omission of the insured. However, with this exclusion, coverage would still be available for the portion of such "claim" for which the benefits are not funded.

Taxes, Fines Or Penalties - Coverage is excluded for taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

Employment - Related Practices - Coverage is excluded for damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

Inadequacy of Performance of Investment/Advice Given With Respect to Participation - Coverage is excluded for any "Claim" based upon failure of investment to perform or errors in providing information on past performance of investment vehicles. This exclusion also precludes coverage for any "claim" based upon advice given to any person to participate or not to participate in any benefit plan included in the "employee benefit program".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE	
Bodily Injury Liability	\$	\$
OR		
Property Damage Liability	\$ 1,000	\$
OR		
Bodily Injury Liability and/or Property Damage Liability Combined	\$	\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
 - B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
 1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
 - a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined
 - as the result of any one "occurrence".
- If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.
- With respect to "property damage", person includes an organization.

2. **PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

C. The terms of this insurance, including those with respect to:

1. Our right and duty to defend the insured against any "suits" seeking those damages; and

2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - DESIGNATED OPERATIONS COVERED BY
A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

JOB FOR MATRIX CONSTRUCTION AT WOODMONT MIDDLE SCHOOL IN GREENVILLE, SC

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1) Provides coverage identical to that provided by this Coverage Part;
- (2) Has limits adequate to cover all claims; or
- (3) Remains in effect.



PENN NATIONAL INSURANCE

Pennsylvania National Mutual Casualty Insurance Company
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EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM BUSINESSOWNERS LIABILITY COVERAGE FORM GARAGE COVERAGE FORM

SCHEDULE

Limits of Insurance				Each Employee Deductible
Each Claim Limit	1,000,000	Aggregate Limit	3,000,000	\$ 1,000
No. of Employees	Rate per No. of Employees	Advance Premium	Minimum Premium	Class Code
51-100	N/A	\$ INCL	\$ N/A	96102
(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)				

I. INSURING AGREEMENT

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of a "claim" or "suit" brought by any employee, former employee, or their beneficiaries or legal representatives in connection with any negligent act, error or omission, that arises from the "administration" of your "employee benefit program". We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result.

But:

- (1) The amount we will pay for damages is limited as described in Paragraph IV. Limits of Insurance; and
- (2) We may investigate and settle any "claim" or "suit" at our discretion; and

- (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

This insurance applies to acts, errors or omissions which first occur while this endorsement is in effect.

II. EXCLUSIONS

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal and Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

1. Failure of any investment to perform;
2. Errors in providing information on past performance of investment vehicles; or
3. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. Termination of any "Employee Benefit Program"

Any "claim" resulting from your termination of any "employee benefit plan".

h. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, by any similar federal, state or local laws.

i. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

j. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

k. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

l. Computers

Any "claim" or "suit" arising directly or indirectly out of:

- (1) Any actual or alleged failure, malfunction or inadequacy of any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;
- (e) Microprocessors (computer chips) not part of any computer system; or
- (f) Any other computerized or electronic equipment or components; or

- (2) Any products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph l.(1) of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

- (3) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph l.(1) of this endorsement.

III. WHO IS AN INSURED

For the purposes of coverage provided by this endorsement, **The Who Is An Insured** section is deleted and replaced by the following:

A. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are insureds, but only with respects to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- (3) A limited liability company, you are an insured. Your members, are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

B. Each of the following is also an insured:

- (1) Each of your "employees" and "volunteer workers" who are or were authorized to administer your "employee benefit program".
- (2) Any persons or organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- (3) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

C. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

- (1) Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- (2) Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

IV. LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. "Claims" made or "suits" brought;
3. Persons or organizations making "claims" or bringing "suits";
4. Acts, errors or omissions; or
5. Benefits included in your "Employee benefit program".

B. The Each Claim Limit is the most we will pay for damages arising out of any one "claim" or "suit".

C. The Aggregate Limit is the most we will pay for the sum of all damages under this endorsement.

The Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months.

In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

V. DEDUCTIBLE

A. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to each "employee". The limits of insurance shall not be reduced by the amount of this deductible.

B. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "Employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

C. The terms of this insurance, including those with respect to:

- (1) Our right and duty to defend any "suits" seeking those damages; and
- (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

D. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

VI. DUTIES IN THE EVENT OF AN ACT, ERROR OR OMISSION, OR "CLAIM" OR "SUIT" AND OTHER INSURANCE

For the purposes of the coverage provided by this endorsement, under the Condition Section, the Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit" and Other Insurance is deleted and replaced by the following:

A. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

B. If a "claim" is made or "suit" is brought against any insured, you must:

(1) Immediately record the specifics of the "claim" or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

C. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

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

VII. OTHER INSURANCE

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

A. Primary Insurance

This insurance is primary except when Paragraph B. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph C. below.

B. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the effective date of this endorsement and that applies to an act, error or omission.

- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

C. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of it's applicable limits of insurance to the total applicable limits of insurance of all insurers.

VIII. ADDITIONAL DEFINITIONS

The following additional definitions are added to the Definitions section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program".
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand or "suit", made by an "Employee" or an "Employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees" whether provided through a "cafeteria plan" or otherwise:
 - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally to those "employees" who satisfy the plan's eligibility requirements;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans, employee and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans, transportation and health club subsidies; and
 - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

For the purposes of the coverage provided by this endorsement the following definitions are applicable;

- a. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- b. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

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

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

n. Recall Of Products, Work Or Impaired Property

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

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

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

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods - Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

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

- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

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

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any insured**
To any insured, except "volunteer workers".
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while taking part in athletics.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

h. War

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

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

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f, above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

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

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

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

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

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

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

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

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

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

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

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.

- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

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

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
 11. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
 12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

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

- (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

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

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

- (2) Cherry pickers and similar devices used to raise or lower workers;

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

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

- (1) Equipment designed primarily for:

- (a) Snow removal;

- (b) Road maintenance, but not construction or resurfacing; or

- (c) Street cleaning;

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

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

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

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

- a. False arrest, detention or imprisonment;

- b. Malicious prosecution;

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

- f. The use of another's advertising idea in your "advertisement"; or

- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

- 16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or

- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.

- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes

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

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion i. under Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:**
- 2. Exclusions**
This insurance does not apply to:
- I. War**
"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war; or
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**
- 2. Exclusions**
This insurance does not apply to:
WAR
"Personal and advertising injury", however caused, arising, directly or indirectly, out of:
- a. War, including undeclared or civil war; or
 - 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.
- C. Exclusion h. under Paragraph 2., Exclusions of Section I - Coverage C - Medical Payments does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., Exclusions of Section I - Coverage C - Medical Payments since "bodily injury" arising out of war is now excluded under Coverage A.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT - RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion c. of COVERAGE A (Section I) is replaced by the following:

c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - YEAR 2000 COMPUTER-RELATED AND
OTHER ELECTRONIC PROBLEMS -
PRODUCTS/COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,
Exclusions of Section I - Bodily Injury And
Property Damage Liability:

2. Exclusions

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" definition and arising directly or indirectly out of:

a. Any actual or alleged failure, malfunction or inadequacy of:

(1) Any of the following, whether belonging to any insured or to others:

- (a) Computer hardware, including microprocessors;
- (b) Computer application software;
- (c) Computer operating systems and related software;
- (d) Computer networks;

(e) Microprocessors (computer chips) not part of any computer system; or

(f) Any other computerized or electronic equipment or components; or

(2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph 2.a.(1) of this endorsement

due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.

b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph 2.a. of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

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

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

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Fungi or Bacteria

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

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

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR 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

If aggregate insured losses attributable to terrorist acts certified under the federal 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.

"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:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF PUNITIVE DAMAGES
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR 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 exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"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:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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**EXCLUSION - CONTRACTORS - PROFESSIONAL
LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural or surveying services to others in your capacity as an engineer, architect or surveyor; and
 - b. Providing, or hiring independent professionals to provide, engineering, architectural or surveying services in connection with construction work you perform.
2. Subject to Paragraph 3. below, professional services include:
 - a. Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
 - b. Supervisory or inspection activities performed as part of any related architectural or engineering activities.
3. Professional services do not include services within construction means, methods, techniques, sequences and procedures employed by you in connection with your operations in your capacity as a construction contractor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 9. of the Definitions Section is replaced by the following:

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.



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THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM.

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY

COVERAGE C. MEDICAL PAYMENTS

EXCLUSION - LEAD CONTAMINATION

This insurance does not apply to:

1. "Bodily Injury", "medical payments", "property damage", or "personal and advertising injury" which would not have occurred in whole or part but for the actual, alleged, or threatened ingestion, inhalation, absorption, dispersal, disposal, seepage, migration, release, or escape of lead in any form at any time.
2. Any loss, cost, or expense arising out of any:
 - a. request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of lead; or
 - b. claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of lead.



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COMMERCIAL GENERAL LIABILITY PENNPAC ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

I. Damage To Your Work

The following is added to Section I - Coverages, Coverage A Bodily Injury and Property Damage Liability, Paragraph 1. Insuring Agreement:

f. Damages because of "property damage" include damages the insured becomes legally obligated to pay because of "property damage" to "your work" and shall be deemed to be caused by an "occurrence", but only if:

(1) The "property damage" is the result of work performed on your behalf by a subcontractor(s) that is not a Named Insured;

(2) The work performed by the subcontractor(s) is within the "products-completed operations hazard"; and

(3) The "property damage" is unexpected and unintended from the standpoint of the insured.

II. Non-Owned Watercraft

a. Exclusion g. Paragraph (2) of Section I - Coverages, Coverage A Bodily Injury And Property Damage Liability is deleted and replaced by the following:

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

b. Paragraph II.a applies to any person who, with your expressed or implied consent, either uses or is responsible for the use of a watercraft.

c. Paragraphs II.a. and II.b. do not apply if the insured has any other insurance for "bodily injury" or "property damage" liability that would also apply to loss covered under this provision, whether the other insurance is primary, excess, contingent or on any other basis. In that case, this Provision II. does not provide any insurance.

d. Paragraph II.c. does not apply to a policy written to apply specifically in excess of this policy.

III. Supplementary Payments Increased Limits

In the Supplementary Payments - Coverages A And B provision of Section I - Coverages:

a. The limit for the cost of bail bonds is changed from \$250 to \$2000.

IV. Broad Form Named Insured

a. Section II - Who Is An Insured is amended to include as an insured any organization or subsidiary thereof, other than a partnership, joint venture, or limited liability company, which is a legally incorporated entity of which you own a financial interest of more than 50 percent of the voting stock on the effective date of this endorsement.

b. Paragraph IV.a. does not apply to injury or damage with respect to which an insured under this policy is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

c. Paragraph IV.b. does not apply to a policy written to apply specifically in excess of this policy.

V. Newly Formed or Acquired Organizations

In paragraph 4.a. of Section II - Who Is An Insured, 90th day is changed to 180th day.

VI. Incidental Malpractice Liability - Nurse, EMT, or Paramedic

Paragraph 2.a.(1)(d) of Section II - Who Is An Insured is deleted and replaced by:

Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are a nurse, emergency medical technician or paramedic, they are an insured with respect to their providing or failing to provide professional health care services to your "employees".

VII. Amendment - Aggregate Limits of Insurance

The General Aggregate Limit under Section III - Limits Of Insurance applies separately to each of your:

- a. Projects away from premises owned by or rented to you;
- b. "Locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

VIII. Duties in the Event of Occurrence, Claim or Suit Redefined

- a. The requirement in Condition 2.a. of Section IV- Conditions that you must see to it that we are notified of an "occurrence" only applies when the "occurrence" or offense is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An officer of the corporation or insurance manager, if you are a corporation.

