



Policy No. **MAC 2387534-0813**
Renewal of **NEW**

CERTIFICATE OF COVERAGE**NAMED INSURED: Inspection Perfection, LLC****AND ADDRESS:** 1010 University Ave. PMB 1865
San Diego, CA 92103

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

AGENT'S NAME AND ADDRESS:CITADEL INSURANCE SERVICES, LC
826 EAST STATE ROAD, SUITE 100
AMERICAN FORK, UT 84003

Insurance is afforded by the Company indicated below, a Capital Stock Corporation:
GREAT AMERICAN E&S INSURANCE COMPANY

POLICY PERIOD: From 7/25/2011 To 7/25/2012
12:01 A.M. Standard Time at the address of the Named Insured

This policy consists of the following Coverage Parts for which a premium is indicated. This premium may be subject to adjustment.

Inspector Professional Liability	\$ 1,104.50
Commercial General Liability	\$ INCLUDED
Employee Theft & Forgery	\$ INCLUDED

Policy Fee:	\$ 0.00
Surplus Tax:	\$ 33.14
Stamping Fee:	\$ 2.76

TOTAL \$ 1,104.50**FORMS AND ENDORSEMENTS**

applicable to all Coverage Parts and made part of this Policy at time of issue are listed on the attached Forms and Endorsements Schedule IL 88 01 (11/85).

POLICY ALTERNATE MAILING ADDRESS:**NOTICE – See enclosed “Surplus Lines Notification”**

BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following form and endorsements are attached to and are part of this policy:

AES 3061	12/05	BUSINESS PRO POLICY COMMON DECLARATIONS
AES 3012	01/09	GENERAL SERVICE OF SUIT ENDORSEMENT
IL 7125	10/92	NAMED INSURED (PURCHASING GROUP WORDING)
IL 8802	11/85	BUSINESSPRO GENERAL ENDORSEMENT (RISK PURCHASING GROUP ENDORSEMENT)
AES 4000	11/98	COMMON POLICY CONDITIONS
AES 3005	05/01	COMMON POLICY CONDITIONS AMENDMENT
AES 3232	01/11	INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM DECLARATIONS PAGE
AES 3231	01/11	INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM
AES 3239	01/11	MORTGAGE FIELD SERVICES
AES 3243	01/11	LOCK BOX COVERAGE EXTENSION
AES 3244	01/11	REDUCING DEDUCTIBLE ENDORSEMENT
AES 3245	04/11	LIMITED ADDITIONAL INSURED – REFERRAL
AES 3249	01/11	POOL INSPECTION EXCLUSION DELETED
AES 3253	01/11	WAIVER OF DEDUCTIBLE ENDORSEMENT
CG 7400	11/85	BUSINESS PRO GENERAL LIABILITY COVERAGE PART DECLARATIONS PAGE
CG 0002	12/07	COMMERCIAL GENERAL LIABILITY COVERAGE FORM – CLAIMS MADE
AES 3013	06/10	DEDUCTIBLE LIABILITY INSURANCE
CG 7606	05/90	TOTAL POLLUTION EXCLUSION ENDORSEMENT
CG 8448	08/09	INTELLECTUAL PROPERTY EXCLUSION AMENDMENT
IL 0021	09/08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
CG 8481	01/10	ORGANIC PATHOGEN EXCLUSION
CG 8361	02/05	SILICA OR RELATED DUST EXCLUSION
CG 2147	12/07	EMPLOYMENT – RELATED PRACTICES EXCLUSION
AES 3077	07/07	PROFESSIONAL LIABILITY/E&O EXCLUSION
AES 3016	05/01	PRE-EXISTING DAMAGE EXCLUSION
AES 3018	05/01	ABSOLUTE ASBESTOS EXCLUSION
CG 7794	07/98	EXCLUSION – LIABILITY ARISING OUT OF LEAD
AES 3103	06/04	METAL GAS EXCLUSION
AES 3045	08/07	AIRCRAFT PRODUCTS AND GROUNDING LIABILITY EXCLUSION
CG 8480	01/10	EMPLOYERS LIABILITY EXCLUSION
CG 0056	03/97	AMENDMENT OF OTHER INSURANCE CONDITION
AES 3004	05/01	PREMIUM AUDIT CONDITION AMENDMENT
AES 3006	05/01	EXTENDED REPORTING PERIODS AMENDMENT SECTION V (CLAIMS MADE)
AES 3039	10/97	LIMITATION OF COVERAGE- SPECIFIED OPERATIONS
IL 0985	01/08	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
CG 2184	01/08	EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG 8366	06/05	NUCLEAR, BIOLOGICAL, OR CHEMICAL EXCLUSION
CG 2176	01/08	EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM



BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

CR 7811	08/07	EMPLOYEE THEFT AND FORGERY POLICY DECLARATIONS
CR 0029	05/06	EMPLOYEE THEFT AND FORGERY POLICY (LOSS SUSTAINED FORM)
CR 0401	05/06	CLIENTS' PROPERTY
IL 7236	07/05	NUCLEAR, BIOLOGICAL OR CHEMICAL EXCLUSION

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**
- 6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

GENERAL SERVICE OF SUIT ENDORSEMENT
(Not applicable in Delaware or Pennsylvania)

Pursuant to any statute of any state or district of the United States of America that makes provision therefor, the insurer hereby designates the commissioner, superintendent or director of insurance or other officer specified for that purpose in the statute and his or her successors in office and duly authorized deputies in the state where this Policy is issued, as the insurer's true and lawful attorney for service of legal process in any action, suit or proceeding brought in the state where this Policy is issued by or on behalf of an insured or beneficiary against the insurer arising out of the insurance issued under this Policy. Any legal process received by such attorney for service of legal process shall be forwarded, except as provided below, to the attention of: **Eve Cutler Rosen, General Counsel, GREAT AMERICAN E&S INSURANCE COMPANY, 580 Walnut Street, Cincinnati, Ohio 45202.**

In **California**, any legal process received by the insurer's statutory attorney for service of process shall be forwarded to the attention of: **Jere Keprios, The CT Corporation System, 818 West Seventh Street, Los Angeles, California 90017;**

In the **District of Columbia**, any legal process received by the insurer's statutory attorney for service of process shall be forwarded to **CT Corporation System, 1015 15th Street, NW, Suite 1000, Washington, DC 20005;**

In **Maine**, the insurer hereby designates CT Corporation System as its attorney for service of legal process in any action relating to this Policy, and directs that all such legal process be mailed to: **CT Corporation System, One Portland Square, Portland, Maine 04101.**

