

02-222-CD
AMERICAN CASUALTY COMPANY OF -vs- STEPHEN DELONG
READING, PA et al

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR
CLEARFIELD COUNTY COURTHOUSE
SECOND AND MARKET STREETS
CLEARFIELD, PA 16830
TELEPHONE: 814-765-2641, EXT. 50-51

COMPLAINT

AND NOW, comes the Plaintiff, American Casualty Company of Reading, PA., as subrogor for First Commonwealth Financial Corporation., Deposit Bank, by their attorney Mark L. Reilly and files the following Complaint:

1. American Casualty Company of Reading, PA., is a corporation with a business address of CNA Plaza, Chicago, Illinois, 60685.

2. Stephen DeLong is a adult individual who resides at R.D.#2, Box 407, DuBois, Pennsylvania, 15801.

3. First Commonwealth Financial Corporation, Deposit Bank, held the mortgage on the residence located at R.D. #2, Box 407, DuBois, Pennsylvania, 15801.

4. The above-stated property served as security on the mortgage issued by First Commonwealth Financial Corporation, Deposit Bank, through Stephen DeLong and Theresa DeLong.

5. At all times relevant, First Commonwealth Financial Corporation, Deposit Bank, was insured by American Casualty Company of Reading, PA. A copy of the insurance policy is attached hereto as Exhibit "A."

6. On March 1, 2001, a fire damaged the premises located at R.D. 2, Box 407, DuBois, Pennsylvania, 15801.

7. As a result of the fire which occurred on March 1, 2001, American Casualty Company of Reading, PA, indemnified First Commonwealth Financial Corporation., Deposit Bank, in the amount of \$25,295.13, representing damage to the above property which was held as security.

8. This indemnification was pursuant to the terms of the attached policy of insurance.

9. Stephen DeLong ignited the fire of March 1, 2001, causing the above-stated damage and is liable for such damage.

10. Stephen DeLong is liable to American Casualty Company of Reading, PA, for the loss that was solely and directly caused by his conduct.

COUNT I

NEGLIGENCE

11. The plaintiff incorporates paragraphs (1) through (10), as though fully set forth herein.

12. The above described fire and resulting damage was a direct and proximate cause of the negligent acts of Stephen DeLong, generally and in all the following particulars:

- a. In allowing combustible material to be placed in close proximity to an ignition source;
- b. In negligently operating a kerosene heater within the residence;
- c. In failing to take reasonable precautions to prevent a fire under the circumstances.

WHEREFORE, American Casualty Company of Reading, PA., as subrogor for First Commonwealth Financial Corporation, Deposit Bank, demands judgment in its favor and against Stephen DeLong in the amount of \$25,295.13, plus cost of suit.

COUNT II

INTENTIONAL TORT

13. The March 1, 2001, fire and subsequent damages were a direct and proximate result of the intentional acts of Stephen DeLong, generally and in all the following particulars:

- a. Placing combustible material upon an ignition source;
- b. In utilizing a kerosene heater within the residence in such a manner as to cause a fire, which was foreseeable under the circumstances;
- c. In knowingly utilizing devices to ignite a fire within the above described residence.

WHEREFORE, American Casualty Company of Reading, PA., as subrogor for First Commonwealth Financial Corporation, Deposit Bank, demands judgment in its favor and against Stephen DeLong in the amount of \$25,295.13, plus cost of suit.

JURY TRIAL DEMANDED

Respectfully submitted,

MARK L. REILLY



Attorney for PLAINTIFF

No.: 2001-831

VERIFICATION BY CORPORATE PARTY

I certify that the facts set forth in Complaint are true and correct to the best of my knowledge, information, and belief. I understand that any false statements made herein are subject to the penalties of 18 Pa.C.S.A. § 4904, relating to unsworn falsification to authorities.

I am authorized to make this Verification on behalf of American Casualty Company of Reading, PA., as subrogor for First Commonwealth Financial Corporation., Deposit Bank because of my position as Recovery Specialist.

Date: 2-8-02

Notary Public, Gwinnett County, Georgia
My Commission Expires November 2, 2003

Depository Institutions

Tailored Commercial Program Plus Package

Renewal Declaration

POLICY NUMBER	COVERAGE PROVIDED BY	FROM - POLICY PERIOD - TO
L 1056502825	AMERICAN CASUALTY CO OF READING, PA CNA PLAZA CHICAGO, ILLINOIS 60685	08/05/2000 08/05/2001

INSURED NAME AND ADDRESS
FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400
INDIANA, PA 15701

AGENCY NUMBER	AGENCY NAME AND ADDRESS
014414	FIRST COMMONWEALTH INS. AGENCY, INC. 654 PHILADELPHIA STR PO BOX 400 INDIANA, PA 15701 Phone Number: (724)349-6056

BRANCH NUMBER	BRANCH NAME AND ADDRESS
020	PITTSBURGH BRANCH TWO CHATHAM CENTER 116 WASHINGTON PL - FL16 PITTSBURGH, PA 15219 Phone Number: (412)562-4100

This policy becomes effective and expires at 12:01 A.M. standard time at your mailing address on the dates shown above.

The Named Insured is a Corporation.

Your policy is composed of this Declarations, with the attached Common Policy Conditions, Coverage Forms, and Endorsements, if any. The Policy Forms and Endorsement Schedule shows all forms applicable to this policy at the time of policy issuance.

The Policy Premium Is \$137,040.00

In return for the payment of the premium, and subject to all the terms and conditions contained here-in, we agree to provide the insurance as stated.

**DEFENDANT'S
EXHIBIT**

A

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400
INDIANA, PA 15701**ADDITIONAL COVERAGES**

The coverages below are provided at each location under the following coverage forms for up to the Limit of Insurance shown. If a different limit for these additional coverages is otherwise noted on the Schedule of Locations and Coverages, that limit will apply for the specific location indicated.

COVERAGES**LIMIT OF INSURANCE****BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

Debris Removal - Additional Limit	\$25,000
Fire Department Service Charge	\$25,000
Pollutant Clean Up and Removal 12 Month Aggregate	\$10,000
Manufacturers Consequential Loss Assumption Included Within Business Personal Property Limit	Included
Theft Damage to Unowned Building Property Included Within Business Personal Property Limit	Included
Inventory and Appraisals	\$5,000
Recharge of Fire Protection Equipment Resulting From a Covered Cause of Loss Resulting From Other Than a Covered Cause of Loss	Included \$10,000
Backup of Sewer or Drains as provided in Cause of Loss Special Form unless a higher limit is indicated on the schedule of locations or the Extended Damage Water Endorsement is indicated on the schedule of locations	\$10,000

BUSINESS INCOME COVERAGE FORMS:

Property In Transit	\$10,000
Backup of Sewer or Drains as provided in Cause of Loss Special Form unless a higher limit is indicated on the schedule of locations or the Extended Damage Water Endorsement is indicated on the schedule of locations	\$10,000

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400
INDIANA, PA 15701**COVERAGE EXTENSIONS**

The Limit of Insurance shown below for these Coverage Extensions will be in addition to the Building and/or Business Personal Property of Insurance shown in the Schedule of Locations and Coverages. If a different limit for these coverage extensions is otherwise noted on the Schedule of Locations and Coverages, that limit will apply for the specific location indicated.

COVERAGES**LIMIT OF INSURANCE****BUILDING AND PERSONAL PROPERTY COVERAGE FORM:**

Newly Acquired or Constructed Property Building	\$1,000,000
Newly Acquired or Constructed Property Your Business Personal Property	\$500,000
Personal Effects	\$15,000
Property of Others	\$15,000
Restoration of Data - On Premises	\$25,000
Restoration of Data - Off Premises	\$15,000
Restoration of Valuable Papers - On Premises	\$25,000
Restoration of Valuable Papers - Off Premises	\$15,000
Property Off-Premises	
Property at Unscheduled Locations	\$15,000
Personal Property In Transit	\$15,000
Installation Coverage	\$15,000
Trees, Shrubs and Plants	\$25,000
Extra Expense	\$25,000
Reward Payments	\$5,000
Money and Securities	
Inside Premises	\$5,000
Outside Premises	\$5,000
Storage of Duplicate Data and Records	\$50,000
Accounts Receivable	
On Premises	\$25,000
Off Premises	\$15,000



INSURED NAME AND ADDRESS
FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400
INDIANA, PA 15701

BLANKET LIMITS

LIMIT OF INSURANCE

Blanket Building & Personal Property Limit	\$117,849,689
Blanket Business Income-Value	\$12,000,000

The following deductible(s) applies unless a separate deductible is indicated on the Location/Building level

Deductible : \$1,000

LOCATION	1 BUILDING	1
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BLANKET PROPERTY
INDIANA PA 15701

Construction : Joisted Masonry
Occupancy Description :
"Flood" Coverage Endorsement

TCP CAUSES OF LOSS COVERAGES/SPECIAL PROVISIONS:

Equipment Breakdown
-Equipment Breakdown Cause of Loss Does Not Apply

COVERAGES

LIMIT OF INSURANCE

Building	\$117,599,689 *
Cause of Loss: Special	
Valuation : Replacement Cost	
Coinurance : 90%	
Agreed Value : Expiration Date: 08/05/2001	\$117,599,689

COVERAGES

LIMIT OF INSURANCE

Item 1 - Business Income	\$12,000,000 *
Without Extra Expense	
Other Than Rental Value	
Cause of Loss: Special	
Valuation : Replacement Cost	
Coinurance : 90%	

COVERAGES

LIMIT OF INSURANCE

Ordinance or Law: Combined	\$250,000 *
Cause of Loss: Special	

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESS

FIRST COMMONWEALTH FINANCIAL CORP

PO BOX 400

INDIANA, PA 15701

SCHEDULE OF LOCATIONS AND COVERAGES**COVERAGES**

Valuation : Replacement Cost
Coinsurance : 90%
Agreed Value : Expiration Date: 08/05/2001

LIMIT OF INSURANCE

\$250,000

***** Refer to Coverage/Endorsement/Schedule Form**

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESS

FIRST COMMONWEALTH FINANCIAL CORP

PO BOX 400

INDIANA, PA 15701

COMMERCIAL PROPERTY LOSS PAYEE SCHEDULE

All loss payees as their interests may appear in the Covered Property.

The following provisions apply in accordance with the insurable interest of the loss payee: Loss Payable, Lender's Loss Payable, or Contract of Sale.

Description of Property: Any Covered Property in which a loss payee, creditor or lender holds an interest, including any person or organization you have entered a contract with for the sale of the Covered Property.

POLICY NUMBER


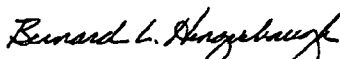
L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400
INDIANA, PA 15701**FORMS AND ENDORSEMENTS SCHEDULE****FORM NUMBER****FORM TITLE**

G56015B	11/1991	CHANGE ENDORSEMENT
G56015B	11/1991	KEY TO PROPERTY LOCATIONS
G56015B	11/1991	FLOOD COVERAGE LOCATION SCHEDULE
G56015B	11/1991	CHANGE ENDORSEMENT
CP0090	07/1988	Commercial Property Conditions
CP1218	06/1995	Loss Payable Provisions
CP9993	10/1990	Tentative Rate
G120571A	09/1996	Ordinance or Law Coverage (TCPP)
G123098B	06/1998	Coordination of Deductibles
G129948A	03/1998	Exclusion Of Coverage For Date-Related Costs
G16348B	03/1991	Flood Coverage Endorsement
G18641A	09/1996	Building and Personal Property Coverage Form -TCPP
G18660A	09/1996	Causes of Loss - Special Form (TCPP)
G20126A	09/1996	Business Income (W/O Extra Expense) Coverage
IL0003	11/1985	Calculation of Premium
IL0017	11/1998	Common Policy Conditions
IL0022	05/1987	Effective Time Changes - Replacement of 12 Noon
IL0166	01/1999	Pennsylvania Changes - Actual Cash Value
IL0172	11/1993	Pennsylvania Changes
IL0246	09/1996	Pennsylvania Changes - Cancellation and Nonrenewal
IL0910	01/1981	Pennsylvania Notice

***** PLEASE READ THE ENCLOSED IMPORTANT NOTICES CONCERNING YOUR POLICY *******FORM NUMBER****FORM TITLE**

G132246A	07/1998	Important Notice To Policyholders
G133130A	12/1998	TCPplus Policyholder Notice (TCPP)

Countersignature

Chairman of the Board
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESS

FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES

CHANGE ENDORSEMENT

**This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.**

AS RESPECTS MORTGAGEEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM
CP0070(0695), THE FOLLOWING LIMIT OF INSURANCE IS ADDED TO AND MADE
PART OF THIS POLICY.