- b. The requirement in Condition 2.b. of Section IV - Conditions that you must see to it that we receive notice of a claim or "suit" will not be considered breached unless the breach occurs after such claim or "suit" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership; or
- (3) An officer of the corporation or insurance manager, if you are a corporation.

IX. Bodily Injury Redefined

The definition of "bodily injury" in Section V - Definitions is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person including mental anguish or death resulting from any of these.

X. Mobile Equipment Redefined

Paragraph 12.f subparagraph (1) of Section V - Definitions does not apply to self-propelled vehicles of less than 1000 pounds gross vehicle weight.

XI. Unintentional Errors or Omissions

We will not deny coverage under this Coverage Part because of the unintentional omission of, or unintentional error in, any information provided by you. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.



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AUTOMATIC ADDITIONAL INSUREDS -- OWNERS, CONTRACTORS AND SUBCONTRACTORS (ONGOING OPERATIONS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following provision is added to SECTION II -WHO IS AN INSURED

5. Any person(s) or organizations(s) (referred to below as additional insured) with whom you are required in a written contract or agreement to name as an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

- (1) Your acts or omissions; or
- (2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location or project described in the contract or agreement.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

B. With respect to insurance afforded to these additional insureds, the following additional exclusions apply:

1. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- a. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings, designs and specifications; and
- b. Supervisory, inspection, architectural or engineering activities.

2. This insurance does not apply to "bodily injury" or "property damage" occurring after:

- a. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- b. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.

C. The limits of insurance applicable to the additional insured are those specified in the written contract or agreement or in the Declarations for this policy, whichever are less. These limits of insurance are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- D. With respect to the coverage provided by this endorsement, **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other Insurance, Subparagraph a. Primary Insurance, is replaced by the following:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below, except;

- (1) If a written contract or agreement that requires any person(s) or organization(s) to be an additional insured also requires this insurance to be primary and noncontributory, then this insurance is primary over any other insurance in which the additional insured is a Named Insured. We will not seek contribution from any other liability policy in which the additional insured is a Named Insured.



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EXTERIOR INSULATION AND FINISH SYSTEMS EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

This insurance does not apply to:

- I. "Bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" caused by the actual or alleged:
 - A. Design, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction, or replacement, of an exterior insulation and finish system (commonly referred to as synthetic stucco) or any part or portion thereof, or any substantially similar system which resists water penetration at its outer surface.
 - B. Any work or operations with respect to any exterior component, fixture or feature of any structure if an exterior insulation and finish system, or substantially similar systems are used on any part or portion of that structure.



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This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

ASBESTOS ENDORSEMENT (EXCLUSION)

In consideration of the premium paid and notwithstanding anything contained in this policy to the contrary, it is agreed as follows:

The coverage afforded by this policy does not apply to "bodily injury," "personal and advertising injury," or "property damage" arising out of:

- 1) Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
- 2) The use of asbestos in constructing or manufacturing any good, product or structure; or
- 3) The removal of asbestos from any good, product or structure; or
- 4) The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.



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PRODUCTS-COMPLETED OPERATIONS REDEFINED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION III - LIMITS OF INSURANCE,
Paragraph 3., is deleted and replaced by the following:

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

This limit does not apply to products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

B. SECTION V - DEFINITIONS, Paragraph 16.
"Products-completed operations hazard";
Subparagraph b. is deleted and replaced by the following:

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

**DISTRIBUTION OF MATERIAL IN
VIOLATION OF STATUTES**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

**DISTRIBUTION OF MATERIAL IN
VIOLATION OF STATUTES**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

This endorsement changes
the policy
--PLEASE READ THIS CAREFULLY--

LOSS PAYABLE SCHEDULE

(This schedule is issued in conjunction with the Loss Payable Endorsement. The entries required to complete this endorsement will be shown below or on the "declarations".)

Loss Payable Provision (check one)

☒ Loss Payable

☐ Lender's Loss Payable

☐ Contract of Sale

LOSS PAYABLE SCHEDULE

Name and Address of Loss Payee

POPLAR EQUIPMENT FINANCE & ITS ASSIGNS
C/O INS SERVICE CENTER
PO BOX 979235
MIAMI FL 33197

Described Premises

Covered Property

NEW REACH LULL FORKLIFT S#98X24N21548

This endorsement changes the Inland Marine coverage.
If a coverage is shown on the line below,
this endorsement applies only to that coverage.

SMALL TOOLS

--PLEASE READ THIS CAREFULLY--

LIMITED THEFT COVERAGE

ADDITIONAL PERILS EXCLUDED

"We" do not pay for loss or damage if one or more of the following exclusions apply to the loss.

1. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced. This exclusion does not apply to covered property in the custody of a carrier for hire.
2. **Theft From A Building** -- "We" do not pay for theft of property left overnight in a building unless there is visible evidence that entry into the building was forced.

This endorsement changes the Inland Marine coverage.
If a coverage is shown on the line below,
this endorsement applies only to that coverage.

AAIS
IM 7011 1.0

CONTRACTORS' EQUIPMENT

--PLEASE READ THIS CAREFULLY--

PROPERTY LEASED OR RENTED SCHEDULE

(The information required below may be shown on the "declarations".)

**PROPERTY LEASED OR
RENTED TO OTHERS**

The most "we" pay for loss to any one item is \$

The most "we" pay for loss to any one occurrence is \$

☐ Reporting Conditions (check if applicable)

Rate \$

Deposit Premium \$

Minimum Premium \$

**PROPERTY LEASED OR
RENTED FROM OTHERS**

The most "we" pay for loss to any one item is \$ 150,000

The most "we" pay for loss in any one occurrence is \$ 150,000

☐ Reporting Conditions (check if applicable)

Rate \$ 5.00

Deposit Premium \$ 473

Minimum Premium \$ 473

SMALL TOOLS ENDORSEMENT

(The entries required to complete this endorsement
will be shown below or on the "declarations".)