In **Oregon**, the insurer and the Insured policyholder hereby agree to waive the provisions of Oregon Insurance Code section **735.490** requiring that service of legal process in any action relating to this Policy shall be served on the insurance agent who registered or delivered this Policy, and instead agree that such service of legal process be mailed directly to **Eve Cutler Rosen, General Counsel, GREAT AMERICAN E&S INSURANCE COMPANY, 580 Walnut Street, Cincinnati, Ohio 45202.**

In **Rhode Island**, the insurer hereby designates CT Corporation System as its attorney for service of legal process in any action relating to this Policy, and directs that all such legal process be mailed to: **CT Corporation System, 10 Weybosset Street, Providence, Rhode Island 02903.**

The foregoing designations of attorney for service of legal process upon the insurer shall not constitute a waiver of the insurer's rights to remove, remand, dismiss or transfer any suit or proceeding from any court, or to commence any suit or other proceeding in any court of competent jurisdiction.



NAMED INSURED

It is agreed that the Named Insured and the form of Business Organization shown in the Declarations is amended to read as follows:

All Participating Members of The Real Estate Services Purchasing Association as scheduled on the individual certificate of insurance and or the schedule of named insureds attached thereto.



BUSINESSPRO GENERAL ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RISK PURCHASING GROUP ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

The following is added to **SECTION III. LIMITS OF INSURANCE** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** AND **SECTION VI. LIMITS OF INSURANCE** of the **INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM**:

Limits For Certificate of Coverage

The Limits of Insurance of this policy apply individually to each certificate of coverage issued to members of the **The Real Estate Services Purchasing Group**. Limits of Insurance shown on each certificate of coverage are the limits for that individual member only.

The following are added to **Section IV. COMMERCIAL GENERAL LIABILITY CONDITIONS** of the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM** AND **SECTION VII. OTHER PROVISIONS AFFECTING COVERAGE** of the **INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM**:

Policy Period

It is agreed that the policy period shown on the individual certificate of coverage is the period that insurance is in force for that individual certificate holder, regardless of the policy period of this policy: however, the expiration date on the individual certificate of coverage shall not be a later date than the expiration date of this policy.

Amendments Attached to Certificate of Coverage

It is agreed that if any exclusions, restrictions or amendments of coverage are shown on the certificate of coverage issued to an individual "Insured," that exclusion, restriction or amendment shall be deemed part of this policy as respects that individual "Insured".

This endorsement does not change any other provision of the policy.



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 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.

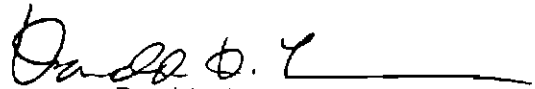
F. Transfer Of Your Rights And Duties Under This Policy

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.

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.


Secretary


President



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS AMENDMENT

The following Conditions are added to the **COMMON POLICY CONDITIONS** of this policy.

G. Fraud and Misrepresentation

- a. This policy was issued based on the information supplied on an application and other correspondence including your claim or loss history. This information is considered to be part of this policy.
- b. You should review this information carefully as the truth of this information was of paramount importance in influencing our decision to issue this policy.
- c. You, for all the Insureds under this policy, do warrant the truth of such information to the best of your knowledge at the inception date of this policy.
- d. If such information is false or misleading, it may cause denial of coverage or voiding of the policy.

H. Premium Financing/Cancellation of Financed Policy

- a. When we receive notification that the premium for this policy has been advanced by a premium financed company, we will acknowledge receipt of the premium finance agreement to the finance company on our form, when requested, but we will not amend or extend this policy.

- b. When we otherwise become aware that you financed all or part of this policy's premium, regardless of whether or not we receive a notice of premium financing, we will not be bound, as respects coverage we provide, by the terms of your finance agreement. This policy alone governs coverage.
- c. When you sign a premium finance agreement, by the terms of the agreement, you may be giving the premium finance company the right, under certain conditions, to cancel this policy on your behalf. When we receive notice of cancellation from the finance company, we will recognize their request for termination of this insurance and we will pay any return premium due as directed by the premium finance company. The return premium will be calculated on a pro-rata basis.
- d. The premium finance company will usually require that payment of any return premium be made directly to them and we will honor that request. If the requested termination date set by the premium finance company conflicts with other policy provisions or the operation of law, we will comply with the policy provision and/or applicable law. You must resolve any resulting premium differences directly with the finance company.
- e. The twenty-five percent (25%) minimum retained premium described in **A. Cancellation** may not be financed as it is not refundable.



AES 3232 (Ed. 01/11)

Policy No. MAC 2387534-0813

**INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM
CERTIFICATE OF COVERAGE**

NAMED INSURED: Inspection Perfection, LLC

POLICY PERIOD:
7/25/2011 – 7/25/2012

LIMITS OF INSURANCE

Aggregate Limit	\$ 1,000,000
Each Claim Limit	\$ 1,000,000
Deductible	\$ 1,500

RETROACTIVE DATE: This Insurance does not apply to “damage” which occurs before the Retroactive Date, if any, shown here: 7/25/2005

DESCRIPTION OF BUSINESS:

Form of Business: ☐ Individual ☐ Joint Venture ☐ Partnership
 ☒ Organization (Other than Partnership or Joint Venture)

Business Description: Inspection Companies

Total Advance Premium: INCLUDED

FORMS AND ENDORSEMENTS Applying to this Coverage Parts and Made Part of this Policy at Time of Issue are listed on the attached Forms and Endorsements Schedule IL 88 01 (11/85).

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

NOTICE: THIS IS A CLAIMS MADE POLICY. COVERAGE IS LIMITED TO LIABILITY FOR CLAIMS FIRST MADE AGAINST THE INSURED DURING THE "POLICY PERIOD" AND REPORTED TO THE COMPANY DURING THE "POLICY PERIOD" OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

NOTICE: THE LIMITS OF LIABILITY AVAILABLE UNDER THIS POLICY SHALL BE REDUCED BY AMOUNTS INCURRED FOR "DEFENSE EXPENSES" OR "DAMAGES" OR BOTH.