LIMIT OF INSURANCE: \$1,000,000



Bernard L. Hingsburg
Chairman of the Board

Jonathan Kantor
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**KEY TO PROPERTY LOCATIONS**

This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.

1. NATIONAL BANK OF THE COMMONWEALTH
600-08 PHILADELPHIA ST
INDIANA, PA
2. DEPOSIT BANK
2 E LONG AVE & BRADY ST
DUBOIS, PA
3. CENWEST NATIONAL BANK
719 BEDFORD ST
JOHNSTOWN, PA
4. LEECHBURG NATIONAL BANK
152 MARKET ST
LEECHBURG, PA
5. PEOPLES BANK
1626 PITT ST
JENNERSTOWN, PA
6. FIRST COMMONWEALTH FINANCIAL CORPORATION
22 N 6TH ST
INDIANA, PA
7. COMMONWEALTH SYSTEMS CORPORATION
R22 N 6TH ST
INDIANA, PA
8. FIRST COMMONWEALTH TRUST COMPANY
610-614 PHILADELPHIA ST
INDIANA, PA
9. CENTRAL BANK
1525 3RD AVE
DUNCANSVILLE, PA
10. PEOPLES BANK OF WESTERN PENNSYLVANIA
25-29 E WASHINGTON ST
NEW CASTLE, PA



Bernard L. Hengshuech
Chairman of the Board

Jonathan Kantor
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESS

FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES

KEY TO PROPERTY LOCATIONS

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11. RELIABLE SAVINGS PaSA
428 STATION ST
BRIDGEVILLE, PA

12. UNITAS NATIONAL BANK
201 FIFTH ST
HUNTINGDON, PA

14. SOUTHWEST BANK
107-113 S MAIN
GREENSBURG, PA



Bernard L. Hengeman
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**FLOOD COVERAGE LOCATION SCHEDULE**

This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.

LOCATION	COVERAGE	LIMIT OF INSURANCE
600-608 PHILADELPHIA ST INDIANA, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
601 PHILADELPHIA ST INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 599,642 INCLUDED
119 DRIVE-IN INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 160,782 INCLUDED
REGENCY MALL INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 399,516 INCLUDED
1164 PHILADELPHIA ST INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 329,240 INCLUDED
11 S MAIN ST CHERRY TREE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
DUBOIS BI-LOW ATM DUBOIS, PA	BUILDING	\$ 7,200
1000 S BRADY ST DUBOIS, PA	BUILDING	\$ 3,369
5 N MAIN ST DUBOIS, PA	BUILDING PERSONAL PROPERTY	\$ 826,615 INCLUDED
719 BEDFORD ST JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
217 FRANKLIN ST JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED **
1047 FRANKLIN ST JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 964,582 INCLUDED **
1541 MENOHER BLVD JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 459,167 INCLUDED



Bernard L. Hargreaves
Chairman of the Board

Jonathan Kantor
Secretary

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INDIANA, PA 15701

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LOCATION	COVERAGE	LIMIT OF INSURANCE
1400 GRAHAM AVE WINDBER, PA	BUILDING PERSONAL PROPERTY	\$ 986,685 INCLUDED
1001 SCALP AVE JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
3112 ELTON RD JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 910,711 INCLUDED
BENSCREEK SHOPPING CTR JOHNSTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 587,876 ** INCLUDED
525 SUNSHINE AVE CENTRAL CITY, PA	BUILDING PERSONAL PROPERTY	\$ 537,931 INCLUDED
MAIN & ALLEGHENY ST ALUM BANK, PA	BUILDING PERSONAL PROPERTY	\$ 767,874 INCLUDED
ROUTE 220 OSTERBURG, PA	BUILDING PERSONAL PROPERTY	\$ 460,398 INCLUDED
152 MARKET ST LEECHBURG, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
200 MARKET ST LEECHBURG, PA	BUILDING PERSONAL PROPERTY	\$ 761,572 INCLUDED
ROUTE 66, GILPIN TP LEECHBURG, PA	BUILDING PERSONAL PROPERTY	\$ 492,186 INCLUDED
1740 S LEECHBURG LEECHBURG, PA	BUILDING PERSONAL PROPERTY	\$ 890,680 INCLUDED
1626 PITT ST JENNERSTOWN, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED



Bernard L. Hingsburg
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER
L 1056502825

INSURED NAME AND ADDRESS
FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES
FLOOD COVERAGE LOCATION SCHEDULE

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effective date of your Policy, unless another effective date is shown.**

LOCATION	COVERAGE	LIMIT OF INSURANCE
W DENNISON WAY & 985 JENNERSTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 193,711 INCLUDED
ROUTE 601 JEROME, PA	BUILDING PERSONAL PROPERTY	\$ 738,332 INCLUDED
ROUTE 30 EAST LAUGHLINTOWN, PA	BUILDING PERSONAL PROPERTY	\$ 478,803 INCLUDED
LOGAN VALLEY MALL ALTOONA, PA	BUILDING PERSONAL PROPERTY	\$ 237,610 INCLUDED
ROUTE 220 & SKI GAP RD CLAYSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 630,915 INCLUDED
ROUTE 220 & JUNIATA ST HOLIDAYSBURG, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
918-920 PHILADELPHIA ST BARNESBORO, PA	BUILDING PERSONAL PROPERTY	\$ 156,223 INCLUDED
127 S JULIAN ST BEDFORD, PA	BUILDING PERSONAL PROPERTY	\$ 153,165 INCLUDED
101 HIGH ST WILLIAMSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 670,563 ** INCLUDED
ROUTE 119 NORTH HOMER CITY, PA	BUILDING PERSONAL PROPERTY	\$ 606,627 INCLUDED
709 HANNAH ST HOUTZDALE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
436 MCGEE AVE PATTON, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
MAIN ST PLUMVILLE, PA	BUILDING PERSONAL PROPERTY	\$ 513,289 INCLUDED



Bernard L. Hargrave
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER

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PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**FLOOD COVERAGE LOCATION SCHEDULE**

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LOCATION	COVERAGE	LIMIT OF INSURANCE
573 W MAHONING ST PUNXSUTAWANEY, PA	BUILDING PERSONAL PROPERTY	\$ 848,340 INCLUDED
423 MAPLE ST SOUTH FORK, PA	BUILDING PERSONAL PROPERTY	\$ 995,747 INCLUDED
152 GRANT AVE VANDERGRIFF, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
OLD ROUTE 119 SOUTH NEW STANTON, PA	BUILDING PERSONAL PROPERTY	\$ 815,374 INCLUDED
600 DAISEY ST CLEARFIELD, PA	BUILDING PERSONAL PROPERTY	\$ 539,550 INCLUDED
635 PHILADELPHIA ST INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 32,367 INCLUDED
ROUTE 119 S & WAYNE AVE INDIANA, PA	BUILDING PERSONAL PROPERTY	\$ 15,367 INCLUDED
201 N HAMPTON AVE PUNXSUTAWANEY, PA	BUILDING PERSONAL PROPERTY	\$ 10,000 INCLUDED
53 E MARKET ST BLAIRSVILLE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
47-51 E MARKET ST BLAIRSVILLE, PA	BUILDING	\$ 158,415
2450 ROUTE 422 INDIANA, PA	BUILDING	\$ 3,514
2550 ROUTE 286 INDIANA, PA	BUILDING	\$ 827,670
SALEM 22 PLAZA DELMONT, PA	BUILDING PERSONAL PROPERTY	\$ 109,309 INCLUDED



Bernard L. Hargrave
Chairman of the Board

Jonathan Kauter
Secretary

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INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**FLOOD COVERAGE LOCATION SCHEDULE**

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LOCATION	COVERAGE	LIMIT OF INSURANCE
55 ALPHA DR W PITTSBURGH, PA	BUILDING PERSONAL PROPERTY	\$ 261,448 INCLUDED
2 E LONG AVE & BRADY ST DUBOIS, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
MAIN ST FALLS CREEK, PA	BUILDING PERSONAL PROPERTY	\$ 650,315 INCLUDED
MAIN ST KERSEY, PA	BUILDING PERSONAL PROPERTY	\$ 402,825 INCLUDED
MAIN ST BROOKVILLE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
ROUTE 255 WEEDVILLE, PA	BUILDING PERSONAL PROPERTY	\$ 152,766 INCLUDED
DUBOIS MALL DUBOIS, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
1201 E MAIN ST BROCKWAY, PA	BUILDING PERSONAL PROPERTY	\$ 634,472 INCLUDED
108 E MILL ST ST MARYS, PA	BUILDING PERSONAL PROPERTY	\$ 778,422 INCLUDED
221 W HIGH ST EBENSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 210,150 INCLUDED
9TH AVE & 17TH AVE ALTOONA, PA	BUILDING PERSONAL PROPERTY	\$ 236,782 INCLUDED
2009 PLEASANT VALLEY ALTOONA, PA	BUILDING PERSONAL PROPERTY	\$ 246,574 INCLUDED
STADIUM DR, OLD RT 220 ALTOONA, PA	BUILDING PERSONAL PROPERTY	\$ 608,257 INCLUDED



Bernard L. Hangesbaugh
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER
L 1056502825

INSURED NAME AND ADDRESS
FIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES
FLOOD COVERAGE LOCATION SCHEDULE

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effective date of your Policy, unless another effective date is shown.**

LOCATION	COVERAGE	LIMIT OF INSURANCE
25-29 E WASHINGTON ST NEW CASTLE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 ** INCLUDED
409 E POLAND AVE BESSEMER, PA	BUILDING PERSONAL PROPERTY	\$ 450,696 INCLUDED
2547 W STATE ST NEW CASTLE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
312 N LIBERTY ST NEW CASTLE, PA	BUILDING PERSONAL PROPERTY	\$ 222,087 INCLUDED
BEAVER VALLEY MALL CENTER TP, PA	BUILDING PERSONAL PROPERTY	\$ 602,667 INCLUDED
100 PLAZA SOUTH NEW CASTLE, PA	BUILDING PERSONAL PROPERTY	\$ 536,819 INCLUDED
3480 WILMINGTON RD NEW CASTLE, PA	BUILDING PERSONAL PROPERTY	\$ 480,300 INCLUDED
428 STATION ST BRIDGEVILLE, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
311 W BARR ST MCDONALD, PA	BUILDING PERSONAL PROPERTY	\$ 348,499 INCLUDED
3400 S PARK RD BETHEL PARK, PA	BUILDING PERSONAL PROPERTY	\$ 261,762 INCLUDED
502 WASHINGTON AVE BRIDGEVILLE, PA	BUILDING PERSONAL PROPERTY	\$ 720,756 INCLUDED
201-205-207-209 FIFTH ST HUNTINGDON, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
R501 PENN ST HUNTINGDON, PA	BUILDING PERSONAL PROPERTY	\$ 61,977 INCLUDED



Bernard L. Hangelbaum
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**FLOOD COVERAGE LOCATION SCHEDULE**

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effective date of your Policy, unless another effective date is shown.

LOCATION	COVERAGE	LIMIT OF INSURANCE
1514 N CENTER AVE SOMERSET, PA	BUILDING PERSONAL PROPERTY	\$ 749,171 INCLUDED
22 N SIXTH ST INDIANA, PA (& REAR)	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
610-614 PHILADELPHIA ST INDIANA, PA (& REAR)	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
650-654 PHILADELPHIA ST INDIANA, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED
SHAFFER RD DUBOIS, PA	BUILDING PERSONAL PROPERTY	\$ 86,868 INCLUDED
1525 THIRD AVE DUNCANVILLE, PA	BUILDING PERSONAL PROPERTY	\$ 772,883 ** INCLUDED
16-18 W SHIRLEY ST MT UNION, PA	BUILDING PERSONAL PROPERTY	\$ 217,207 INCLUDED
269 KING ST PETERSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 60,250 INCLUDED
CHURCH & ASHMAN ST THREE SPRINGS, PA	BUILDING PERSONAL PROPERTY	\$ 145,227 INCLUDED
511 PINE GROVE RD STATE COLLEGE, PA	BUILDING PERSONAL PROPERTY	\$ 166,676 INCLUDED
729 MAIN ST SAXTON, PA	BUILDING PERSONAL PROPERTY	\$ 178,836 INCLUDED
ROUTE 22 PLAZA HUNTINGDON, PA	BUILDING PERSONAL PROPERTY	\$ 354,402 INCLUDED
15 S MAIN ST CHAMBERSBURG, PA	BUILDING PERSONAL PROPERTY	\$1,000,000 INCLUDED



Bernard L. Hengeman
Chairman of the Board

Jonathan Kauter
Secretary

POLICY NUMBER

L 1056502825

INSURED NAME AND ADDRESSFIRST COMMONWEALTH FINANCIAL CORP
PO BOX 400

INDIANA, PA 15701

POLICY CHANGES**FLOOD COVERAGE LOCATION SCHEDULE**

This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.