SCHEDULE

Limit for Your Small Tools

\$ 1,000 any one item
\$ 15,000 any one occurrence

Limit for Small Tools Owned by Your Employees

\$ any one item
\$ any one occurrence

Small Tools Deductible

Amount of Deductible \$ 1,000

PROPERTY COVERED

The following provisions are added to Property Covered.

Small Tools - When an applicable "limit" is indicated on the Small Tools Schedule "we cover direct physical loss caused by a covered peril to:

1. "your" small tools and
2. small tools owned by "your" employees.

HOW MUCH WE PAY

The following deductible provision applies to tools covered by this endorsement.

Small Tools Deductible - "We" pay only that part of "your" loss over the deductible amount indicated on the Small Tools Schedule in any one occurrence.

INSTALLATION FLOATER DECLARATIONS

(The information required below may be indicated on
a separate schedule or supplemental "declarations".)

SCHEDULE LOCATIONS

		Limit
1	VARIOUS JOB SITES IN AND AROUND SPARTANBURG, SC	\$750,000

Covered property in transit \$750,000

Covered property at unscheduled storage locations \$750,000

Any one loss caused by "earth movement", and volcanic eruption

Any one loss caused by "flood" and "ground water"

DEDUCTIBLE

Deductible
Amount

For all perils covered unless a different deductible is shown below

\$1,000

"Earth movement" and volcanic eruption

"Flood" and "ground water"

COINSURANCE

(check one, if applicable)

☒ 80%

☐ 90%

☐ 100%



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**CONTRACTORS EQUIPMENT COVERAGE
SUPPLEMENTAL DECLARATIONS**

CATASTROPHE LIMIT \$332,946

COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.

2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts by written notice to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.

4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any one time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.

5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

AMENDATORY ENDORSEMENT SOUTH CAROLINA

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation and Nonrenewal -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel or not renew this policy by written notice to "you" at the address shown on the "declarations" and to "your" authorized agent. Proof of delivery or mailing is sufficient proof of notice. The notice will state the precise reasons for cancellation or nonrenewal.

- a. If this policy has been in effect less than 120 days, "we" may cancel for any reason. "We" will give "you" notice at least ten days before cancellation is effective, if "we" cancel for nonpayment of premium. Otherwise, "we" will give "you" notice at least 30 days before cancellation is effective.
- b. If this policy has been in effect 120 days or more, or if it is a renewal of a policy issued by "us":
 - 1) "we" may cancel or not renew only at the anniversary date unless:
 - a) the premium has not been paid when due;
 - b) the policy was obtained through fraud, material misrepresentation, or omission of fact, which, if known by "us", would have caused "us" not to issue the policy;
 - c) there has been a material change or increase in hazard of the risk, except to the extent that "we" should reasonably have foreseen the change or contemplated the risk in writing the policy;
 - d) there have been substantial breaches of contractual duties, conditions, or warranties; or

e) there has been loss of "our" reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil "our" solvency or place "us" in violation of the insurance laws of this state. Prior to cancellation for reasons permitted in this item e), "we" must notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.

- 2) "We" will give "you" notice at least ten days before cancellation is effective, if "we" cancel this policy for nonpayment of premium.
- 3) For all other reasons, "we" will give "you" notice at least:
 - a) 60 days before cancellation or nonrenewal is effective if the effective date of cancellation or nonrenewal would be between November 1 and May 31; or
 - b) 90 days before cancellation or nonrenewal is effective if the effective date of cancellation or nonrenewal would be between June 1 and October 31.

"Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

2. Under Common Policy Conditions, the following condition is added:

Renewal -- If "we" intend to renew the policy, "we" will mail or deliver a notice of the renewal "terms" and a statement of the premium due or estimated premium due to "you" at least 30 days prior to the expiration date or anniversary date of the policy.

The notice of renewal and premium due statement will be mailed or delivered:

- a. to "you" at the address shown in the policy, or if not indicated in the policy, to the last address known to "us"; or
- b. to "your" authorized agent at least 45 days prior to the expiration date or anniversary date of the policy, along with instructions that "your" agent give the notice and premium due statement to "you" at least 30 days prior to the expiration date or anniversary date of the policy.

If "we" do not provide "you" with the required notice and premium due statement as described above, "you" may elect to cancel the policy within the 30 day period following receipt of the notice.

"Your" return premium, if any, will be calculated on a prorata basis based on the premium applicable to the original policy and not the premium applicable to the renewal policy.

LOSS PAYABLE ENDORSEMENT

In addition to the policy "terms" contained within the Inland Marine Coverage(s), the following conditions apply to described property as indicated on the "declarations".

LOSS PAYABLE

Any loss shall be adjusted with "you" and shall be payable to "you" and the loss payee described on the "declarations" as "your" and their interests appear.

LENDER'S LOSS PAYABLE

Any loss shall be payable to "you" and the loss payee described on the "declarations" as interests appear. If more than one loss payee is named, they shall be paid in order of precedence.

The insurance for the loss payee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the loss payee does not continue in effect if the loss payee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" notify the loss payee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the loss payee, if "you" fail to pay the premium.

If "we" pay the loss payee for a loss where "your" insurance may be void, the loss payee's right to collect that portion of the debt from "you" then belongs to "us". This does not affect the loss payee's right to collect the remainder of the debt from "you". As an alternative, "we" may pay the loss payee the remaining principal and accrued interest in return for a full assignment of the loss payee's interest and any instruments given as security for the debt.