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

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

The word "insured" means any person or organization qualifying under **SECTION III – WHO IS AN INSURED.**

Other words and phrases that appear in boldface have special meaning. Refer to **SECTION IV – DEFINITIONS.**

I. COVERAGE

We shall pay amounts the Insured is legally obligated to pay as "damages" and "defense expenses" because of any "claim" made against the Insured during the "policy period" and reported to the Company during the "policy period" or extended reporting period, if applicable, by reason of a "wrongful act" in the performance of or failure to perform "inspection services" by the Insured or by another for whom the Insured is legally liable. The "wrongful act(s)" must have been committed on or subsequent to the retroactive date specified on the Inspector Professional Liability Coverage Form Declarations Page and before the end of the "policy period".

II. DEFENSE AND "DEFENSE EXPENSES" (INCLUDED WITHIN THE LIMITS OF LIABILITY)

We shall pay expenses related to the following which are **WITHIN THE LIMITS OF LIABILITY:**

- A. We have the right and duty, at our expense, to defend and to appoint counsel for any "claim" or "suit" brought against any Insured for a covered "wrongful act", even if the "claim" or "suit" is groundless, false or fraudulent. Our duty to defend any "claim" or "suit" ends after the applicable Limit of Liability has been exhausted by payment of "defense expenses" or "damages" or both. "DEFENSE EXPENSES" AND "DAMAGES" ARE SUBJECT TO AND INCLUDED WITHIN THE LIMITS OF LIABILITY UNDER THIS POLICY AND WILL NOT INCREASE OUR LIMITS OF LIABILITY AS STATED IN THE DECLARATIONS.**

- B.** No insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- C.** We may, at our discretion, investigate any "claim" and settle any "claim" or "suit" that may result.

III. WHO IS AN INSURED

The following are Insureds under the policy:

1. You.
2. If your business is a sole proprietorship, you and your spouse are Insureds, but only with respect to the conduct of your "inspection services".
3. If your business is a partnership or joint venture, you are an Insured. Your members, your partners and their spouses are also Insureds, but only with respect to the conduct of your "inspection services".
4. If your business is a limited liability company, you are an Insured. Your members are also Insureds, but only with respect to the conduct of your "inspection services". Your managers are Insureds, but only with respect to their duties as your managers.
5. If your business is an organization other than a sole proprietorship, partnership, joint venture, or limited liability company, you are an Insured. Your executive officers and directors are Insureds, but only with respect to the conduct of your "inspection services". Your stockholders are also Insureds, but only with respect to their liability as stockholders.
6. Your employees, other than your executive officers and directors are Insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your "inspection services".

IV. DEFINITIONS

- A.** "Bodily injury" means bodily injury, sickness or disease, mental anguish or emotional stress sustained by a person, including death resulting from any of these at any time.
- B.** "Claim"(s) means a written demand for money that is based upon an actual or alleged "wrongful act" of an Insured.
- C.** "Damage"(s) means any amounts that the Insured becomes legally obligated to pay on account of a covered "claim", including judgments, awards and settlements.

"Damages" shall not include:

1. civil or criminal fines, penalties, or sanctions, whether pursuant to law, statute, regulation or court rule;

2. any matter, sum or award that is uninsurable under the law pursuant to which this policy shall be construed;
3. the cost to comply with any injunctive or other non-monetary or declaratory relief or any agreement to provide such relief;
4. return of fees, commissions, or compensation or the performance of "inspection services" in lieu of return fees, commissions or compensation; and
5. any multiplied, punitive, or exemplary "damages".

D. "Defense Expenses" means:

1. attorneys' fees, expert witness fees, and other reasonable fees and costs incurred by us, or by you with our prior consent, in the investigation and defense of a covered "claim" or "suit";
2. premiums for appeal bonds, or bonds to release property used to secure a legal obligation, if required in a "claim" or "suit" we defend. We will only pay, however, for bonds valued up to our applicable Limit of Liability. We have no obligation to apply for, obtain or furnish these bonds;
3. post judgment interest which accrues after the entry of the judgment, but before we pay, offer to pay, or deposit in court that part of the judgment within our applicable Limit of Liability. We do not pay prejudgment interest.

"Defense expenses" shall not include wages, salaries, fees or costs of the directors, officers or employees of your company.

- E. "Discrimination" means the violation of any law, whether or not statutory or common law, because of race, color, religion, national origin, age, sex, disability, sexual orientation, pregnancy, or other protected category or characteristic established pursuant to any applicable United States federal, state or local statute or ordinance.
- F. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
- G. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- H. "Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group "fungi", lacking chlorophyll, and including "molds", rusts, mildews, smuts and mushrooms.
- I. "Inspection Services" means the visual examination of readily accessible systems components of a premise and Inspection Report generated as a result of such examination. "Inspection Services" does not include architectural or engineering inspections or services.

- J. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
- K. "Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and "fungi" that produce "molds".
- L. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- M. "Personal Injury" means injury other than "bodily injury" arising out of one or more of the following offenses:
 - 1. False arrest, detention or imprisonment;
 - 2. Malicious prosecution;
 - 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord or lessor;
 - 4. Oral or written publication of material that slanders or libels a person or organization, or disparages a person's or organization's goods, products, or services; or
 - 5. Oral or written publication of material that violates a person's right of privacy.
- N. "Policy Period" means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this Policy.
- O. "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
- P. "Property Damage" means:
 - 1. Physical injury to tangible property including the loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - 2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- Q. "Sexual Harassment" means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:
 - 1. Is linked with a decision affecting an individual's employment;
 - 2. Interferes with an individual's job performance; or

3. Creates an intimidating, hostile or offensive working environment for an individual
- R. "Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "fungus(i)", "mold(s)", mildew, plants or organisms or microorganisms.
- S. "Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes:
1. an arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
 2. any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.
- T. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- U. "Wrongful Act" means any breach of duty, neglect, error, misstatement, misleading statement, or omission in performing or failing to perform "inspection services" for clients for a fee.