LOCATION	COVERAGE	LIMIT OF INSURANCE
1275 YORK RD GETTYSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 104,211 INCLUDED
HILLS PLAZA SOUTH STATE COLLEGE, PA	BUILDING PERSONAL PROPERTY	\$ 90,394 INCLUDED
1720 LINCOLN WAY E CHAMBERSBURG, PA	BUILDING PERSONAL PROPERTY	\$ 173,342 INCLUDED

** SEE ATTACHED FLOOD SCHEDULE #2, WHICH APPLIES A \$500,000
DEDUCTIBLE IN LIEU OF \$25,000



Bernard L. Hengstbaugh
Chairman of the Board

Jonathan Kauter
Secretary

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.

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POLICY NUMBER:

COMMERCIAL PROPERTY
CP 12 18 06 95

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

Prem. No.	Bldg. No.	Description of Property	Loss Payee (Name & Address)	Provisions Applicable		
				Loss Payable	Lender's Loss Payable	Contract Of Sale

REFER

TO

DECLARATIONS

- 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENTATIVE RATE

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

SCHEDULE*

Bldg. No.	Prem. No.	Cov. A	Cov. B. Limit of Insurance	Cov. C. Limit of Insurance	Cov. B and C Blanket Limit of Insurance**
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REFER TO DECLARATIONS

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

** Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverage B and C, or if one of these Coverages is applicable.

A. Each Coverage – Coverage A, Coverage B, and Coverage C – applies only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building property identified for that Coverage(s) in the Schedule.

B. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

C. Coverage

1. Coverage A – Coverage for Loss to the Undamaged Portion of the Building.

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- 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.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay 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.

The COINSURANCE Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C – Increased Cost of Construction Coverage

a. If a Covered Cause of Loss occurs to the covered Building property, we will pay for 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.

However:

- 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 if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to Increased Cost of Construction Coverage.

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- b. When covered Building property is damaged or destroyed by a Covered Cause of Loss and Coverage C applies to that property in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in the provision, 3.b.

D. Loss Payment

1. When Coverage A applies, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

- a. If Replacement Cost Coverage applies and the property is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

- b. If Replacement Cost Coverage applies and the property is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

2. Unless Paragraph D.4. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or

- b. The applicable Limit of Insurance shown for Coverage B in the Schedule above.

3. Unless Paragraph D.4. applies, loss payment under Coverage C – Increased Cost of Construction Coverage will be determined as follows:

- a. We will not pay under Coverage C:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonable 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 under Coverage C is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

4. If a Blanket Limit of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs D.2. and D.3. of this endorsement do not apply with respect to the Building property that is subject to the Blanket Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Blanket Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this Blanket Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

- b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

- (a) Until the property is actually repaired or replaced, at the same or another premises; and
- (b) Unless the repairs or replacement are made as soon as reasonable possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) 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 is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Under this endorsement, we will not pay for loss due to any ordinance or law that:

- 1. You were required to comply with before the loss, even if the building was undamaged; and
- 2. You failed to comply with.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

"FLOOD" COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Covered Cause of Loss

For those locations listed in the "Flood" Coverage Schedule of Locations and only for the Coverage and Limit of Insurance scheduled:

1. Section B., Exclusions, subparagraph 1.g. – Water, in the Causes of Loss Forms, is deleted in its entirety;

2. "Flood" is added to Section A. of the Causes of Loss – Basic Form and the Causes of Loss – Broad Form as a Covered Cause of Loss;

3. The following is added to Additional Coverage – Collapse, Section C. of the Causes of Loss – Broad Form and Section D. of the Causes of Loss – Special Form:

7. "Flood":

"FLOOD" COVERAGE SCHEDULE OF LOCATIONS

Location	Coverage	Limit of Insurance
1	Building	\$1,000,000
1	Personal Property	\$1,000,000

B. Deductible

The Deductible, if any, in this Coverage Part is replaced by the following with respect to "Flood":

1. Except for the locations listed in the Special "Flood" Deductible Schedule we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$25,000 . We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of

Insurance shown in the "Flood" Coverage Schedule of Locations.

2. When Covered Property at a location listed in the Special "Flood" Deductible Schedule is lost or damaged, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible Amount indicated in the Schedule. We will then pay the amount of the loss or damage in excess of the Deductible Amount up to the Limit of Insurance shown in the "Flood" Coverage Schedule of Locations.

SPECIAL "FLOOD" DEDUCTIBLE SCHEDULE

Location	Covered Property	Deductible Amount
1-1	BUILDINGS/PERSONAL PROPERTY	500,000

C. Special "Flood" Limits of Insurance

When the Cause of Loss is "Flood":

1. The most we will pay for loss or damage in any one occurrence at any one location will be the Limit of Insurance indicated in the "Flood" Coverage Schedule of Locations.
2. The most we will pay for loss or damage in this policy period is \$1,000,000 .

D. Supplemental Conditions

1. Coverage Provided under this endorsement is not subject to the Coinsurance provisions of your policy.
2. Coverage provided under this endorsement does not apply to Covered Property in transit.

- E. The Back Up of Sewers or Drains Extension to the Causes of Loss – Special Form does not apply at any location where this endorsement applies.

F. Definition

"Flood" means:

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 from a sewer or drain; 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.

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For All the Commitments You Make®

G-18641-A
(Ed. 09/96)

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;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) Building glass, including all lettering and ornamentation; we will also pay for necessary:
 - (a) Expenses incurred to put up temporary plates or to board up openings;
 - (b) Repair or replacement of encasing frames;
 - (c) Expenses incurred to remove or replace obstructions;

(6) 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 1000 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 1000 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;

- (8) Your leasehold interest in improvements and betterments which are not damaged or destroyed, but which you lose because your lease is cancelled by the lessor as a result of damage to the building from a Covered Cause of Loss. When this occurs, we will calculate the value of your interest in the improvements and betterments as though they had been damaged or destroyed and not repaired or replaced promptly, as provided in the Valuation Loss Condition;
- (9) Building glass (including all lettering and ornamentation):
- (a) Owned by others;
 - (b) In your care, custody or control; and
 - (c) Not otherwise provided for in the definition of Covered Property under your Building or Business Personal Property Coverages;
- for which you have a contractual responsibility to insure; and
- (10) Outdoor signs not otherwise provided for in the definition of Covered Property under your Building or Business Personal Property coverages.
- 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 1000 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. "Money" or "securities," except as provided in the Coverage Extensions;
 - 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. Contraband, or property in the course of illegal transportation or trade;
 - e. The cost of excavations, grading, backfilling or filling, unless such cost is necessarily incurred in the repair or replacement of covered loss or damage to Covered Property below the surface of the ground;
 - f. 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;
 - g. Land (including land on which the property is located), water, growing crops or lawns;
 - h. Personal property while airborne or waterborne, except with respect to the property in transit coverages provided in the Coverage Extensions;
 - i. Bulkheads, pilings, piers, wharves or docks;
 - j. 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;
 - k. Underground pipes, flues or drains;
 - l. The cost to research, replace or restore lost "electronic data" or the lost information on "valuable papers and records," except as provided in the Coverage Extensions;
 - m. 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:
- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (3) Rowboats or canoes out of water at the described premises;
- n. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Trees, shrubs or plants (other than "stock" of trees, shrubs or plants), except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations, and any endorsements which modify that form.



4. Additional Coverages

Except as otherwise provided, the following Additional Coverages apply separately to each covered location.

a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The 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) The most we will pay in any one occurrence under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

(b) The deductible in this policy applicable to that loss or damage.

This limit is part of, and not in addition to, the applicable Covered Property Limit of Insurance. But, if needed, an additional debris removal limit is available, as provided in the Limits of Insurance section.

(3) This Additional Coverage does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

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 \$25,000 unless a different limit is shown in the Declarations for your liability for fire department service charges:

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

(2) Required by local ordinance.

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.

For each described premises, the most we will pay for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy is \$10,000 unless a different limit is shown in the Declarations.

e. Manufacturers Consequential Loss Assumption

We will pay the reduction in value of the remaining parts of "stock" in process of manufacture that are undamaged but are unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at the described premises.

In the application of the Coinsurance Additional Condition, the value of "stock" in process of manufacture at any of the described premises includes the additional value that it represents at other locations.

f. Theft Damage to Unowned Building Property

(1) We will pay for damage to:

(a) That part of any unowned building containing Your Business Personal Property; or

- (b) Unowned Equipment within that building used to maintain or service the building;

caused directly by theft or attempted theft.

- (2) This Additional Coverage is primary and applies only to premises where you are a tenant and are required in your lease to cover this exposure. This Additional Coverage does not apply to damage by fire or explosion.

- (3) This Additional Coverage is included within the Limit of Insurance applicable to Your Business Personal Property at the location of loss, and does not increase that Limit of Insurance.

g. Inventory and Appraisals

In the event of covered loss or damage under this Coverage Part, we will pay for reasonable expenses incurred by you, at our request, to assist us in the determination of the amount of loss, such as taking inventory and appraisals.

We will not pay the following:

- (1) Expenses incurred in connection with the Appraisal Loss Condition in Section E.2; or
(2) Public adjusters' fees.

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

No deductible applies to this Additional Coverage.

h. Recharge of Fire Protection Equipment

- (1) We will pay expenses you incur to recharge automatic fire protection equipment due to the leakage or discharge of the fire suppressant within the automatic fire protection equipment. The insurance provided under this Additional Coverage applies regardless of how the discharge or leakage is caused. But if the leakage or discharge is caused by or results from a Covered Cause of Loss, no deductible applies.

- (2) The most we will pay in any one occurrence under this Additional Coverage is:

- (a) The applicable Covered Property Limit of Insurance when the leakage or discharge is caused by or results from a Covered Cause of Loss; or

- (b) \$10,000 at each described premises when the leakage or discharge is caused by or results from a cause of loss other than a Covered Cause of Loss.

These limits are part of, and not in addition to, the applicable Covered Property Limit of Insurance. But, if needed, an additional Recharge of Fire Protection Equipment limit may be available, as provided in the Limits of Insurance section.

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 1000 feet of the described premises.

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance provided by this Coverage Form 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.

The most we will pay for loss or damage to this property in any one occurrence under this Extension is \$1,000,000 unless a different Limit of Insurance is shown in the Declarations.

- (2) You may extend the insurance provided by this Coverage Form to apply to Your Business Personal Property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$500,000 unless a different Limit of Insurance is shown in the Declarations.

- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
(b) 180 days expire after you acquire or begin to construct the property; or
(c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

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b. Personal Effects and Property of Others

(1) You may extend the insurance that applies to Your Business Personal Property to:

- (a) Apply to personal effects owned by you, your officers, your partners or your employees; and
- (b) Provide an additional Limit of Insurance applicable to personal property of others, except as provided in (a) above, in your care, custody or control;

while such property is at or within 1000 feet of the described premises. But insurance under this Extension does not apply to any property that is excluded under Section A.2., Property Not Covered.

(2) The most we will pay in any one occurrence under this Extension for loss or damage to:

- (a) Personal effects at or within 1000 feet of each described premises is \$15,000 unless a different Limit of Insurance is shown in the Declarations; and
- (b) Property of others at or within 1000 feet of each described premises is \$15,000.

c. Restoration of Data, Valuable Papers and Records

(1) You may extend the insurance provided by this Coverage Form to apply to your costs to research, replace or restore:

- (a) Lost or damaged "electronic data"; and
- (b) Lost information on lost or damaged "valuable papers and records";

for which duplicates do not exist.

(2) This Extension applies only to loss or damage to "electronic data" and "valuable papers and records":

- (a) At or within 1000 feet of the described premises;
- (b) At new locations you acquire during the policy period, but only for the period of time Your Business Personal Property is covered at such locations under the Newly Acquired or Constructed Property Coverage Extension;
- (c) Temporarily at locations you do not own, lease or operate; or

(d) In transit.

(3) The most we will pay in any one occurrence under this Extension for your costs to research, replace or restore lost or damaged "electronic data":

- (a) At or within 1000 feet of each described premises is \$25,000 unless a different Limit of Insurance is shown in the Declarations for Restoration of Data – On Premises;
- (b) At each newly acquired or temporary location, or in transit, is \$15,000 unless a different Limit of Insurance is shown in the Declarations for Restoration of Data – Off Premises.