If "we" choose not to renew this policy, "we" give written notice to the loss payee at least ten days before the expiration date of this policy.

CONTRACT OF SALE

Any loss shall be adjusted with "you" and shall be payable to "you" and the loss payee described on the "declarations" as "your" and their interests appear.

The loss payee described above is a person or organization "you" have entered into a contract with for the sale of covered property.

When covered property is the subject of a contract of sale, the word "you" also means the loss payee.

This endorsement changes
the policy
--PLEASE READ THIS CAREFULLY--

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AMENDATORY ENDORSEMENT SOUTH CAROLINA

Under Other Conditions, the Suit Against Us condition is deleted and replaced by:

Suit Against Us - No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within three years after "you" first have knowledge of the loss.

CONTRACTORS' EQUIPMENT COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "declarations" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "declarations".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "declarations".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules, which pertain to this coverage.
4. "Limit" means the amount of coverage that applies.
5. "Pollutant" means:
 - a. any solid, liquid, gaseous, or thermal irritant or contaminant;

- b. electromagnetic (visible or invisible) or sound emission; or

- c. waste, including materials to be disposed of as well as recycled, reclaimed, or reconditioned.

6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to personal property in the open or to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

Scheduled Equipment - "We" cover direct physical loss caused by a covered peril to:

1. "your" contractors' equipment and
 2. equipment of others in "your" care, custody, or control
- described on the "declarations".

PROPERTY NOT COVERED

1. **Aircraft or Watercraft** - "We" do not cover aircraft or watercraft.
2. **Automobiles and Trucks** - "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use.
3. **Contraband** - "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Loaned, Leased, or Rented Property** - "We" do not cover property that "you" loan, lease, or rent to others.
5. **Underground Mining Operations** - "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Waterborne Property** - "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

ADDITIONAL COVERAGES

1. **Newly Purchased Equipment** - In the event that "you" purchase additional equipment during the policy period, "we" extend coverage to the additional purchased equipment for up to 30 days.

The most that "we" pay for any one loss under this additional coverage is the lesser of:

- a. the actual cash value of the covered property;
- b. 25% of the Catastrophe Limit indicated on the "declarations"; or
- c. \$100,000.

This additional coverage will end when any of the following first occur:

- a. this policy expires;
- b. 30 days expire after "you" purchase the additional equipment; or
- c. "you" report the additional purchased equipment to "us".

2. **Debris Removal** - "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
 - a. extract "pollutants" from land or water; or
 - b. remove, restore, or replace polluted land or water.

"We" will not pay any more under this coverage than 25 percent of the amount "we" pay for the direct loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

However, "we" pay an additional amount of debris removal expense up to \$5,000 when the debris removal expense exceeds 25 percent of the amount "we" pay for direct loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

3. **Pollutant Cleanup and Removal** - "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

"We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

The most "we" pay for each site or location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.

This is an additional "limit".

PERILS COVERED

"We" cover external risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events

- a. **Civil Authority** – "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** – "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. "We" do pay for direct loss by fire resulting from the nuclear hazard.

- c. **War** – "We" do not pay for loss caused by war. This means:

- 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
- 2) a warlike act by a military force or by military personnel;
- 3) the destruction, seizure, or use of the property for a military purpose; or
- 4) the discharge of a nuclear weapon even if it is accidental.

2. "We" do not pay for loss or damage if one or more of the following exclusions apply to the loss.

- a. **Criminal, Fraudulent, or Dishonest Acts** – "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, or joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- b. **Contamination or Deterioration** – "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- c. **Loss of Use** – "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

d. **Missing Property** – “We” do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property. This exclusion does not apply to covered property in the custody of a carrier for hire.

e. **Pollutants** – “We” do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of “pollutants” unless the release, discharge, seepage, migration, dispersal, or escape is caused by a “specified peril”. “We” do pay for any resulting loss caused by a “specified peril”.

f. **Puncture, Blowout, and Road Damage** – “We” do not pay for loss caused by puncture, blowout, and road damage to tires and tubes mounted on vehicles. However, “we” do pay for puncture, blowout, or road damage caused by a “specified peril”.

g. **Temperature/Humidity** – “We” do not pay for loss caused by humidity, dampness, dryness, or changes in or extremes of temperature.

h. **Weight of Load** – “We” do not pay for loss caused by the weight of a load which, under the operating conditions at the time of a loss, exceeds the registered lifting capacity of any equipment or machine.

i. **Voluntary Parting** – “We” do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

3. “We” do not pay for loss or damage if one or more of the following exclusions apply to the loss. But if loss by fire or explosion results “we” do pay for the resulting loss.

a. **Mechanical Breakdown** – “We” do not pay for loss caused by any:

- 1) structural, mechanical, or remodeling process; or
- 2) structural, mechanical, or electrical breakdown or malfunction.

b. **Wear and Tear** – “We” do not pay for loss caused by wear and tear, marring, or scratching.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** – In case of a loss, “you” must:

a. give “us” or “our” agent prompt notice including a description of the property involved (“we” may request written notice); and

b. give notice to the police when the act that causes the loss is a crime.

2. **Protect Property** – “You” must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. “We” do pay the reasonable costs incurred by “you” for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. “You” must keep an accurate record of such costs. However, “we” do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase “our” “limit”.

3. **Proof of Loss** – “You” must send “us”, within 60 days after “our” request, a signed, sworn proof of loss. This must include the following information:

a. the time, place, and circumstances of the loss;

b. other policies of insurance that may cover the loss;

c. “your” interest and the interests of all others in the property involved, including all mortgages and liens;

d. changes in title of the covered property during the policy period; and

e. estimates, specifications, inventories, and other reasonable information that “we” may require to settle the loss.