V. EXCLUSIONS

This Policy shall not apply to:

- A. Any "personal injury";
- B. Any "bodily injury" or "property damage" arising out of the Insured's actions or failure to act while on any premise that is not owned, rented, leased or controlled by the Insured during the performance of a inspection;
- C. Any dishonest, fraudulent, criminal or malicious "wrongful act"; but this exclusion shall not apply to any Insured named in a "claim" or "suit" who did not personally participate in or direct such "wrongful act";
- D. Any "claim" brought by any person or organization covered under this Policy;
- E. Any obligation of the Insured under any worker's compensation, unemployment compensation, social security or disability benefits law, or under any similar law;
- F. Any "claim" based on or arising out of any actual or alleged liability assumed by any Insured under any contract or agreement, unless such liability would have attached to such Insured even in the absence of such contract;
- G. Any "claim" arising from:
 1. "Bodily injury," "property damage" or "personal injury" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

2. Any loss, cost or "defense expense" arising out of any:
 - a. request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - b. "claim" or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
- H. Any "discrimination" on any basis whatsoever;
- I. Any "sexual harassment" on any basis whatsoever;
- J. Any liability or "damage" because of "wrongful acts" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution or terrorism;
- K. Any "claim" arising from nuclear fission, nuclear fusion or radioactive contamination;
- L. Any violation of any anti-trust, price fixing or restraint of trade law or any infringement of copyright, patent, trademark, service mark or trade name;
- M. Any disputes involving the Insured's cost estimates, fees, or charges;
- N. Any theft, burglary, robbery, mysterious disappearance, inventory shortage or inventory shrinkage. Further, no coverage shall be provided for any direct or consequential "damage" resulting from or contributed to by any of the foregoing;
- O. Any "claim" arising out of the inspections performed for the purpose of ascertaining compliance with any laws, codes or regulations; or any Insured's failure to inspect for, discover or disclose any noncompliance with such laws, codes or regulations;
- P. Any "claim" arising out of the failure to discover, disclose or eradicate the presence of termites or other pests;
- Q. Any inspection, evaluation or testing of, or failure of the Insured to inspect, evaluate or test;
 1. any wall covering material, including paint, for the presence of lead; or
 2. any environmental and health hazards or conditions, including, but not limited to toxic, reactive, combustible and corrosive contaminants, also wildfire, flood, and geological conditions; or
 3. any presence of lead or lead byproducts; or
 4. any presence of radon or natural gases; or
 5. any presence of asbestos or materials containing urea-formaldehyde or asbestos; or

6. any presence of carbon monoxide; or
 7. any swimming pool, hot tub, whirl pool, sauna, steam room, or similar apparatus;
or
 8. any waste disposal system or water for purity or quality; or
 9. any security or safety device and/or system; or
- R. Any "claim" arising out of any entity or organization in which any Insured under this coverage has rendered the following services as a:
1. building or construction contractor; or
 2. developer; or
 3. design professional; or
 4. construction project manager; or
 5. property manager; or
 6. surveyor; or
 7. loss control inspector; or
 8. risk manager; or
 9. safety inspector; or
 10. real estate agent, broker, developer, consultant, salesperson; or
 11. real estate or construction appraiser; or
 12. mortgage banker, broker; or
 13. leasing, title, escrow, or insurance agent; or
 14. or any other title or description with the same or similar work responsibilities to those listed in this exclusion;
- S. Any "claim" arising out of the failure to maintain a license, or the right to practice, from any municipal, county, state or any other governmental regulatory body;
- T. Any actual or alleged warranty or guarantee as to the structural integrity, adequacy or fitness for a particular use or purpose of real property, including, but not limited to, any fixture, appliance, or system or any component parts thereof;
- U. Any inspection that is performed for or on behalf of any home warranty company or for the purposes of obtaining a home warranty policy or contract;
- V. Any inspection that is performed for the purpose of offering a warranty or guarantee of the value of real property;

- W. Any “claim” arising directly or indirectly out of, or in any way involving the formation, growth, presence, release, dispersal, containment, removal, testing for or detection or monitoring of, or failure to detect or monitor or warn about any “molds”, “fungi”, “spores” or other similar growth or organic matter, including but not limited to Aspergillus, Penicillium, or any strain or type of stachybotris, commonly collectively referred to as the Black “Molds.”

VI. LIMITS OF LIABILITY

- A. The limits shown in the Declarations to this policy and the information contained in this section fix the most we shall pay regardless of the number of:
1. Persons or organizations covered by this policy; or
 2. claimants, “claims” made, or “suits” brought.
- B. The Aggregate Limit stated on the Inspector Professional Liability Coverage Form Declarations Page is the most we shall pay for all “claims” covered under this policy. The Aggregate Limit is the total amount of “defense expenses” or “damages”, or both, that we will pay under this policy for all covered “claims”. Once the Aggregate Limit is exhausted, we will have no further obligation under this policy with respect to any and all “claims”.
- C. Subject to the Aggregate Limit, the Each “claim” Limit stated on the Inspector Professional Liability Coverage Form Declarations Page is the most we shall pay for each covered “claim” arising from the Insured's “wrongful act(s)”. The Each “claim” Limit is the maximum amount that we will pay on each covered “claim” for “defense expenses” or “damages”, or both. Once the Each “claim” Limit is exhausted, we shall have no further obligation under this policy with respect to such “claim”.
- D. Two or more covered “claims” arising out of a “wrongful act” or any series of related “wrongful acts” will be considered a single “claim”. This policy shall only apply if the first or earliest “claim” arising from such “wrongful act(s)” is made during the “policy period” and reported to us during the “policy period” or extended reporting period, if applicable.

VII. DEDUCTIBLE

You shall be responsible for the deductible amount shown on the Inspector Professional Liability Coverage Form Declarations Page. Expenses we incur in investigating and defending “claims” and “suits” are included in the deductible. The deductible applies to each “claim” and you may not insure against it. All “claims” arising from a single “wrongful act” or continuous, repeated, or related “wrongful acts” shall be subject to one deductible.

VIII. OTHER PROVISIONS AFFECTING COVERAGE

A. WHERE COVERAGE APPLIES

We cover “wrongful acts” in the United States of America, its territories and possessions, and Puerto Rico, but only if a “claim” is made and a “suit” is brought for such “wrongful act” in the United States of America, its territories and possessions, and Puerto Rico.

B. OUR ASSISTANCE AND COOPERATION

1. You agree to cooperate with and help us:
 - a. Make settlements;
 - b. Enforce any legal rights you or we may have against anyone who may be liable to you;
 - c. Attend depositions, hearings and trials; and
 - d. Secure and give evidence, and obtain the attendance of witnesses.

You shall not admit any liability, assume any financial obligation, or payout any money without our prior written consent. If you do, it shall be at your own expense.

C. LAWSUIT AGAINST US

1. No one can sue us to recover under this policy unless all of the terms have been honored.
2. A person or organization may sue us to recover up to the Limits of Liability under this policy only after your liability has been decided by:
 - a. Trial, after which a final judgment has been entered; or
 - b. A written settlement agreement signed by us, the Insured and the claimant or the claimant's legal representative.

D. BANKRUPTCY

You or your estate's bankruptcy or insolvency does not relieve us of our obligations under this Policy.