(4) The most we will pay in any one occurrence under this Extension for your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records" while:

- (a) At or within 1000 feet of each described premises is \$25,000 unless a different Limit of Insurance is shown in the Declarations for Valuable Papers and Records – On Premises;
- (b) At each newly acquired or temporary location, or in transit, is \$15,000 unless a different Limit of Insurance is shown in the Declarations for Valuable Papers and Records – Off Premises.

d. Property Off-Premises

(1) Property At Unscheduled Locations

You may extend the insurance provided by this Coverage Form to apply to Covered Property that is temporarily at a location you do not own, lease or operate, including Covered Property:

- (a) In the care, custody or control of a salesperson; or
- (b) At any fair or exhibition.

This Extension does not apply to Covered Property in the due course of transit.

The most we will pay for loss or damage in any one occurrence under this Extension is \$15,000 unless a different Limit of Insurance is shown in the Declarations.

(2) Personal Property in Transit

- (a) You may extend the insurance provided by this Coverage Form to apply to Covered Property in the due

course of transit more than 1,000 feet from the described premises.

(b) This Extension does not apply to:

- (i)** Property shipped by mail;
- (ii)** Property while waterborne, except in regular ferry operations in the course of being moved by other means of transportation, and then to include General Average and Salvage Charges for which you may become liable;
- (iii)** Import or export shipments once under the protection of marine insurance; or
- (iv)** Property sold by you under conditional sale, trust agreement, installment payment after delivery to customers.

(c) The most we will pay for loss or damage in any one occurrence under this Extension is \$15,000 unless a different Limit of Insurance is shown in the Declarations.

(d) The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Commercial Property Condition does not apply to the Insurance provided under this Extension.

With respect to property in the due course of transit, nothing must be done either prior to or after a loss to impair our rights of recovery against any carrier, bailee or other party responsible for damages. This Coverage Part will be void with respect to the insurance provided for property in the due course of transit if you or anyone else to or for whom we would have made payment does anything to impair these rights. But our right to retain or recover premium will not be affected. In addition, we will not pay for any loss or damage to property in the due course of transit which you settle or compromise without our written consent. But you may accept released bills of lading from common carriers.

(3) Installation Coverage

(a) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to Business Personal Property that will or has become a

permanent part of an installation, fabrication or erection project being performed for others by you, or on your behalf, while such property is:

- (i)** At a job site awaiting and during installation, fabrication, erection and/or testing, and awaiting acceptance by the purchaser; or
- (ii)** Temporarily stored at a location other than the described premises or the job site.

(b) This Extension does not apply to loss or damage to property at a location owned by you, or to property in the due course of transit.

(c) The most we will pay for loss or damage in any one occurrence under this Extension is \$15,000 unless a different Limit of Insurance is shown in the Declarations.

(d) Insurance under this Extension will end when any of the following first occurs:

- (i)** This policy expires;
- (ii)** Your interest in the property ceases;
- (iii)** The installation, fabrication or erection project is accepted by the purchaser as complete; or
- (iv)** You abandon the installation, fabrication or erection project with no intention to complete it.

e. Trees, Shrubs and Plants

You may extend the insurance provided by this Coverage Form, including expense to remove debris from a Covered Cause of Loss, to apply to your outdoor trees, shrubs and plants (other than "stock" of trees, shrubs and plants) at the described premises.

The most we will pay in any one occurrence under this Extension is \$25,000 unless a different Limit of Insurance is shown in the Declarations.

f. Extra Expense

(1) You may extend the insurance provided by this Coverage Form to apply to the actual and necessary "extra expense" you incur during the "period of restoration" due to direct physical loss of or damage to property at or within 1000 feet of the described premises.

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- (2) If you are a tenant or owner of only a portion of a building in which the described premises are located, such premises include all routes within the building to gain access to the owned, rented, leased or occupied portion of the building.
- (3) Insurance under this Extension applies only if the loss or damage to the property is caused by or results from a Covered Cause of Loss. The Special Exclusions in the Causes of Loss -Special Form that apply to the Extra Expense Coverage Form also apply to this Extension.
- (4) The most we will pay for "extra expense" in any one occurrence under this Extension is \$25,000.

g. Reward Payments

- (1) In the event of an arson, theft or vandalism loss to which the insurance provided by this Coverage Form applies, we will reimburse you for amounts you offer, and subsequently pay, as a reward to anyone, other than you or your officers, partners or directors, for information leading to:
 - (a) The arrest and conviction of any person(s) responsible for the arson, theft or vandalism loss; or
 - (b) The recovery of the stolen property.
- (2) The most we will pay under this Extension for all rewards paid for information regarding any one arson, theft or vandalism loss is \$5,000.
- (3) No deductible applies to this Extension.

h. Money and Securities

- (1) You may extend the insurance provided by this Coverage Form to apply to loss of "money" and "securities":
 - (a) At the described premises or the premises of a bank or savings institution; or
 - (b) At any other location, or in transit, in your care and custody or the care and custody of your partners, your employees (including your leased employees) or an armored motor vehicle company;resulting directly from theft (meaning any act of stealing), disappearance or destruction.
- (2) We will not pay for loss under this Extension caused by or resulting from:

- (a) Any of the following to the extent these causes of loss are otherwise excluded under this Coverage Part:
 - (i) Governmental Action;
 - (ii) Nuclear Hazard; or
 - (iii) War and Military Action;
- (b) Dishonest or criminal act by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property, other than an armored motor vehicle company:
 - (i) Acting alone or in collusion with others; or
 - (ii) Whether or not occurring during the hours of employment;
- (c) Accounting or arithmetical errors or omissions;
- (d) The giving or surrendering of the property in any exchange or purchase;
- (e) Voluntary parting with possession of or title to the 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; or
- (f) Transfer or surrender of the property to a person or place outside the described premises or the premises of a banking or savings institution on the basis of unauthorized instructions.

In addition, we will not pay for loss of "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

No other exclusions in this policy apply to this Extension.

- (3) The most we will pay in any one occurrence under this Extension for loss of "money" and "securities":
 - (a) At the described premises or the premises of a bank or savings institution is \$5,000 unless a different Limit of Insurance is shown in the Declarations for Money and Securities - Inside Premises;

- (b) At any other location, or in transit, is \$5,000 unless a different Limit of Insurance is shown in the Declarations for Money and Securities – Outside Premises.

Under this Extension, all loss caused by one or more persons, or involving a single act or a series of related acts, is considered one occurrence.

i. Storage of Duplicate Data and Records

You may extend the insurance provided by this Coverage Form to apply to duplicate "electronic data" and "valuable papers and records" permanently stored at locations other than the described premises.

The most we will pay for loss or damage at all locations in any one occurrence under this Extension is \$50,000 unless a different Limit of Insurance is shown in the Declarations for Storage of Duplicate Data and Records.

j. Accounts Receivable

- (1) You may extend the insurance provided by this Coverage Form to apply to the following loss and expenses resulting from loss or damage by a Covered Cause of Loss to your records of accounts receivable, including those records which exist on media used in electronic data processing operations:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our repayment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

- (2) This Extension applies only to loss or damage to records of accounts receivable:

- (a) At or within 1000 feet of the described premises;
- (b) At new locations you acquire during the policy period, but only for the period of time Your Business Personal Property is covered at such locations under the Newly Acquired or

Constructed Property Coverage Extension;

- (c) Temporarily at locations you do not own, lease or operate; or

- (d) In transit.

- (3) The most we will pay in any one occurrence under this Extension for loss or expense due to loss or damage to records of accounts receivables:

- (a) At or within 1000 feet of each described premises is \$25,000 unless a different Limit of Insurance is shown in the Declarations for Accounts Receivable – On Premises;

- (b) At each newly acquired or temporary location, or in transit, is \$15,000 unless a different Limit of Insurance is shown in the Declarations for Accounts Receivable – Off Premises.

- (4) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, the following method will be used:

- (a) Determine the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

- (b) Adjust that average monthly amount for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the monthly average.

- (5) The following will be deducted from the amount of accounts receivable, however that amount is established:

- (a) The amount of the accounts for which there is no loss;

- (b) The amount of the accounts that you are able to re-establish or collect;

- (c) An amount to allow for probable bad debts that you are normally unable to collect; and

- (d) All unearned interest and service charges.

- (6) We will not pay for loss of accounts receivable that requires any audit of records or any inventory computation to prove its factual existence.

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

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations, and any endorsements which modify that form.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage to Covered Property in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The limits applicable to the Coverage Extensions and the following Additional Coverages are in addition to the Limits of Insurance:
 - a. Fire Department Service Charge;
 - b. Pollutant Clean Up and Removal; and
 - c. Inventory and Appraisals.
3. Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:
 - a. Debris Removal; but if:
 - (1) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (2) The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;we will pay an additional amount, up to \$25,000 for each location in any one occurrence unless a different amount is shown in the Declarations for Debris Removal Additional Amount;
 - b. Preservation of Property;
 - c. Manufacturers Consequential Loss Assumption;
 - d. Theft Damage to Unowned Building Property; or
 - e. Recharge of Fire Protection Equipment; but if:
 - (1) The leakage or discharge is caused by or results from a Covered Cause of Loss; and
 - (2) The sum of direct physical loss or damage, debris removal expense and fire protection equipment recharge expense exceeds the Limit of Insurance;we will pay an additional amount, up to \$5,000 for each location in any one occurrence unless

a different amount is shown in the Declarations for Recharge of Fire Protection Equipment Additional Amount.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

If more than one Deductible applies to loss or damage in any one occurrence under this Coverage Part, we will apply each Deductible separately. But the total of all Deductible amounts applied will not exceed the single highest Deductible.

When a single deductible applies to loss or damage in any one occurrence to more than one item of Covered Property and more than one Limit of Insurance applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of (1) the Limit of Insurance applicable to that item plus (2) the Deductible.

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 amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the

settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

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

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

- 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.
- h. If your branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may, at your own expense:
 - (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands and labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

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 of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

- (i) Is not rented; or

- (ii) Is not used 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. Except as provided in b., c., d., e., f., g., h. and i. below, all property will be valued at replacement cost (without deduction for depreciation) as of the time of loss or damage, subject to the following:

- (1) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an

actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

- (2) We will not pay on a replacement cost basis for any loss or damage:

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

But this condition does not apply to damaged building property when the cost of repair or replacement of the property is \$10,000 or less.

- (3) Subject to (4) below, we will not pay more for loss or damage on a replacement cost basis than the least of the following amounts:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace the lost or damaged property with other property:
 - (i) Of comparable material and quality; and
 - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

- (4) 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.

- b. The following categories of property will be valued at actual cash value as of the time of loss or damage:

- (1) Contents of a residence;
- (2) Manuscripts; or
- (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

- c. Labor, materials and services that you furnish or arrange on personal property of others will be valued based on the actual cost of the labor, materials and services.

- d. "Stock" you have sold but not delivered will be valued at the selling price less discounts and expenses you otherwise would have had.

- e. Unsold finished "stock" you manufacture will be valued at the price the goods could have been sold on the day of the loss had no loss occurred, less discounts and expenses you otherwise would have had.

- f. Glass will be valued at the cost of replacement with safety glazing material if required by law.

- g. Tenants Improvements and Betterments will be valued at:

- (1) Replacement cost of the lost or damaged property (subject to the provisions of paragraph a. above) if you repair or replace promptly;

- (2) A proportion of your original cost if you do not repair or replace 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.

- h. "Valuable papers and records" and "electronic data" (other than prepackaged software programs) will be valued at the cost of:

- (1) Blank materials for reproducing the records and "electronic data"; and

- (2) Labor to transcribe or copy the records and "electronic data" when there is a duplicate.

In addition, limited coverage for the cost to research, replace or restore lost "electronic data" and lost information on "valuable papers and records" for which duplicates do not exist is provided under the Restoration of Data, Valuable Papers and Records Coverage Extension.

- i. Property in the due course of transit will be valued as follows:

- (1) If there is a shipper's invoice, the property will be valued at the amount shown on the invoice including any prepaid or advance freight as well as any costs or charges



which have accrued or become legally due since the shipment commenced.

- (2) If there is no invoice, the property will be valued at replacement cost (subject to the provisions of paragraph a. above) at the point of destination on the date of the loss, less any charges saved which would have been due and payable upon delivery at the destination.

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 \$500
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 and to avoid the penalty shown below)

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

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

Step (4): $\$20,000 - \$500 = \$19,500$

We will pay no more than \$19,500. The remaining \$20,500 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 \$500
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 \$39,500 (\$40,000 amount of loss minus the deductible of \$500).