4. **Examination** – "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** – "You" must produce records, including tax returns and bank microfilms of all cancelled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** – "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** – "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** – "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** – "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cash Value** – The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) except as provided in paragraphs 2. and 3. under Valuation.
2. **Pair or Set** – The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss to Parts** – The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** – "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** – "We" pay only that part of "your" loss over the deductible amount indicated on the "declarations" in any one occurrence.
3. **Loss Settlement Terms** – Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to the covered property. However, the most "we" pay for the loss in any one occurrence is the Catastrophe Limit indicated on the "declarations".
4. **Coinsurance** – "We" only pay a part of the loss if the "limit" is less than 80% of the value of the covered property at the time of the loss. "Our" part of the loss is determined using the following steps:
 - a. calculate 80% of the value of the covered property at the time of the loss;
 - b. divide the "limit" for covered property by the result determined in 4.a. above;
 - c. multiply the total amount of loss, after the application of any deductible, by the result determined in 4.b. above.

The most "we" pay is the amount determined in 4.c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "declarations" for this coverage part, this procedure applies separately to each "limit".

If there is only one "limit" indicated on the "declarations" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

5. **Insurance Under More Than One Coverage** – If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy** – "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

LOSS PAYMENT

1. **Our Options** – "We" have the following options:

- a. pay the value of the loss;
- b. pay the cost of repairing or replacing the loss;
- c. rebuild, repair, or replace with property of like kind and quality, to the extent practicable, within a reasonable time;
- d. take all or any part of the damaged property at the agreed or appraised value.

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** – "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property of Others** – Losses to property of others may be adjusted with and paid to:

- a. "you" on behalf of the owner; or
- b. the owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

OTHER CONDITIONS

1. **Appraisal** – If "you" and "we" do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** – Insurance under this coverage shall not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** – When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** – This provision applies only if the insured is an individual.

On "your" death, "we" cover the following as an insured:

- a. the person who has custody of "your" property until a legal representative is qualified and appointed; or
- b. "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

This coverage does not extend past the policy period indicated on the "declarations".

5. **Misrepresentation, Concealment or Fraud** – This coverage is void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
 - b. there has been fraud or false swearing by "you" or any insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** – "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** – If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;

- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;
- d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.

8. **Restoration of Limits** – A loss "we" pay under this coverage does not reduce the total applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item "we" refund the unearned premium on that item.

9. **Subrogation** – If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

10. **Suit Against Us** – No one may bring a legal action against "us" under this coverage unless:

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. **Territorial Limits** – "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

This endorsement changes the
Contractors' Equipment Coverage
--PLEASE READ THIS CAREFULLY--

PROPERTY LEASED OR RENTED FROM OTHERS ENDORSEMENT

ADDITIONAL COVERAGES

Property Leased or Rented From Others --
"We" cover direct physical loss caused by a covered peril to contractors' equipment that have been leased or rented from others by "you". Contractors' equipment means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, or moving operations or projects.

HOW MUCH WE PAY

Coinsurance provisions under How Much We Pay do not apply to contractors' equipment that have been leased or rented from others by "you".

ADDITIONAL CONDITIONS

Reporting Conditions -- If reporting conditions are indicated on the "declarations", the following provisions apply.

Within 30 days after the end of the policy period indicated on the "declarations", "you" must report to "us" the total amount of "your" lease or rental expenditures.

"We" compute the premium using the rate indicated on the "declarations" multiplied by per \$100 of the expenditures that "you" report to "us".

"We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium "we" will pay "you" the difference, subject to the minimum premium indicated on the "declarations".

If this coverage is cancelled "you" report the total amount of expenditures up to and including the date of cancellation.

- - PLEASE READ THIS CAREFULLY - -

INSTALLATION FLOATER COVERAGE

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Installation Floater Coverage. This coverage is also subject to the "declarations" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "declarations".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "declarations".
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Declarations" means all pages labeled Declarations, Supplemental Declarations, or Schedules, which pertain to this coverage.
4. "Earth movement" means any movement or vibration of the earth's surface (other than "sinkhole collapse") including but not limited to earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting, of earth.
5. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water whether driven by wind or not. This includes spray that results from these whether driven by wind or not.
6. "Ground water" means:
 - a. water that backs up through a sewer or drain; or
 - b. water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building, sidewalk, driveway, foundation, swimming pool, or other structure.
7. "Limit" means the amount of coverage that applies.
8. "Pollutant" means:
 - a. any solid, liquid, gaseous, or thermal irritant or contaminant;
 - b. electromagnetic (visible or invisible) or sound emission; or
 - c. waste, including materials to be disposed of as well as recycled, reclaimed, or reconditioned.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to personal property in the open or to the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

PROPERTY COVERED

"We" cover direct physical loss to covered property caused by a covered peril while at a site of installation, fabrication, or erection described on the "declarations".

Covered Property consists of:

1. "Your" materials, supplies, machinery, fixtures, and equipment; and
2. similar property of others that is in "your" care, custody, and control

which will become a permanent part of "your" installation, fabrication, or erection project.

PROPERTY NOT COVERED

1. **Airborne** – "We" do not cover property while airborne except while in transit on a regularly scheduled airline flight.
2. **Buildings, Structures, and Land** – "We" do not cover buildings, structures, or land. However, "we" do cover property that "you" install, fabricate, or erect in connection with any building or structure.
3. **Contraband** – "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Machinery, Tools, Equipment** – "We" do not cover machinery, tools, equipment, or similar property which will not become a permanent part of "your" installation, fabrication, or erection project.
5. **Money and Securities** – "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.

6. **Trees, Shrubs and Plants** – "We" do not cover trees, shrubs, plants, and lawns.
7. **Waterborne Property** – "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

ADDITIONAL COVERAGES

1. **Transit and Storage Locations** – "We" cover direct physical loss to covered property caused by a covered peril while:

- a. in transit; or
- b. at an unscheduled storage location awaiting installation, fabrication, or erection.