E. PREMIUMS

The first Named Insured shown in the Declarations:

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

F. OTHER MEMBER COMPANIES OF THE GREAT AMERICAN INSURANCE GROUP POLICIES

Two or more insurance policies may be issued by us or other member companies of The Great American Insurance Group. These policies may provide coverage for:

1. "claims" or "suits" arising from the same or related "wrongful act", and
2. Persons or organizations covered in those policies that are jointly and severally liable.

In such a case, we shall not be liable under this policy for an amount greater than the proportion of the loss that this policy's applicable Limit of Liability bears to the total applicable limits of liability under all such policies.

In addition, the total amount payable under all such policies is the highest single applicable Limit of Liability among all such policies.

G. 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 or are declared legally bankrupt, your rights and duties shall 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 shall have your rights and duties but only with respect to that property.

H. CHANGES

You are authorized to make changes in the terms of this policy with our written consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

I. DUTIES IN THE EVENT OF "WRONGFUL ACT", "CLAIM" OR "SUIT"

1. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:
 - a. How, when, and where the "wrongful act" took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or "damage" arising out of the "wrongful act".
2. If a "claim" is made or "suit" is brought against any Insured, you must:
 - a. Immediately record the specifics of the "claim" or "suit" and the date received; and

b. Notify us as soon as practicable.

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

3. You and any other involved Insured must:

a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”;

b. Authorize us to obtain records and other information;

c. Cooperate with us in the investigation or settlement of the “claim” or defense against the “suit”; and

d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or “damage” to which this insurance may also apply.

4. No Insured shall, except at the Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

J. OTHER INSURANCE

Subject to Condition F. above, we shall be excess over any other insurance including, but not limited to, any self-insurance. If there is other insurance which applies to any “claim” resulting from a “wrongful act” the other insurance shall pay first. This policy applies to the amount of the covered “claim” which is more than:

1. The Limits of Liability of the other insurance; and

2. The total of all deductibles and self-insured amounts under all such other insurance.

We shall not pay more than our Limits of Liability.

K. APPLICATION

The Statements in the application for the insurance that is provided under this Policy are your representations and are deemed material. This Policy is issued based upon the truth, accuracy and completeness of such representations. Upon the binding of coverage, such application and all information that has been provided by you or by any representative of yours to supplement such application is incorporated in this Policy and becomes part of this Policy by reference;

L. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If you have rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. You shall do nothing to impair them. At our request, you shall bring “suit” or transfer those rights to us and help us enforce them.

M. TITLES OF PARAGRAPHS

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

N. ARBITRATION

Notwithstanding the Service of Suit Clause included in this policy, in the event of a disagreement as to the interpretation of this policy, it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) arbitrators consisting of two (2) party-nominated (non-impartial) arbitrators and a third (impartial) arbitrator (hereinafter "umpire") as the sole and exclusive remedy. The party desiring arbitration of a dispute shall notify the other party, said notice to include the name, address and occupation of the arbitrator nominated by the demanding party and the other party shall, within thirty (30) days following receipt of the demand, notify in writing the demanding party of the name, address and occupation of the arbitrator nominated by it. The two (2) arbitrators so selected shall, within thirty (30) days of the appointment of the second arbitrator, select an umpire. If the arbitrators are unable to agree upon an umpire, each arbitrator shall submit to the other arbitrator a list of three (3) proposed individuals, from which list each arbitrator shall choose one (1) individual. The names of the two (2) individuals so chosen shall be subject to draw, whereby the individual drawn shall serve as umpire.

The parties shall submit their cases to the panel by written and oral evidence at a hearing time and place selected by the umpire. Said hearings shall be held within thirty (30) days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three (3) panel members shall be binding and final and not subject to appeal except for grounds of fraud and gross misconduct by the arbitrators. The award will be issued within thirty (30) days of the close of the hearings. Each party shall bear the Expenses of its designated arbitrator and shall jointly and equally share with the other the expense of the umpire and of the arbitration proceeding.

The arbitration proceeding shall take place in or in the vicinity of Cincinnati, Ohio. The procedural rules applicable to this arbitration, shall, except as provided otherwise herein, be in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

IX. CANCELLATION

- A. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation specifying the date that the cancellation shall be effective.
- B. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

1. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 2. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- C. We shall mail or deliver our notice to the first Named Insured's last mailing address known to us.
- D. Notice of cancellation shall state the effective date of cancellation. The "policy period" shall end on that date.
- E. If this policy is canceled, we shall send the first Named Insured any premium refund due. If the first Named Insured cancels this policy, the refund will be computed according to the customary short rate table subject to the minimum earned premium stated on the Inspector Professional Liability Coverage Form Declarations Page or 25% of the total advance premium stated on the Inspector Professional Liability Coverage Form Declarations Page, whichever is greater. If we cancel, the refund shall be pro rata. The cancellation shall be effective even if we have not made or offered a refund.
- F. If the cancellation notice is mailed, proof of mailing shall be sufficient proof of notice.

X. EXTENDED REPORTING PERIOD

In case of cancellation or non renewal of this Policy by either you or us, for reasons other than your nonpayment of amounts due under this policy or non compliance with the terms and conditions of this policy, you shall have the right to an Extended Reporting Period as follows:

A. Automatic Extended Reporting Period

Coverage as provided under this policy shall automatically continue for a period of sixty (60) days following the effective date of such cancellation or non renewal, but only with respect to "claims" for "wrongful acts" committed before the effective date of such cancellation or non renewal and subsequent to the retroactive date stated on the Inspector Professional Liability Coverage Form Declarations Page.

B. Optional Extended Reporting Period

You shall have the right, upon payment of the additional premium set forth in the table below to an extension of the coverage provided under this policy following the effective date of such cancellation or non renewal, but only with respect to "claims" for "wrongful acts" committed before the effective date of such cancellation or non renewal and subsequent to the retroactive date shown on the Inspector Professional Liability Coverage Form Declarations Page.

This right shall terminate, however, unless written notice of such election and payment of the additional premium is received by us no later than sixty (60) days after the effective date of cancellation or non renewal. At the commencement of Optional Extended Reporting Period, the entire premium therefore shall be considered earned, and in the event you terminate the Optional Extended Reporting Period before its term for any reason we shall not be liable to return to you any portion of the premium paid for the Optional Extended Reporting Period.

The first sixty (60) days of the Optional Extended Reporting Period, if it becomes effective, shall run concurrently with the Automatic Extended Reporting Period.