- 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 property is:
Bldg. at Location No. 1 \$ 75,000
Bldg. at Location No. 2 \$ 100,000
Personal Property at Location No. 2 \$ 75,000
\$250,000
The Coinsurance percentage for it is 90%
The Limit of Insurance for Bldgs. 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): $\$180,000 \div \$225,000 = .80$

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this

event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

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

G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Actual Cash Value

- a. Under the Valuation Loss Condition in Section E. of this Coverage Form, Actual Cash Value replaces Replacement Cost in:
 - (1) Paragraph a. when this Optional Coverage applies to Building property; and
 - (2) Paragraphs a., g. and i.(2) when this Optional Coverage applies to Business Personal Property.
- 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 \$25,000 or less, we will pay the cost of building repairs or replacement, subject to the provisions of paragraph a. of the Valuation Loss Condition in Section E. of this Coverage Form.

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; and
- (3) Outdoor equipment or furniture.

2. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this

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Optional Coverage applies. We will pay no more for loss 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.

3. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance; times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08); times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance
is 100,000

The annual percentage increase is 8%

The number of days since the beginning of
the policy year (or last policy change) is 146

The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$3,200$

H. DEFINITIONS

- 1. "Electronic Data" means information, programs or instructions which have been converted to a form usable in electronic data processing operations.

- 2. "Extra Expense" means necessary expenses you incur that you would not have incurred if there had been no direct physical loss or damage to property:

- a. To avoid or minimize the suspension of business and to continue "operations":

- (1) At the described premises; or
- (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;

- b. To minimize the suspension of business if you cannot continue "operations"; or

- c. To the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form:

- (1) To repair or replace any property; or
- (2) To research, replace or restore lost or damaged "electronic data" or the lost information on damaged "valuable papers and records."

- 3. "Money" means:

- a. Currency, coins and bank notes whether or not in current use; and
- b. Travelers checks, register checks and money orders held for sale to the public.

- 4. "Operations" means your business activities occurring at the described premises.

- 5. "Period of Restoration"

- a. "Period of restoration" means the period of time that:

- (1) 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

- (2) Ends on the earlier of:

- (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (b) The date when business is resumed at a new permanent location.

- b. "Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (2) Requires the insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to the effects of "pollutants."
- c. The expiration of this policy will not cut short the "period of restoration."
6. **"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.
7. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes tokens, revenue and food stamps, and evidences of debt issued in connection with credit or charge cards which are not of your own issue.
8. **"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.
9. **"Valuable papers and records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.
- But "valuable papers and records" does not mean "money," "securities" or "electronic data."

But "securities" does not include:

- a. "Money";
- b. Stamps, other than revenue or food stamps;
- c. Tickets, including lottery tickets held for sale; or
- d. Letters of credit.

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CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. – **DEFINITIONS**, or the **DEFINITIONS** Section of the Coverage Form(s) to which this Causes of Loss Form applies.

A. COVERED CAUSES OF LOSS

1. When Special is shown in the Declarations, Covered Causes of Loss means **RISKS OF DIRECT PHYSICAL LOSS** unless the loss is:

- a. Excluded in Section B., **EXCLUSIONS**; or
- b. Limited in Section C., **LIMITATIONS**; or
- c. Excluded or limited in any option or endorsement modifying the exclusions or limitations in Sections B. and C. of this form.

2. Covered Causes of Loss includes Equipment Breakdown as defined below. Except as otherwise specifically stated, all of the exclusions in Section B. **EXCLUSIONS** and limitations in Section C. **LIMITATIONS** apply to the Equipment Breakdown Cause of Loss.

Equipment Breakdown

- a. Equipment Breakdown means a sudden and accidental breakdown of Covered Equipment. At the time the breakdown occurs, the breakdown must manifest itself by physical damage to the Covered Equipment that necessitates repair or replacement.
- b. Covered Equipment means any of the following equipment that is in use or connected ready for use at the described premises or any other premises where the insurance provided under this Coverage Part applies, and is owned or leased by you or operated under your control:

- (1) Electronic data processing equipment;
- (2) Boilers;
- (3) Fired or unfired pressure vessels subject to vacuum or internal pressure other than the static pressure of their contents;
- (4) Piping and its accessory equipment;
- (5) Refrigeration or air conditioning systems; or
- (6) Mechanical or electrical machines or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

With respect only to the insurance provided under this Coverage Part for direct physical

loss or damage to perishable Business Personal Property and for loss of Business Income and Extra Expense, Covered Equipment also means any transformer or electrical apparatus that is:

- (1) Owned by a public utility company; and
- (2) Located at or within 1000 feet of, and used to supply the electrical power to, the described premises or any other premises where such insurance applies.

- c. Covered Equipment does not include any production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process, waste materials or finished products, or any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus, other than any:

- (1) Unfired pressure vessel, pump, compressor, fan, blower, engine, turbine, motor or generator; or
- (2) Separate enclosed gear set;

connected to such production machine or apparatus by a coupling, clutch or belt.

- d. Depletion, deterioration, corrosion, erosion, wear and tear, the functioning of any safety or protective device or the breakdown of any structure or foundation does not constitute an Equipment Breakdown.

In addition, Equipment Breakdown does not include the breakdown of any:

- (1) Furnace;
- (2) Sewer piping, underground gas piping, or piping forming a part of a sprinkler system;
- (3) Water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (4) Insulating or refractory material; or
- (5) Vehicle, elevator, escalator, conveyor, hoist or crane.

- e. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be

considered one Equipment Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the result of the same cause will also be considered one Equipment Breakdown, regardless of the number of locations involved.

- f. If any Covered Equipment is found to be in, or exposed to a dangerous condition, we may immediately suspend the insurance provided for loss caused by or resulting from a sudden and accidental breakdown of that equipment under this Equipment Breakdown Cause of Loss. The suspension can be done by delivering or mailing a notice of the suspension to:

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

You will get a pro rata refund of premium for the suspended insurance. But the suspension will be effective even if we have not yet made or offered a refund. Once suspended, such insurance can only be reinstated by a written endorsement issued by us.

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) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, and such resulting loss or damage is not otherwise excluded, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, and such resulting loss or damage is not otherwise excluded, 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.

This exclusion does not apply to:

- (1) Property in the due course of transit;
- (2) Property in the custody of salespersons; or
- (3) The:
 - (a) Restoration of Data, Valuable Papers and Records;
 - (b) Storage of Duplicate Data and Records; or
 - (c) Accounts Receivable;

Coverage Extensions in the Building and Personal Property Coverage Form.

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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 and the loss or damage is not otherwise covered under the Equipment Breakdown Covered Cause of Loss.

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.

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:

- (a) Unless the back up or overflow is itself due to a covered Equipment Breakdown; or

- (b) Except as provided under the Back Up of Sewers or Drains Additional Coverage in Section D. of this form;

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, sprinkler leakage or Equipment Breakdown not otherwise excluded, we will pay for the loss or damage caused by that fire, explosion, sprinkler leakage or Equipment Breakdown. Also, under the Equipment Breakdown Cause of Loss, if electrical Covered Equipment requires drying out as a result of Water, as described in g.(1) through g.(4) above, the drying out will be considered an Equipment Breakdown of that Covered Equipment.

This exclusion does not apply to:

- (1) Property in the due course of transit;
- (2) Property in the custody of salespersons; or
- (3) The:
 - (a) Restoration of Data, Valuable Papers and Records;
 - (b) Storage of Duplicate Data and Records; or
 - (c) Accounts Receivable;

Coverage Extensions in the Building and Personal Property Coverage Form.

- 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, except to the extent such loss or damage is otherwise covered under the Equipment Breakdown Cause of Loss.

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.

But if loss or damage by Equipment Breakdown results from such smoke, vapor or gas, and the resulting Equipment Breakdown is not otherwise excluded, we will pay for that resulting loss or damage.

- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, 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, except to the extent such loss or damage is otherwise covered under the Equipment Breakdown Cause of Loss. 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," building glass breakage or Equipment Breakdown not otherwise excluded, we will pay for the loss or damage caused by that "Specified Cause of Loss," building glass breakage or Equipment Breakdown.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your

control, except to the extent such loss or damage is otherwise covered under the Equipment Breakdown Cause of Loss.

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 that occurs over a period of 14 days or more. But if the continuous or repeated seepage or leakage of water results in Equipment Breakdown not otherwise excluded, we will pay for the loss or damage caused by that Equipment Breakdown.
- 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 heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose (other than a carrier or other bailee for hire):
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of operation.

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, other than property in the custody of carriers for hire.



k. Collapse, except as provided below in the Collapse Additional Coverage in Section D. of this form. But if collapse results in a Covered Cause of Loss, 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":

(1) Unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss"; or

(2) Except as specifically provided under the Equipment Breakdown - Pollutant Additional Expense Additional Coverage in Section D. of this form.

But if loss or damage caused by the "Specified Causes of Loss" or Equipment Breakdown not otherwise excluded results from the discharge, dispersal, seepage, migration, release or escape of "pollutants," we will pay for the resulting loss or damage caused by the "Specified Causes of Loss" or Equipment Breakdown.

This exclusion does not apply to the:

(a) Restoration of Data, Valuable Papers and Records;

(b) Storage of Duplicate Data and Records; or

(c) Accounts Receivable;

Coverage Extensions in the Building and Personal Property Coverage Form.

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 Section B.1. of this form 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) Design, specifications, workmanship, processing, manufacture, testing, repair, installation, construction, renovation, remodeling, grading, compaction;

(2) Materials used in processing, manufacture, testing, repair, construction, renovation or remodeling;

(3) Planning, zoning, development, surveying, siting; or

(4) Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

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

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock."

This exclusion does not apply to Extra Expense.

(2) Any 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."

(3) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

(4) 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 canceling 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 to which this Causes of Loss Form applies, 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, except to the extent such loss or damage is otherwise covered under the Equipment Breakdown Cause of Loss.

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, except to the extent such loss or damage is otherwise covered under the Equipment Breakdown Cause of Loss.

- c. 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.

This exclusion does not apply to:

- (1) Property in the custody of carriers or other bailees for hire; or
- (2) Electronic data processing equipment;
- (3) The:
 - (a) Restoration of Data, Valuable Papers and Records;
 - (b) Storage of Duplicate Data and Records; or
 - (c) Accounts Receivable;Coverage Extensions in the Building and Personal Property Coverage Form; or
- (4) Loss of Business Income or Extra Expense resulting from such loss to "electronic data."

- d. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.



- e. Outdoor antennas (including satellite dishes) and their lead-in wiring, masts or towers, caused by or resulting from snow, ice, sleet, windstorm or hail.

- f. Property in an unattended vehicle more than 1000 feet from the described premises caused by or resulting from theft or attempted theft.

But this limitation does not apply to property:

- (1) Contained in a fully enclosed and securely locked body or compartment of a vehicle if the theft is by forcible entry, evidence by visible marks upon the body or compartment; or

- (2) In the custody of carriers by hire.

- g. "Electronic data" or "valuable papers and records," including records of accounts receivable, caused by or resulting from:

- (1) Programming errors or faulty machine instructions;

- (2) Bookkeeping, accounting or billing errors or omissions; or

- (3) Other errors or omissions in processing or copying.

- 2. We will not pay for loss of or damage to the following types of property unless caused by the "Specified Causes of Loss", building glass breakage or a covered Equipment Breakdown:

- a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass that is part of a building or structure;

- (2) Containers of property held for sale; or

- (3) Photographic or scientific instrument lenses.

- c. Builder's machinery, tools and equipment owned by you or entrusted to you.

But this limitation does not apply:

- (1) To such property located on or within 1000 feet of the described premises; or

- (2) To Business Income coverage or Extra Expense coverage.

- 3. The special limit shown for each category, a. and b., is the total limit for loss of or damage to all property in that category. The special limit

applies to any one occurrence of theft, regardless of the types or number of articles in the category 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.

These special limits are part of, and 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, except to the extent the repair of such defect is otherwise covered under the Equipment Breakdown Cause of Loss. 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.

D. ADDITIONAL COVERAGES

The following coverages are added, but do not increase the Limits of Insurance provided in this Coverage Part.

1. Collapse

The term Covered Cause of Loss includes collapse as described and limited in 1.a. through 1.c. below.