The most "we" pay under this coverage is \$2,500 plus the "limit" shown on the "declarations".

2. **Debris Removal** – "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:

- a. extract "pollutants" from land or water; or
- b. remove, restore, or replace polluted land or water.

"We" will not pay any more under this coverage than 25% of the amount "we" pay for the direct loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

However, "we" pay an additional amount of debris removal expense up to \$5,000 when the debris removal expense exceeds 25% of the amount "we" pay for direct loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

3. **Emergency Removal** – "We" pay for loss to covered property while it is moved or being moved to prevent a loss caused by a covered peril. "We" pay for any direct physical loss caused by a peril that is not excluded. This coverage applies for up to ten days after the property is first moved, but does not extend past the date on which this policy expires.

4. **Pollutant Cleanup and Removal** – "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.

"We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

The most "we" pay for each site or location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.

This is an additional "limit".

PERILS COVERED

"We" cover external risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss if one or more of the following exclusions apply to the loss, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

a. **Civil Authority** – "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do pay for loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

b. **Earth Movement or Volcanic Eruption** – "We" do not pay for loss caused by any "earth movement" (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano.

"We" do pay for direct loss by fire, explosion, or "volcanic action" resulting from either "earth movement" or eruption, explosion, or effusion of a volcano.

All volcanic eruptions that occur within a 168 hour period shall be considered a single loss.

This exclusion does not apply when a "limit" is indicated for "earth movement" and volcanic eruption on the "declarations".

c. **Flood** – "We" do not pay for loss caused by "flood" but if fire, explosion, or theft results "we" do cover the loss caused by the fire, explosion, or theft.

This exclusion does not apply to covered property while in transit.

This exclusion does not apply when a "limit" is indicated for "flood" on the "declarations".

d. **Ground Water** – "We" do not pay for loss caused by "ground water" but if fire, explosion, or theft results "we" do cover the loss caused by the fire, explosion, or theft.

This exclusion does not apply to covered property while in transit.

This exclusion does not apply when a "limit" is indicated for "ground water" on the "declarations".

e. **Nuclear Hazard** – "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. "We" do pay for direct loss by fire resulting from the nuclear hazard.

f. **Ordinance or Law** – "We" do not pay for loss or increased cost caused by enforcement of any code, ordinance or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

g. **Penalties** – "We" do not pay for loss caused by penalties for noncompletion or non-compliance with any contract terms or conditions.

h. **War** – "We" do not pay for loss caused by war. This means:

- 1) declared war, undeclared war, civil war, insurrection, rebellion, or revolution;
- 2) a warlike act by a military force or by military personnel;
- 3) the destruction, seizure, or use of the property for a military purpose; or
- 4) the discharge of a nuclear weapon even if it is accidental.

2. "We" do not pay for loss or damage if one or more of the following exclusions apply to the loss.

a. **Contamination or Deterioration** – "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

b. **Criminal, Fraudulent, or Dishonest Acts** – "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, or joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

c. **Explosion, Rupture, or Bursting** – "We" do not pay for loss caused by explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines.

This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

d. **Faults, Inadequacy, and Defects** – "We" do not pay for loss by faulty, inadequate, or defective:

- 1) planning or development;
- 2) survey, siting, or zoning; or
- 3) maintenance.

e. **Loss of Use** – "We" do not pay for loss caused by or resulting from loss of use, business interruption, delay, or loss of market.

f. **Missing Property** – "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property. This exclusion does not apply to covered property in the custody of a carrier for hire.

g. **Pollutants** – "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants" unless the release, discharge, seepage, migration, dispersal or escape is caused by a "specified peril". "We" do pay for any resulting loss caused by a "specified peril".

h. **Rain, Snow, Ice, or Sleet** – "We" do not pay for loss caused by or resulting from rain, snow, ice, or sleet to property in the open which is not part of the permanent building or structure.

This exclusion does not apply to property in the custody of carriers for hire.

i. **Temperature/Humidity** – "We" do not pay for loss caused by humidity, dampness, dryness, or changes in or extremes of temperature.

- j. **Testing** – “We” do not pay for loss caused by testing including start-up, performance, stress, pressure, or overload testing of the covered property.
 - k. **Voluntary Parting** – “We” do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
 - l. **Wear and Tear** – “We” do not pay for loss caused by wear and tear, marring, or scratching.
3. “We” do not pay for loss or damage if one or more of the following exclusions apply to the loss. But if loss by a covered peril results “we” will pay for the resulting loss.
- a. **Defects, Errors, and Omissions** – “We” do not pay for loss caused by an act, defect, error, or omission (negligent or not) relating to:
 - 1) design or specifications;
 - 2) workmanship or construction;
 - 3) repair, renovation, or remodeling; or
 - 4) materials.
 - b. **Electrical Currents** – “We” do not pay for loss caused by arcing or by electrical currents other than lightning.
 - c. **Mechanical Breakdown** – “We” do not pay for loss caused by mechanical breakdown including centrifugal force.
 - d. **Settling, Cracking, Shrinking, Bulging, or Expanding** – “We” do not pay for loss caused by settling, cracking, shrinking, bulging, or expanding of pavements, footings, foundations, walls, ceilings, or roofs.

WHAT MUST BE DONE IN CASE OF LOSS

- 1. **Notice** – In case of a loss, “you” must:
 - a. give “us” or “our” agent prompt notice including a description of the property involved (“we” may request written notice); and
 - b. give notice to the police when the act that causes the loss is a crime.
- 2. **Protect Property** – “You” must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. “We” do pay the reasonable costs incurred by “you” for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. “You” must keep an accurate record of such costs. However, “we” do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase “our” “limit”.
- 3. **Proof of Loss** – “You” must send “us”, within 60 days after “our” request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. “your” interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title of the covered property during the policy period; and
 - e. estimates, specifications, inventories, and other reasonable information that “we” may require to settle the loss.
- 4. **Examination** – “You” must submit to examination under oath in matters connected with the loss as often as “we” reasonably request and give “us” sworn statements of the answers. If more than one person is examined, “we” have the right to examine and receive statements separately and not in the presence of others.
- 5. **Records** – “You” must produce records, including tax returns and bank microfilms of all cancelled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as “we” reasonably request.