There is no separate or additional Limit of Liability for "claims" reported to us during the Extended Reporting Period.

Optional Extended Reporting Period Premium (Fully Earned) is equal to the percent listed below of the annual premium shown on the Inspector Professional Liability Coverage Form Declarations Page for the corresponding number of years.

1 year 85%
2 years 170%
3 years 255%

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MORTGAGE FIELD SERVICES

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

IV. Definitions. I. "Inspection Services" is amended to include the following:

"Inspection Services" also means the "Mortgage Field Services"

The following definition is added to the policy:

"Mortgage Field Services" means the inspection, reporting, notifications and documentation of properties.

"Mortgage Field Services" does not include repairs, building, remodeling, construction or any type of onsite work, other than the limited securing of a premise by locks, key changes or other necessary services to secure a premise.

All other terms and conditions of the policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOCK BOX COVERAGE EXTENSION

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is hereby understood and agreed that the following coverage is extended under this Policy:

Subject to all other terms and conditions, this Policy covers Loss and "Claims" Expenses the Insured becomes legally obligated to pay as a result of "Claims" arising out of the Insured's use and operation of a Lock Box.

All other terms, conditions and limitations of the Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REDUCING DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

Under Section VII - **DEDUCTIBLE** the following is added to the policy:

for each consecutive twelve month period in which you do not have a "claim" under this policy, the Each Loss Deductible stated on the Inspector Professional Liability Coverage Form Declarations Page will be reduced by 10%, subject to a maximum reduction of 50%. If you do not have a "claim" for five consecutive years, the Each Loss Deductible amount stated on the Inspector Professional Liability Coverage Form Declarations Page will be reduced by 50%. If you have a "claim", the Each Loss Deductible amount stated in Item 4 of the Declarations will not be reduced on any subsequent "claims" during the remainder of the "policy period" and the next "policy period".

For the purposes of this endorsement, a "claim" is considered made if:

- i. The amount paid for any and all "claims" exceeds the Each Loss Deductible amount stated on the Inspector Professional Liability Coverage Form Declarations Page;

As used in the endorsement, the Each Loss Deductible amount stated in i. above, shall be the amount stated on the Inspector Professional Liability Coverage Form Declarations Page, less any applicable reduction provided by this endorsement.

Regardless of any reduction applied to the Each Loss Deductible amount stated on the Inspector Professional Liability Coverage Form Declarations Page, the Aggregate Deductible, if applicable, will not be affected.

The coverage provided by this endorsement applies to active policies only. Inactive policies or terminated policies subject to an Extended Reporting Period are not eligible for this coverage.

All other terms and conditions of this Policy remain unchanged.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED ADDITIONAL INSURED – REFERRAL

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is understood and agreed that a referring real estate agent, real estate broker, mortgage lender, relocation company or other relevant third party referral source is a Limited Additional Insured under this Policy but only with respect to "claims" made against it, which involve vicarious liability for an act, error or omission of an Insured as defined under this Policy.

No coverage is afforded to the referring real estate agent, real estate broker, mortgage lender, relocation company or other third party referral source for any "claims" alleging or in any way involving any independent "wrongful act", error or omission of the referring real estate agent, real estate broker, mortgage lender, relocation company or third party referral source.

It is understood and agreed that the Insurers assume no obligation to defend the referring real estate agent, real estate broker, mortgage lender, relocation company or third party referral source against such "claims". The Insurers will provide indemnity coverage only, to the extent the referring real estate agent, real estate broker, mortgage lender, relocation company or third party referral source is held liable for an Insured's acts, errors or omissions.

No indemnity or defense obligation is afforded to the referring real estate agent, real estate broker, mortgage lender relocation company, or third party referral source for any "claims" alleging or in any way involving an independent negligent or intentional "wrongful act", error or omission on the part of the referring real estate agent, real estate broker, mortgage lender relocation company, or third party referral source.

All other terms, conditions and limitations of the Policy remain unchanged

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POOL INSPECTION EXCLUSION DELETED

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

Subparagraph Q.7 of **SECTION V. EXCLUSIONS** is deleted in its entirety.

Definition "I" Inspection Services is modified with the following:

"Inspection Services" includes "Pool/Spa Inspection Services" which means the examination of readily accessible systems components of a premise and inspection report generated as a result of such examination for Pool/Spa.

All other terms and conditions of the policy remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

INSPECTOR PROFESSIONAL LIABILITY COVERAGE FORM

1. Section VII - **DEDUCTIBLE** is deleted in its entirety and replaced with the following:

Your maximum liability for the Deductible amounts for all "Claims" first made during the "Policy Period" shall be the deductible amount set forth on the Inspector Professional Liability Coverage Form Declarations Page, except in cases of an "early reported incident" ("ERI") that meets the following conditions:

You report to us/carrier an "ERI" that is accepted by us/carrier and we/carrier establish a potential claims file:

Early reporting incidents ("ERI") must include all of the following information:

Name of potential claimants including addresses and phone numbers

Date you first became concerned of a potential mistake

Explanation of potential "damages"

Details of any remediation available

Other pertinent information that will provide additional details or clarity

You agree that us/carrier will make the final determination if the potential notification meets the "ERI" coverage intent. Us/carrier will notify you in writing on their determination

You agree to cooperate and work with us/carrier to avoid the incident becoming a "claim", however if it does become a "claim" we agree to waive 50% of the deductible up to \$10,000 per "policy period" provided that the accepted "claim" is made within 12 months of the "ERI" notification unless approval is granted by us/carrier for a longer period of time in writing.

2. Definitions are modified to include the following definition:

"Early Reporting Period" ("ERI") is a potential "claim" that the insured becomes aware of and believes could lead to a "claim". This "ERI" doesn't include any formal notice of any potential "claims" or any early reporting warning of any "claim" that is imminent but has not been received by the insured.

All other terms and conditions of this Policy remain unchanged.