- a. We will pay for direct physical loss or damage caused by or resulting from collapse of a building, any part of a building or personal property inside a building, if the collapse is caused by one or more of the following:

- (1) The "Specified Causes of Loss", breakage of building glass or Equipment Breakdown, all only as insured against in this Coverage Part;

- (2) Hidden decay;

- (3) Hidden insect or vermin damage;

- (4) Weight of people or personal property;

- (5) Weight of rain that collects on a roof;
- (6) 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 1.a.(1) through 1.a.(5) above, we will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.

b. With respect to the following property:

- (1) Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- (2) Awnings, gutters and downspouts;
- (3) Yard fixtures;
- (4) Outdoor swimming pools;
- (5) Fences;
- (6) Bulkheads, piers, wharves and docks;
- (7) Beach or diving platforms or appurtenances;
- (8) Retaining walls that are not part of buildings; and
- (9) Bridges, walks, roadways and other paved surfaces;

we will pay for loss or damage caused by or resulting from collapse of such property only if:

- (1) The collapse of such property is caused by or results from collapse of a building or any part of a building, but only as insured against in 1.a. above; or
- (2) The collapse of such property is caused by any of the "Specified Causes of Loss," breakage of building glass or Equipment Breakdown, all only as insured against in this Coverage Part.

- c. Collapse does not include settling, cracking, shrinkage, bulging or expansion.

2. Back Up of Sewers or Drains

The term Covered Cause of Loss includes direct physical loss or damage caused by or resulting from water that backs up from a sewer or drain, subject to the following limitations:

- a. We will not pay for loss or damage under this Additional Coverage caused by:

- (1) The emanation of water from a sump or similar device designed to prevent overflow, seepage or leakage of subsurface water; or
- (2) The emanation of water from a sewer or drain that is itself caused by, or the result of:
 - (a) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - (b) Mudslide or mudflow; or
 - (c) Water under the ground surface pressing on, or flowing or seeping through the sewer, drain or sump.

- b. The most we will pay for all loss or damage in any one occurrence under this Additional Coverage is \$10,000 unless a different Limit of Insurance is shown in the Declarations.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

3. 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.

4. Equipment Breakdown – Pollutant Additional Expense

If a covered Equipment Breakdown causes the discharge, dispersal, seepage, migration, release or escape of "pollutants", we will pay the additional expenses you incur to clean up, repair, replace or dispose of Covered Property that is damaged, contaminated or polluted by the "pollutants".

As used in this Additional Coverage, **additional expenses** mean expenses incurred beyond those for which we would have been liable for the Equipment Breakdown loss had no "pollutant" been involved.

The most we will pay in any one occurrence under this Additional Coverage for additional expenses incurred due to damage, contamination or pollution by:

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- a. Ammonia is the Limit of Insurance that applies to the damaged, contaminated or polluted Covered Property; or
- b. Any "pollutant" other than ammonia is:
 - (1) \$50,000; or
 - (2) The Limit of Insurance that applies to the damaged, contaminated or polluted Covered Property;

whichever is less.

E. CAUSES OF LOSS OPTIONS

The Causes of Loss Options in this Section apply only when indicated in the Declarations, and then only with respect to the premises designated for such coverage options.

1. Equipment Breakdown — Production Equipment Extension

When **Equipment Breakdown Including Production Equipment** is shown in the Declarations, the definition of Covered Equipment under the Equipment Breakdown Cause of Loss in Section A.2. of this form is extended to include any production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process, waste materials or finished products, or any equipment forming a part of the driving or controlling mechanism for such production machine or apparatus. The exclusion of this equipment under paragraph c. of the Equipment Breakdown Cause of Loss in Section A.2. of this form does not apply.

2. Equipment Breakdown Limitations

Each of the following limitations amends the definition of Covered Equipment under the Equipment Breakdown Cause of Loss in Section A.2. of this form, and applies only when indicated in the Declarations:

a. Limited Equipment Breakdown and Electronic Data Processing Equipment Breakdown Only

When **Limited Equipment Breakdown and EDP Equipment Breakdown Only** is shown in the Declarations, the definition of Covered Equipment does not include:

- (1) Any refrigeration or air conditioning system, or any pressure vessel or piping forming a part of the refrigeration or air conditioning system; or
- (2) Any other mechanical or electrical machine or apparatus used for the generation, transmission or utilization of

electrical power, other than electronic data processing equipment, boilers and fired or unfired pressure vessels not otherwise excluded.

But with respect to the insurance provided under this Coverage Part for direct physical loss or damage to perishable Business Personal Property and for loss of Business Income and Extra Expense, the exclusion of this property does not apply to any transformer or electrical apparatus that is:

- (a) Owned by a public utility company; or
- (b) Located at or within 1000 feet of, and used to supply the electrical power to, the described premises or any other premises where such insurance applies.

b. Limited Equipment Breakdown Only

When **Limited Equipment Breakdown Only** is shown in the Declarations, Covered Equipment does not include:

- (1) Any electronic data processing equipment;
- (2) Any refrigeration or air conditioning system, or any pressure vessel or piping forming a part of the refrigeration or air conditioning system; or
- (3) Any other mechanical or electrical machine or apparatus used for the generation, transmission or utilization of electrical power, other than boilers and fired or unfired pressure vessels not otherwise excluded.

But with respect to the insurance provided under this Coverage Part for direct physical loss or damage to perishable Business Personal Property and for loss of Business Income and Extra Expense, the exclusion of this property does not apply to any transformer or electrical apparatus that is:

- (a) Owned by a public utility company; or
- (b) Located at or within 1000 feet of, and used to supply the electrical power to, the described premises or any other premises where such insurance applies.

c. Electronic Data Processing Equipment Breakdown Only

When **EDP Equipment Breakdown Only** is shown in the Declarations, Covered Equipment means only electronic data processing equipment as described and limited in the Covered Equipment definition in Section A.2. of this form.

3. Equipment Breakdown Exclusion

When **Equipment Breakdown Cause of Loss Does Not Apply** is shown in the Declarations, the Equipment Breakdown Cause of Loss in Section A.2. of this form does not apply.

F. DEFINITIONS

1. "Electronic data" means information, programs or instructions which have been converted to a form usable in electronic data processing operations.

2. "Specified Causes of Loss"

a. "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.

(1) Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

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

(2) Falling objects does not include loss or damage to:

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

(3) Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

b. While property is in the due course of transit, "Specified Causes of Loss" also means the following:

(1) Vehicle collision, upset or overturn. Collision means the violent and accidental contact of the vehicle conveying the property with any other vehicle or object. It does not include loss or damage caused by contact of the vehicle with any portion of the roadbed; and

(2) Sinking or stranding of a vessel, or collapse of a bridge, culvert, dock or wharf.

3. "Valuable Papers and Records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean money, securities or "electronic data."

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BUSINESS INCOME (WITHOUT 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 F – DEFINITIONS**.

A. COVERAGE

Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (i) Business Income including "Rental Value."
- (ii) Business Income other than "Rental Value."
- (iii) "Rental Value."

If option (i) above is selected, the term Business Income will include "Rental Value." If option (iii) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration." The suspension must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 1000 feet, at premises that are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (i) All routes within the building to gain access to the described premises;
- (ii) Your personal property in the open (or in a vehicle) within 1000 feet.

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations and any endorsements that modify that form.

3. Additional Coverages

a. Expenses to Reduce Loss.

In the event of a covered loss of Business Income, we will pay necessary expenses you incur, except the cost of extinguishing a fire, to avoid further loss of Business Income. The total of our payment for Business Income loss and Expenses to Reduce Loss will not be more than the Business Income loss that would have been payable under this Coverage Form (after application of any Coinsurance penalty) if the Expenses to Reduce Loss had not been incurred. This coverage does not increase the Limit of Insurance.

The Coinsurance condition does not apply specifically to such Expenses to Reduce Loss, but it is used as described above to determine the total amount payable.

- b. **Civil Authority.** We will pay for the actual loss of Business Income you sustain 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 after coverage begins.

- c. **Alterations and New Buildings.** We will pay for the actual loss of Business Income you sustain 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 1,000 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations," the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

d. Extended Business Income.

(1) Business Income Other Than "Rental Value"

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore your "operations" with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(1)(a)** above.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary suspension of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a)** Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b)** Ends on the earlier of:
 - (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii)** 30 consecutive days after the date determined in **(2)(a)** above.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

e. Property in Transit

(1) We will pay for the actual loss of Business Income you sustain during the "period of restoration" due to direct physical loss of or damage to:

- (a)** Your business personal property; or
- (b)** Personal property of others in your care, custody or control;

while such property in the due course of transit.

If caused by such loss or damage to property in the due course of transit, we will also pay for the actual loss of Business Income you sustain during the additional period of coverage provided under the Extended Business Income Additional Coverage.

(2) Insurance under this Additional Coverage applies only if the loss or damage to the property in transit is caused by a Covered Cause of Loss. Insurance under this Additional Coverage does not apply to any loss of Business Income due to loss of or damage to:

- (a)** Vehicles or self propelled machines (including motor vehicles, trailers, aircraft, watercraft and similar conveyances) unless such vehicles are themselves in the due course of transit in or on another transporting conveyance;
- (b)** Property while waterborne, except in regular ferry operations in the course being moved by other means of transportation;
- (c)** Property shipped by mail;
- (d)** Contraband, or property in the course of illegal transportation or trade;
- (e)** Import shipments that have not been unloaded from any importing aircraft or watercraft, or that are under the protection of marine insurance;
- (f)** Export shipments once loaded on board exporting aircraft or watercraft, or under the protection of marine insurance; or
- (g)** Property sold by you under conditional sale, trust agreement, installment

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payment or other deferred payment plan, after delivery to customers.

- (3) The most we will pay for loss under this Additional Coverage is \$10,000 unless a different Limit of Insurance is shown in the Declarations for Property In Transit - Business Income.

4. Coverage Extension

Newly Acquired Locations

- a. You may extend your Business Income 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 \$250,000 at each newly acquired 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) 180 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

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

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations, and any endorsements that modify that form.

C. 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 Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Alterations and New Buildings;
2. Civil Authority;
3. Extended Business Income;
4. Expenses to Reduce Loss;
5. Property in Transit.

D. 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 Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. 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 In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (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. Limitation – Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the

period September 2 – October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

4. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no loss or damage occurred;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.

b. Resumption Of Operations

We will reduce the amount of your Business Income loss to the extent you can resume your "operations," in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

- 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 covered loss 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:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.



E. ADDITIONAL CONDITION

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:
 - (1) The Net Income (Net Profit or Loss before income taxes); and
 - (2) Operating expenses, including payroll expenses;

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later.)

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

1. Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
2. Divide the Limit of Insurance for the described premises by the figure determined in step 1; and
3. Multiply the total amount of loss by the figure determined in step 2.

We will pay the amount determined in step 3. 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.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- a. Prepaid freight – outgoing;
- b. Returns and allowances;
- c. Discounts;
- d. Bad debts;
- e. Collection expenses;
- f. Cost of raw stock and factory supplies consumed (including transportation charges);
- g. Cost of merchandise sold (including transportation charges);

- h. Cost of other supplies consumed (including transportation charges);
- i. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- j. Power, heat and refrigeration expenses that do not continue under contract (if form CP 15 11 is attached);
- k. All ordinary payroll expenses or the amount of payroll expense excluded (if form CP 15 10 is attached); and
- l. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$150,000

The amount of loss is \$80,000

Step 1: $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: $\$150,000 \div \$200,000 = .75$

Step 3: $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000

The Coinsurance percentage is 50%

The Limit of Insurance is \$200,000

The amount of loss is \$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

F. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
 - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When: The Limit of Insurance is \$120,000.

The fraction shown in the Declarations for this Optional Coverage is 1/4

The most we will pay for loss in each period of 30 consecutive days is:

$$\$120,000 \times 1/4 = \$30,000.$$

If, in this example, the actual amount of loss is:

Days	1-30	\$40,000
Days	31-60	20,000
Days	61-90	<u>30,000</u>
		\$90,000

We will pay:

Days	1-30	\$30,000
Days	31-60	20,000
Days	61-90	<u>30,000</u>
		\$80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

a. To activate this Optional Coverage:

- (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

- (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by

- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or

- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or

- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by

- (2) The Agreed Value.

Example:

When: The Limit of Insurance is \$100,000

The Agreed Value is \$200,000

The amount of loss is \$ 80,000

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

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



We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under paragraph A.3.d., Extended Business Income, the number "30" in subparagraph (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

G. DEFINITIONS

- 1. "Finished Stock"** means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

- 2. "Operations"** means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

- 3. "Period of Restoration"** means the period of time that:

- a. Begins with the date of direct physical loss or damage to the property caused by or resulting from any Covered Cause of Loss; and
- b. Ends on the earlier of:

- (1) The date when the property 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."

- 4. "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.

- 5. "Rental Value"** means the:

- a. Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- c. Fair rental value of any portion of the described premises which is occupied by you.



For All the Commitments You Make®

IMPORTANT INFORMATION

IMPORTANT NOTICE TO POLICYHOLDERS CONVERSION OF THE TAILORED COMMERCIAL PROGRAM (TCP) TO THE TAILORED COMMERCIAL PROGRAM PLUS (TCP PLUS!)