6. **Damaged Property** – "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** – "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** – "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** – "You" must cooperate with "us" in performing all acts required by this policy.

VALUATION

1. **Actual Cost to Repair, Replace, or Rebuild** – The value of covered property will be based on the lesser of the following amounts:
 - a. the actual cost to repair, replace, or rebuild the covered property with materials of like kind and quality. The actual cost may include material, labor, and reasonable overhead expenses.
 - b. the amount "you" actually spend to repair, replace, or rebuild the covered property.

In no event will "we" pay more than the "limit" indicated on the "declarations".

This valuation provision does not apply to paragraphs 2. and 3. under Valuation.

2. **Pair or Set** – The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss to Parts** – The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

HOW MUCH WE PAY

1. **Insurable Interest** – "We" do not pay for more than "your" insurable interest in any property.
2. **Deductible** – "We" pay only that part of "your" loss over the deductible amount indicated on the "declarations" in any one occurrence.
3. **Loss Settlement Terms** – Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to the covered property.
4. **Coinurance** – When a coinsurance percentage is indicated on the "declarations" the following conditions apply. "We" only pay a part of the loss if the "limit" is less than value of the covered property multiplied by the percentage indicated on the "declarations". "Our" part of the loss is determined using the following steps:
 - a. at the time of the loss, calculate the percentage of the value of the covered property as indicated on the "declarations";
 - b. divide the "limit" for covered property by the result determined in 4.a. above;
 - c. multiply the total amount of loss, after the application of any deductible, by the result determined in 4.b. above.

The most "we" pay is the amount determined in 4.c. above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

If there is more than one "limit" indicated on the "declarations" for this coverage part, this procedure applies separately to each "limit".

If there is only one "limit" indicated on the "declarations" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy** – “You” may have another policy subject to the same “terms” as this policy. If “you” do, “we” will pay “our” share of the covered loss. “Our” share is the proportion that the applicable “limit” under this policy bears to the “limit” of all policies covering on the same basis.

If there is another policy covering the same loss, other than that described above, “we” pay only for the amount of covered loss in excess of the amount due from that other policy, whether “you” can collect on it or not. But “we” will not pay more than the applicable “limit”.

LOSS PAYMENT

1. **Our Options** – “We” have the following options:

- a. pay the value of the loss;
- b. pay the cost of repairing or replacing the loss;
- c. rebuild, repair, or replace with property of like kind and quality, to the extent practicable, within a reasonable time;
- d. take all or any part of the damaged property at the agreed or appraised value.

“We” must give “you” notice of “our” intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** – “We” will adjust all losses with “you”. Payment will be made to “you” unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with “you” or the filing of an appraisal award with “us”.

3. **Property of Others** – Losses to property of others may be adjusted with and paid to:

- a. “you” on behalf of the owner; or
- b. the owner.

If “we” pay the owner, “we” do not have to pay “you”. “We” may also choose to defend any suits arising from the owners at “our” expense.

OTHER CONDITIONS

1. **Appraisal** – If “you” and “we” do not agree on the amount of the loss or the actual cash value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent independent appraiser and notify the other of the appraiser’s identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, “you” or “we” can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to “us”, the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by “you” and “us”.

2. **Benefit to Others** – Insurance under this coverage shall not directly or indirectly benefit anyone having custody of “your” property.
3. **Conformity With Statute** – When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** – This provision applies only if the insured is an individual.

On "your" death, "we" cover the following as an insured:

- a. the person who has custody of "your" property until a legal representative is qualified and appointed; or
- b. "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

This coverage does not extend past the policy period indicated on the "declarations".

5. Misrepresentation, Concealment or Fraud – This coverage is void as to "you" and any other insured if, before or after a loss:

- a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein.
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.

6. Policy Period – "We" pay for a covered loss that occurs during the policy period.

7. Recoveries – If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:

- a. "you" must notify "us" promptly if "you" recover property or receive payment;
- b. "we" must notify "you" promptly if "we" recover property or receive payment;
- c. any recovery expenses incurred by either are reimbursed first;
- d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
- e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.

8. Restoration of Limits – A loss "we" pay under this coverage does not reduce the applicable "limit".

9. Subrogation – If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.

10. Suit Against Us – No one may bring a legal action against "us" under this coverage unless

- a. all of the "terms" of this coverage have been complied with; and
- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. Territorial Limits – "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

12. Carriers for Hire – "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.

13. When Coverage Ceases – Coverage ends when one of the following first occurs:

- a. this policy expires or is cancelled;
- b. the covered property is accepted by the purchaser;
- c. "your" insurable interest in the covered property ceases;
- d. "you" abandon "your" installation, fabrication, or erection project with no intent to complete it;
- e. the installation, fabrication, or erection project has been completed for more than 30 days; or
- f. the covered property has been put to its intended use. However, this does not apply to roofs or walls.



**PENN NATIONAL
INSURANCE**

Pennsylvania National Mutual Casualty Insurance Company
Penn National Security Insurance Company
P.O. Box 2361
Harrisburg, PA 17105-2361

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INLAND MARINE BRIDGE ENDORSEMENT FOR PACKAGE POLICIES

This endorsement modifies insurance provided under the following:

Inland Marine Coverage Part

The policy forms listed on the Commercial Lines Policy Common Declarations do not apply to the Inland Marine Coverage Part and are replaced by the forms listed on the Commercial Inland Marine Declarations.