**BUSINESSPRO GENERAL LIABILITY COVERAGE PART
CERTIFICATE OF COVERAGE**

NAMED INSURED: Inspection Perfection, LLC	POLICY PERIOD: 7/25/2011 – 7/25/2012
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LIMITS OF INSURANCE

General Aggregate Limit (Other than Products–Completed Operations)	\$	1,000,000	
Products - Completed Operations Aggregate Limit	\$	1,000,000	
Personal and Advertising Injury Limit	\$	1,000,000	
Each Occurrence Limit	\$	1,000,000	
Fire Damage Limit	\$	100,000	Any One Fire
Medical Expense Limit	\$	5,000	Any One Person
Deductible -Bodily Injury, Personal Injury Advertising Injury and Property Damage Liability combined	\$	250	

RETROACTIVE DATE (CG 00 02 ONLY): Coverage A of this Insurance does not apply to “bodily injury” or “property damage” which occurs before the Retroactive Date, if any, shown here: 7/25/2005

DESCRIPTION OF BUSINESS:

Form of Business: ☐ Individual ☐ Joint Venture ☐ Partnership
 ☒ Organization (Other than Partnership or Joint Venture)

Business Description: Inspection Companies

Location of All Premises You Own, Rent or Occupy: As per schedule on file with the company

PREMIUM:

Code Classification No.	* Premium Basis	Rates		Advance Premium	
		Pr/Co	All Other	Pr/Co	All Other
Inspection Companies 96317	(d) \$100,000	Included	Included	Included	Included
* (a) Admissions; (b) Area; (c) Each; (d) Gross Sales; (e) Payroll; (f) Total Cost; (g) Units; (h) Other					

Total Advance Premium INCLUDED

Premium shown is payable: 25% Minimum Premium Earned at inception.

FORMS AND ENDORSEMENTS Applying to this Coverage Parts and Made Part of this Policy at Time of Issue are listed on the attached Forms and Endorsements Schedule IL 88 01 (11/85).

BUSINESSPRO (Reg. U.S. Pat. Off.)

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

COVERAGES A AND B PROVIDE CLAIMS-MADE COVERAGE PLEASE READ THE ENTIRE FORM CAREFULLY.

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

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

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI - DEFINITIONS**.

SECTION I - COVERAGES

Coverage A Bodily Injury and Property Damage Liability

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the Insured against any "suit" seeking those damages. However, we will have no duty to defend the Insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) the amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and

- (2) our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

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

- (1) the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) the "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- (3) a claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under **SECTION V - EXTENDED REPORTING PERIODS**.

- c. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) when notice of such claim is received and recorded by any insured or by us, whichever comes first; or
- (2) when we make settlement in accordance with paragraph a. above.

All claims for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury," will be deemed to have been made at the time the first of those claims is made against any insured.

All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

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

b. Contractual Liability

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

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

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

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

c. Liquor Liability

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

- (1) causing or contributing to the intoxication of any person;
- (2) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

d. Workers' Compensation and Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

- (1) an "employee" of the Insured arising out of and in the course of:
 - (a) employment by the Insured; or
 - (b) performing duties related to the conduct of the Insured's business; or

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

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

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that Additional Insured at that premises, site or location and such premises, site or loca-

tion is not or never was owned or occupied by, or rented or loaned to, any insured, other than that Additional Insured; or

- (iii) "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) any insured; or

- (ii) any person or organization for whom you may be legally responsible; or

- (d) at or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to

hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire."

(e) at or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants."

(2) Any loss, cost or expense arising out of any:

(a) request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neu-

tralize, or in any way respond to, or assess the effects of, "pollutants"; or

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

However, this paragraph does not apply to liability for damages because of "property damage" that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

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

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

This exclusion does not apply to:

(1) a watercraft while ashore on premises you own or rent;

(2) a watercraft you do not own that is:

(a) less than 26 feet long; and

(b) not being used to carry persons or property for a charge;

- (3) parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the Insured;
- (4) liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "bodily injury" or "property damage" arising out of:
 - (a) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) the operation of any of the machinery or equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment."

h. Mobile Equipment

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

- (1) the transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) the use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

- (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 at-

tack, 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.

j. Damage to Property

"Property damage" to:

- (1) property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) property loaned to you;
- (4) personal property in the care, custody or control of the Insured;
- (5) that particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) that particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage to Premises Rented to You as described in **SECTION III - LIMITS OF INSURANCE**.

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

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

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

k. Damage to Your Product

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

l. Damage to Your Work

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

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

m. Damage to Impaired Property or Property Not Physically Injured

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

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

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

n. Recall of Products, Work or Impaired Property

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

- (1) "your product";
- (2) "your work"; or
- (3) "impaired property";

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

o. Personal and Advertising Injury

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

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

q. Distribution of Material in Violation of Statutes

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

- (1) the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

- (2) the CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in **SECTION III - LIMITS OF INSURANCE**.

Coverage B Personal and Advertising Injury Liability

1. Insuring Agreement

- a. We will pay those sums that the Insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the Insured against any "suit" seeking those damages. However, we will have no duty to defend the Insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
 - (1) the amount we will pay for damages is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
 - (2) our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business, but only if:
 - (1) the offense was committed in the "coverage territory";
 - (2) the offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
 - (3) a claim for damages because of the "personal and advertising injury" is first made against any insured, in accordance with paragraph c. below, during the policy period or any Extended Reporting Period we provide under **SECTION V - EXTENDED REPORTING PERIODS**.
- c. A claim made by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
 - (1) when notice of such claim is received and recorded by any insured or by us, whichever comes first; or
 - (2) when we make settlement in accordance with paragraph a. above.

All claims for damages because of "personal and advertising injury" to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation of Rights of Another

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

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

b. Material Published with Knowledge of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity.

c. Material Published Prior to Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the Retroactive Date, if any, shown in the Declarations.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the Insured.

e. Contractual Liability

"Personal and advertising injury" for which the Insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the Insured would have in the absence of the contract or agreement.

f. Breach of Contract

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

g. Quality or Performance of Goods - Failure to Conform to Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement."

h. Wrong Description of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement."

i. Infringement of Copyright, Patent, Trademark or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement."

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

j. Insureds in Media and Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) advertising, broadcasting, publishing or telecasting;
- (2) designing or determining content or web sites for others; or
- (3) an Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the **Definitions** Section.

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

k. Electronic Chat Rooms or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chat room or bulletin board the Insured hosts, owns, or over which the Insured exercises control.

l. Unauthorized Use of Another's Name or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain

name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants."

o. War

"Personal and advertising injury," however caused, arising, directly or indirectly, out of:

- (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.

p. Distribution of Material in Violation of Statutes

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

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

Coverage C Medical Payments

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) on premises you own or rent.
- (2) on ways next to premises you own or rent; or
- (3) because of your operations:

provided that:

- (a) the accident takes place in the "coverage territory" and during the policy period;
- (b) the expenses are incurred and reported to us within one year of the date of the accident; and
- (c) the injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) first aid administered at the time of an accident;
- (2) necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers."