There are a number of changes to the property coverages included in the conversion of your Tailored Commercial Program policy to the Tailored Commercial Program Plus policy. This notice is designed to give you an overview of the changes to the standard base forms. This notice is **not** your policy. **READ YOUR POLICY CAREFULLY** to determine rights, duties, and what is and is not covered. The more significant broadenings and reductions of coverage are outlined below.

This policyholder notice is for illustrative purposes only and is not a complete explanation of your insurance policy. Please remember that only your insurance policy can give you the actual terms, coverage, amounts, conditions and exclusions of your coverage. Your independent insurance agent will be able to explain the revisions in detail.

CHANGES WHICH BROADEN COVERAGE

• BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The Building and Personal Property Coverage Form (G-18641) includes the following broadenings of coverage:

- All provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises.
- Your Business Personal Property is extended to include your leasehold interest in improvements and betterments at or within 1000 feet of the described premises which are not damaged or destroyed, but which you lose because your lease is canceled by the lessor as a result of damage to the building from a Covered Cause of Loss.
- The excavation, grading, backfilling or filling costs exclusion does not apply to such costs which are necessarily incurred in the repair or replacement of covered loss to covered underground property.
- The limit that applies to the Fire Department Service Charge Additional Coverage is increased to \$25,000.
- Coverage is provided, up to the applicable business personal property limit, for theft damage to unowned building property at premises where you are a tenant and required in your lease to cover this exposure.
- Coverage is provided for expenses to recharge automatic fire protection equipment, regardless of how the discharge or leakage is caused. When the leakage or discharge is caused by a covered cause of loss, this coverage is provided subject to the applicable covered property limit plus an additional \$5,000 if needed, and no deductible applies. Otherwise, coverage is provided subject to a \$10,000 limit and the deductible applies.
- The period of coverage provided on newly acquired or constructed buildings and business personal property at newly acquired locations is increased to 180 days. The limit that applies to newly acquired or constructed buildings, without a similar use



limitation, is increased to \$1,000,000 and the limit that applies to business personal property at newly acquired locations is increased to \$500,000.

- The insurance provided for costs to restore valuable papers and records, including computer records (electronic data), is extended to apply to loss caused by any covered cause of loss, instead of named perils, and to apply to loss occurring at newly acquired locations, temporary locations or in transit, instead of described premises only. For loss occurring at described premises, the prior combined limit is increased to \$25,000 for valuable papers and records, other than computer records, and \$25,000 for computer records. For loss occurring off premises, a \$15,000 limit applies to valuable papers and records, other than computer records, at each newly acquired or temporary location or in transit and a \$15,000 limit applies to computer records at each newly acquired or temporary location or in transit.
- The insurance provided for property at temporary locations is extended to include covered property in the care, custody or control of a salesperson subject to the \$15,000 coverage limit.
- The coverage provided for property in transit is no longer limited to property in a motor vehicle you own, lease or operate, and is extended to include covered property in the care, custody or control of a salesperson subject to the \$15,000 coverage limit.
- Installation coverage is provided subject to a \$15,000 limit.
- The coverage for loss to outdoor trees, shrubs and plants (other than stock) is extended to apply to loss caused by any covered cause of loss, instead of limited named perils, and the limit on this coverage is increased to \$25,000 per occurrence, without a per item sublimit.
- The reward coverage is extended to apply to theft and vandalism losses in addition to arson losses.
- The limit that applies to loss of money and securities at any location other than the described premises or the premises of a bank or savings institution is increased to \$5,000.
- Coverage is provided for loss to duplicate valuable papers and record, including computer records (electronic data) permanently stored at locations other than the described premises, subject to a \$50,000 limit.
- The Accounts Receivable coverage is extended to apply to loss caused by any covered cause of loss, instead of named perils, and extended to apply to loss of accounts receivable resulting from loss to records at newly acquired locations, temporary locations or in transit, instead of described premises only. A \$25,000 limit continues to apply with respect to loss to records at the described premises, and a \$15,000 limit applies with respect to loss to records at each newly acquired location, each temporary location or in transit.
- The extra expense coverage is extended to apply to extra expense you incur due to loss to access routes to your premises when you are a tenant or owner of only a portion of the building at those premises. A \$25,000 limit continues to apply to this extra expense coverage.
- If more than one deductible applies to loss or damage in any one occurrence, the total of all deductible amounts applied will not exceed the single highest deductible.
- Most property, including property of others is valued on a replacement cost basis. Stock that is sold but not delivered and finished stock you manufacture are valued on a selling price basis. Valuation on an actual cash value basis is available as an option. When the Actual Cash Value option applies, the building damage threshold within which buildings are valued on a replacement cost basis is increased to \$25,000.

- **CAUSES OF LOSS – SPECIAL FORM**

The Causes of Loss – Special Form (G-18660) includes the following broadenings of coverage:

- All provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises.
- Equipment Breakdown may be included as a covered cause of loss. When elected, the coverage provided approximates the coverage available under separate Boiler and Machinery and Electronic Data Processing forms for such loss, avoiding gaps and overlaps in coverage, as well as issues in determining coverage applicability and loss payment among multiple policies and insurers.

The Cause of Loss – Special form includes coverage for the breakdown of most equipment (including electronic data processing equipment), other than manufacturing and processing equipment, with options available to:

- Exclude coverage for loss caused by Equipment Breakdown
- Limit coverage to the breakdown of boilers and fired or unfired pressure vessels
- Limit coverage to the breakdown of electronic data processing equipment, boilers and fired or unfired vessels
- Limit coverage to the breakdown of electronic data processing equipment Extend coverage to include the breakdown of production equipment

The Equipment Breakdown cause of loss and options (other than the Equipment Breakdown exclusion) are subject to an additional premium. Refer to your Declarations to determine whether Equipment Breakdown coverage is excluded or if any of the Equipment Breakdown options listed above applies.

- The limit that applies to loss caused by the back up of sewers or drains is increased to \$10,000.
- Coverage is added for additional expenses incurred to clean-up, repair, replace or dispose of covered property that is damaged or contaminated by pollutants as the result of a covered Equipment Breakdown. Pollutant Additional Expense is added as an additional coverage. When the pollutant is ammonia, this coverage is provided subject to the limit that applies to the damaged covered property. When the pollutant is other than ammonia, the limit applicable to this coverage is the lesser of \$50,000 or the limit that applies to the damaged covered property.
- The Earth Movement and Water exclusions are amended to no longer apply to property in the custody of salespersons or to the Restoration of Data, Valuable Papers and Records, Storage of Duplicate Data and Records, or Accounts Receivable Coverage Extensions in the Building and Personal Property Coverage Form.
- The dishonest or criminal acts exclusion and the exclusion of rain, snow, ice or sleet damage to property in the open is amended to no longer apply to property in the custody of carriers or bailees for hire.
- The discharge, dispersal, seepage, migration, release or escape of pollutants exclusion is amended to no longer apply to the Restoration of Data, Valuable Papers and Records, Storage of Duplicate Data and Records, or Accounts Receivable Coverage Extensions in the Building and Personal Property Coverage Form.
- The exclusion of loss to building interiors and personal property in a building or structure caused by rain, snow, sleet, ice, sand or dust, unless the exterior of the building first sustains damage by a covered cause of loss, or unless the loss or damage is caused by or results from thawing or snow, sleet or ice on the building or structure, no longer applies.

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- The exclusion of loss of building materials and supplies not attached to the building or structure caused by theft no longer applies.
- The exclusion of loss or damage to gutters or downspouts caused by the weight of snow, ice or sleet no longer applies
- The missing property exclusion no longer applies to:
 - Property in the custody of carriers or other bailees for hire;
 - Electronic data processing equipment;
 - The Restoration of Data, Valuable Papers and Records, Storage of Duplicate Data and Records, or Accounts Receivable Coverage Extensions in the Building and Personal Property Coverage Form; or
 - Loss of Business Income or Extra Expense resulting from loss to computer records (electronic data).
- The limitation on theft of stamps, tickets, and letters of credit no longer applies.
- **BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM**

The Business Income and Extra Expense Coverage Form (G-17850) includes the following broadenings of coverage:

 - Provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises.
 - Coverage is added for loss of business income and extra expense incurred due to direct physical loss or damage by a covered cause of loss to property in the due course of transit. This coverage is subject to a \$10,000 limit.
 - Under the Newly Acquired Locations Coverage Extension, the period of coverage is increased to 180 days and the limit is increased to \$250,000.
- **BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM**

The Business Income (Without Extra Expense) Coverage Form (G-20126) includes the following broadenings of coverage:

 - Provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises.
 - Coverage is added for loss of business income incurred due to direct physical loss or damage by a covered cause of loss to property in the due course of transit. This coverage is subject to a \$10,000 limit.
 - Under the Newly Acquired Locations Coverage Extension, the period of coverage is increased to 180 days and the limit is increased to \$250,000.
- **EXTRA EXPENSE COVERAGE FORM**

The Extra Expense Coverage Form (G-120574) includes the following broadenings of coverage:

 - Provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises.
 - Under the Newly Acquired Locations Coverage Extension, the period of coverage is increased to 180 days.

CHANGES WHICH BOTH BROADEN AND REDUCE COVERAGE

- **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

The Building and Personal Property Coverage Form (G-18641) includes the following changes which both broaden and reduce coverage:

- Outdoor signs not attached to buildings are covered up to the applicable covered property limit instead of a \$5000 per location limit. This is a reduction in coverage only if the value of the signs is not in contemplated in the applicable covered property limit and the amount of covered loss to all property subject to that limit exceeds the limit.
- Manufacturers Consequential Loss Assumption coverage is provided subject to the applicable business personal property coverage limit instead of a \$10,000 limit. If this coverage was provided under your prior policy, this is a reduction in coverage only if the additional value this exposure represents is not contemplated in the applicable business personal property limit and the amount of covered loss to all property subject to that limit exceeds the limit
- If, following a covered loss to branded or labeled merchandise that is covered property, we elect to take all or any part of the property at an agreed or appraised value, permission is granted to stamp "salvage" on the damaged merchandise or to remove the brands and labels and relabel the merchandise. The loss is covered up to the applicable business personal property limit. There is no longer a limitation on the amount that will be paid for the loss because of the resulting reduction in salvage value, but the cost to stamp "salvage" on the damaged merchandise or to remove the brands and labels and relabel the merchandise is not covered. When brands and labels coverage was provided under the prior program both the reduction in the salvage value and the cost to stamp "salvage" on the damaged merchandise or to remove the brands and labels and relabel the merchandise were covered subject to a \$10,000 limit.

CHANGES WHICH REDUCE COVERAGE

- **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

The Building and Personal Property Coverage Form (G-18641) includes the following reductions in coverage:

- The 30 days' all risk coverage provided under the Preservation of Property Additional Coverage no longer applies to property moved for repair. Coverage for loss or damage to this property caused by or resulting from a covered cause of loss is provided under the \$15,000 Property Off Premises Coverage Extension.
- Fine arts are covered subject to the applicable business personal property limit. An additional \$10,000 limit is no longer provided.

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For All the Commitments You Make®

G-123098-B
(Ed. 6/98)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COORDINATION OF DEDUCTIBLES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART

The following is added to the **DEDUCTIBLE** provisions in the Commercial Property Coverage Part and Commercial Inland Marine Coverage Part of this policy:

If, as a result of the same occurrence, more than one deductible applies to:

1. Loss or damage under the Commercial Property Coverage Part; and/or

2. "Loss" under the Commercial Inland Marine Coverage Part;

we will apply each deductible separately. But the total of all deductible amounts applied will not exceed the single highest deductible.

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THIS ENDORSEMENT IS ADDED TO THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COVERAGE FOR DATE-RELATED COSTS

This endorsement applies to insurance provided under the following:

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

A. We will not pay any costs or expenses you or others directly or indirectly incur to:

1. Assess, design, identify, inspect, install, maintain, modify, monitor, rectify, repair, replace, reprogram or test any equipment, systems, software, or any components thereof, as described in Section B. of this endorsement:

a. Because of the manner in which such equipment, systems, software, or any components thereof recognize, interpret, process or differentiate dates or times, or are unable to recognize, interpret, process or differentiate dates or times; or

b. In anticipation of the manner in which such equipment, systems, software, or any components thereof may recognize, interpret, process or differentiate dates or times, or may be unable to recognize, interpret, process or differentiate dates or times; or

2. Obtain advice or consultation with respect to A.1. above.

Without limiting the breadth or scope of the foregoing, one example of the type of cost or expense excluded hereunder is any cost or expense to modify or test equipment, systems, software, or any components thereof, because of the manner in which they recognize, interpret, process or differentiate, dates or times as a consequence of the date change from 1999 to 2000.

B. Equipment, systems, software, or any components thereof include, but are not limited to, the following, whether belonging to any insured or to others:

1. Computer hardware;
2. Computer software;
3. Computer firmware meaning computer programs contained in a hardware device as a read-only memory;

4. Computer operating systems and related software;

5. Computer networks;

6. Microprocessors or micro chips, whether or not part of any computer or computerized system;

7. Any other computerized or electronic equipment, components or circuitry; or

8. Any other products, equipment, services, data or functions that directly or indirectly incorporate, use or rely upon, in any manner, any of the items listed in paragraph B.1. through B.7. above.

C. With respect to any insurance provided for loss of Business Income or Extra Expense, we will not pay for any loss or expense directly or indirectly incurred due to the period of time required to:

1. Assess, design, identify, inspect, install, maintain, modify, monitor, rectify, repair, replace, reprogram or test any equipment, systems, software, or any components thereof, as described in Section B. of this endorsement:

a. Because of the manner in which such equipment, systems, software, or any components thereof recognize, interpret, process or differentiate dates or times, or are unable to recognize, interpret, process or differentiate dates or times; or

b. In anticipation of the manner in which such equipment, systems, software, or any components thereof may recognize, interpret, process or differentiate dates or times, or may be unable to recognize, interpret, process or differentiate dates or times; or

2. Obtain advice or consultation with respect to C.1. above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESS AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM 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
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

COMMON POLICY CONDITIONS

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

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for 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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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EFFECTIVE TIME CHANGES – REPLACEMENT OF 12 NOON

This endorsement modifies the COMMON POLICY DECLARATIONS.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
PENNSYLVANIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

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

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

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

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies Insurance provided under the following:

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

A. For insurance provided under the:

Boiler and Machinery Coverage Part
Commercial Crime Coverage Part
Commercial Inland Marine Coverage Part
Commercial Property Coverage Part

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

F. TRANSFER OF YOUR RIGHTS AND 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.

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

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

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

B. For insurance provided under the:

Commercial Inland Marine Coverage Part
Commercial Property Coverage Part
Farm Coverage Part

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

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

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

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

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

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
**PENNSYLVANIA CHANGES – CANCELLATION
 AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 BUSINESSOWNERS POLICY
 COMMERCIAL AUTO COVERAGE PART
 COMMERCIAL CRIME COVERAGE PART*
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A) or public employee dishonesty (Coverage Forms O and P).

- A. The Cancellation Common Policy Condition is replaced by the following:**

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. **Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. **Cancellation Of Policies In Effect For 60 Days Or More**

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

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.
- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known

during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

20020025 10565028255652



6. 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 and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.
- B.** The following are added and supersede any provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. Increase Of Premium.

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

PENNSYLVANIA NOTICE

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

1. surveys;
2. consultation or advice; or
3. inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

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

Instruction to Policy Writers

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

2002002510555028255653



Important Notice To Policyholders
Property, Crime, Inland Marine and Boiler and Machinery Coverage Parts
(Attachment of G-129948-A, Exclusion of Coverage For Date Related Costs)

This notice is designed to give you an overview of how the Property, Inland Marine, Crime or Boiler Machinery Coverage Part or your policy addresses date related claims. This notice is **not** your policy. **READ YOUR POLICY CAREFULLY** to determine rights, duties, and what is and is not covered. Only the provisions of your policy determine the scope of your insurance protection.

If your policy contains a Property, Inland Marine, Crime or Boiler Machinery Coverage Part, **G-129948-A**, Exclusion of Coverage For Date Related Costs will be attached to your policy. This new exclusion endorsement specifically reinforces that there is no coverage under the Commercial Property, Inland Marine, Crime and Boiler and Machinery Coverage Parts of your policy for:

- Costs or expenses incurred to assess, design, identify, inspect, install, maintain, modify, monitor, rectify, repair, replace, reprogram or test any equipment, systems, software or their components due to the manner, or in anticipation of the manner, in which equipment, systems, software, or their components recognize, interpret, process or differentiate dates or times, or are unable to recognize, interpret, process or differentiate dates or times; or
- Loss of business income or extra expense incurred due to the period of time required to assess, design, identify, inspect, install, maintain, modify, monitor, rectify, repair, replace, reprogram or test any equipment, systems, software or their components due to the manner, or in anticipation of the manner, in which equipment, systems, software, or their components recognize, interpret, process or differentiate dates or times, or are unable to recognize, interpret, process or differentiate dates or times.

Please note that this exclusion endorsement is **not a reduction** in the coverage provided under the existing policy forms. Physical loss or damage is a prerequisite to coverage under all first party property damage and time element coverages, as set forth clearly in your policy. In the majority of cases, it is anticipated that date-related incidents will not result in direct physical loss or damage, but will instead result in dissatisfaction with the manner in which equipment, systems, software, or their components recognize, interpret, process or differentiate dates or times, even though the property is operating as it was designed or programmed to operate.

For example, if the equipment is programmed to only accept the last two digits of any year (e.g. XX) and the programming is also designed to recognize the first two digits of the year as 19, the equipment will correctly recognize the year 2001 as 1901, as designed. It may not be the result that the user is looking for, but there is no direct physical loss or damage to the equipment, as it is performing exactly as it was designed.

In the event direct physical loss or damage does result from a date related incident, we will rely on our existing policy provisions and exclusions in determining whether or not there is coverage for the resulting loss or damage.

2002025 1068502855554



FILED ^{No}cc
M 110:50 ~~St~~ Atty pd. 80.00
FEB 15 2002

~~W~~
William A. Shaw
Prothonotary

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket # 12125

AMERICAN CASUALTY COMPANY OF RADING, PA.

02-222-CD

VS.

DELONG, STEPHEN

COMPLAINT

SHERIFF RETURNS

NOW MARCH 6, 2002 AT 12:50 PM EST SERVED THE WITHIN COMPLAINT ON
STEHEEN DELONG, DEFENDANT AT RESIDENCE, CLEARFIELD COUNTY JAIL,
410 21ST ST., CLEARFIELD, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING
TO STEPHEN DELONG A TRUE AND ATTESTED COPY OF THE ORIGINAL
COMPLAINT AND MADE KNOWN TO HIM THE CONTENTS THEREOF.
SERVED BY: COUDRIET

Return Costs

Cost	Description
32.35	SHFF. HAWKINS PAID BY: ATTY.
10.00	SURCHARGE PAID BY: ATTY.

Sworn to Before Me This

25 Day Of April 2002

William A. Shaw

WILLIAM A. SHAW
Prothonotary
My Commission Expires
1st Monday in Jan. 2006
Clearfield Co., Clearfield, PA

So Answers,

Chester A. Hawkins
by Mandy Harris
Chester A. Hawkins
Sheriff

FILED

APR 25 2002

013:00 PM
William A. Shaw
Prothonotary

Ed

IN THE COURT OF COMMON PLEAS
OF CLEARFIELD COUNTY, PENNSYLVANIA

AMERICAN CASUALTY COMPANY OF
READING, PA, AS SUBROGOR FOR
FIRST COMMONWEALTH FINANCIAL
CORPORATION, DEPOSIT BANK,

PLAINTIFF,

VS.

STEPHEN DELONG,

DEFENDANT.

) CIVIL DIVISION

) NO. 02-222-CD

) ISSUE NO.

) **PRAECIPE FOR JUDGMENT OF NON**
) **PROS**

) FILED ON BEHALF OF:
) PLAINTIFF

) COUNSEL OF RECORD FOR PARTY:
) MARK L. REILLY
) PA. I.D. #53549

) SUITE 1750, TWO CHATHAM CENTER
) PITTSBURGH, PA 15219-3421

) (412)560-3429

FILED

MAY 06 2002

William A. Shaw
Prothonotary

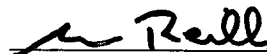
m. l. reilly
pd \$20.00
notice to Dep
EL
KES

PRAECIPE FOR JUDGMENT OF NON-PROS

TO: PROTHONOTARY

Please enter a Judgment of Non Pros in the above-captioned case against
STEPHEN P. DELONG for his failure to file a responsive pleading within twenty (20) days after
service of a Complaint.

MARK REILLY



Attorney for PLAINTIFFS,
AMERICAN CASUALTY COMPANY OF
READING, PA, AS SUBROGOR FOR
FIRST COMMONWEALTH FINANCIAL
CORPORATION DEPOSIT BANK

IN THE COURT OF COMMON PLEAS
OF CLEARFIELD COUNTY, PENNSYLVANIA

AMERICAN CASUALTY COMPANY OF
READING, PA, AS SUBROGOR FOR
FIRST COMMONWEALTH FINANCIAL
CORPORATION, DEPOSIT BANK,

PLAINTIFF,

VS.

STEPHEN DELONG,

DEFENDANT.

) CIVIL DIVISION

) NO. 02-222-CD

) ISSUE NO.

) NOTICE OF PRAECIPE TO ENTER
) JUDGMENT OF NON PROS

) FILED ON BEHALF OF:
) PLAINTIFF

) COUNSEL OF RECORD FOR PARTY:
) MARK L. REILLY
) PA. I.D. #53549

) SUITE 1750, TWO CHATHAM CENTER
) PITTSBURGH, PA 15219-3421

) (412)560-3429

IN THE COURT OF COMMON PLEAS
OF CLEARFIELD COUNTY, PENNSYLVANIA

AMERICAN CASUALTY COMPANY OF)	CIVIL DIVISION
READING, PA, AS SUBROGOR FOR)	
FIRST COMMONWEALTH FINANCIAL)	
CORPORATION, DEPOSIT BANK,)	
)	
PLAINTIFF,)	NO. 02-222-CD
VS.)	ISSUE NO.
STEPHEN DELONG,)	
DEFENDANT.)	
)	
)	

NOTICE OF PRAECIPE TO ENTER JUDGMENT OF NON PROS

TO: Stephen DeLong
R. D. #2, Box 407
658 Phil Street
DuBois, PA 15801

IMPORTANT NOTICE

YOU ARE IN DEFAULT BECAUSE YOU HAVE FAILED TO FILE AN ANSWER TO THE COMPLAINT IN THIS CASE. UNLESS YOU ACT WITHIN TEN DAYS FROM THE DATE OF THIS NOTICE, A JUDGMENT MAY BE ENTERED AGAINST YOU WITHOUT A HEARING AND YOU MAY LOSE YOUR RIGHT TO ACT AGAINST THE PLAINTIFF. YOU SHOULD TAKE THIS NOTICE TO A LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE FOLLOWING OFFICE TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Court Administrator
Clearfield County Courthouse
Second and Market Street
Clearfield, PA 16830
814-765-2641, Ext. 5051

MARK L. REILLY

4-1-2002
DATE

Reilly
Attorney for PLAINTIFF

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the within
NOTICE OF PRAECIPE TO ENTER JUDGMENT OF NON PROS upon:

Stephen DeLong
R.D.#2, Box 407
658 Phil Street
DuBois, Pennsylvania 15801
(Sent Certified Mail Return/Receipt)

by first class mail, postage prepaid in the above-referenced case on this 1st day of
April, 2002.

MARK L. REILLY



Attorney for PLAINTIFF

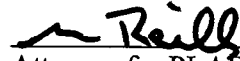
CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the within
PRAECIPE FOR JUDGMENT OF NON PROS upon:

Stephen DeLong, EX8025
SCI – Camp Hill
P. O. Box 200
Camp Hill, PA 17001-0200

by first class mail, postage prepaid in the above-referenced case on this 21 day of
may, 2002.

MARK REILLY


Attorney for PLAINTIFFS,
AMERICAN CASUALTY COMPANY OF
READING, PA, AS SUBROGOR FOR
FIRST COMMONWEALTH FINANCIAL
CORPORATION DEPOSIT BANK

NOTICE TO BE SENT TO

Stephen P. DeLong, EX8025
SCI-Camp Hill
P. O. Box 200
Camp Hill, PA 17001-0200

COPY

NOTICE OF ORDER OF JUDGMENT

- ☐ Plaintiff
☒ Defendant
☐ Garnishee

You are hereby notified that the following Order of Judgment has been entered against you on the 6th day of May, 2002.

- ☐ If not satisfied within sixty (60) days, your motor vehicle operator's license will be suspended by the Department of Transportation, Bureau of Traffic Safety, Harrisburg, Pennsylvania.

☒ Entry of Judgment of ☐ Court Order

☒ Non-Pros

☐ Default

☐ Verdict

☐ Arbitration Award

☐ By Confession

PROTHONOTARY

William L. Lukan
Deputy