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation and Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard."

g. Coverage A Exclusions

Excluded under Coverage A.

Supplementary Payments - Coverages A and B

1. We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

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

These payments will not reduce the Limits of Insurance.

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

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

(1) agrees in writing to:

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

(2) provides us with written authorization to:

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

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

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

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees," other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) to you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) to the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph (a) above;

(c) for which there is any obligation to share damages with or repay someone else who must pay

damages because of the injury described in paragraphs (a) or (b) above; or

(d) arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

(a) owned, occupied or used by;

(b) rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees," "volunteer workers," any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) with respect to liability arising out of the maintenance or use of that property; and

(2) until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a named insured if there is no other similar insurance available to that organization. However:

a. coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. insureds;
 - b. claims made or "suits" brought; or
 - c. persons or organizations making claims or bringing "suits."
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. medical expenses under Coverage **C**;
 - b. damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."
4. Subject to paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. damages under Coverage **A**; and
 - b. medical expenses under Coverage **C**

because of all "bodily injury" and "property damage" arising out of any one "occurrence."

6. Subject to paragraph 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties in the Event of Occurrence, Offense, Claim or Suit

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

- (1) how, when and where the "occurrence" or offense took place;

- (2) the names and addresses of any injured persons and witnesses; and
- (3) the nature and location of any injury or damage arising out of the "occurrence" or offense.

Notice of an "occurrence" or offense is not notice of a claim:

- b. If a claim is received by any insured, you must:

- (1) immediately record the specifics of the claim and the date received; and
- (2) notify us as soon as practicable.

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

- c. You and any other involved insured must:

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

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

3. Legal Action Against Us

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

- a. to join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

- b. to sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph c. below.

b. Excess Insurance

- (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a claims-made basis, if:

- i. no Retroactive Date is shown in the Declarations of this insurance; or

- ii. the other insurance has a policy period which continues after the Ret-

reactive Date shown in the Declarations of this insurance;

- (ii) that is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for "your work";
 - (iii) that is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iv) that is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - (v) if the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to exclusion g. of **Section I - Coverage A - Bodily Injury and Property Damage Liability**.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.
- (2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the Insured against any "suit" if any other insurer has a duty to defend the Insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the Insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

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

(4) We will share the remaining loss, if any, with any other insurance that is not described in this **Excess Insurance** Provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable Limit of Insurance to the total applicable Limits of Insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

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

6. Representations

By accepting this Policy, you agree:

- a. the statements in the Declarations are accurate and complete;
- b. those statements are based upon representations you made to us; and
- c. we have issued this Policy in reliance upon your representations.

7. Separation of Insureds

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

- a. as if each Named Insured were the only Named Insured; and
- b. separately to each insured against whom claim is made or "suit" is brought.

8. Transfer of Rights of Recovery Against Others to Us

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

9. When We Do Not Renew

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

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

10. Your Right to Claim and "Occurrence" Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding general liability claims-made Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "occurrence," not previously reported to any other insurer, of which we were notified in accordance with paragraph 2.a. of the **Section IV - Duties in the Event of Occurrence, Offense, Claim or Suit Condition**. We will include the date and brief description of the "occurrence" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable General Aggregate Limit and Products-Completed Operations Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SECTION V - EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. this Coverage Part is canceled or not renewed; or
 - b. we renew or replace this Coverage Part with insurance that:
 - (1) has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) does not apply to "bodily injury," "property damage" or "personal and advertising injury" on a claims-made basis.

2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for:

- a. "bodily injury" or "property damage" that occurs before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or
- b. "personal and advertising injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
 - a. five years with respect to claims because of "bodily injury" and "property damage" arising out of an "occurrence" reported to us, not later than 60 days after the end of the policy period, in accordance with paragraph 2.a. of the **Section IV - Duties in the Event of Occurrence, Offense, Claim or Suit** Condition;
 - b. five years with respect to claims because of "personal and advertising injury" arising out of an offense reported to us, not later

than 60 days after the end of the policy period, in accordance with paragraph 2.a. of the **Section IV - Duties in the Event of Occurrence, Offense, Claim or Suit** Condition; and

- c. sixty days with respect to claims arising from "occurrences" or offenses not previously reported to us.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. the exposures insured;
- b. previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Part for future payment of damages; and
- d. other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

This endorsement shall set forth the terms, not inconsistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first re-

ceived during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. If the Supplemental Extended Reporting Period is in effect, we will provide the Supplemental Aggregate Limits of Insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The Supplemental Aggregate Limits of Insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for such of the following Limits of Insurance for which a dollar amount has been entered:

General Aggregate Limit
Products-Completed Operations Aggregate Limit

Paragraphs 2. and 3. of **SECTION III - LIMITS OF INSURANCE** will be amended accordingly. The Personal and Advertising Injury Limit, the Each Occurrence Limit and the Damage to Premises Rented to You Limit shown in the Declarations will then continue to apply, as set forth in paragraphs 4., 5. and 6. of that section.

SECTION VI - DEFINITIONS

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
- a. notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. **"Auto"** means:

- a. a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment."

3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. **"Coverage territory"** means:

- a. the United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph a. above; or
- c. all other parts of the world if the injury or damage arises out of:
 - (1) goods or products made or sold by you in the territory described in paragraph a. above;
 - (2) the activities of a person whose home is in the territory described in paragraph a. above, but is away for a short time on your business; or
 - (3) "personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the Insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in paragraph a. above or in a settlement we agree to.

5. **"Employee"** includes a "leased worker." "Employee" does not include a "temporary worker."

6. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.

8. **"Impaired property"** means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

- a. it incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. you have failed to fulfill the terms of a contract or agreement;

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

9. **"Insured contract"** means:

- a. a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. a sidetrack agreement;
- c. any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. an elevator maintenance agreement;

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

Paragraph f. does not include that part of any contract or agreement:

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

(2) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection, architectural or engineering activities.

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

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

- a. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. while it is in or on an aircraft, watercraft or "auto"; or
- c. while it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. vehicles maintained for use solely on or next to premises you own or rent;
- c. vehicles that travel on crawler treads;
- d. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. vehicles not described in paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) cherry pickers and similar devices used to raise or lower workers.

- f. vehicles not described in paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) equipment designed primarily for:

- (a) snow removal;
- (b) road maintenance, but not construction or resurfacing; or
- (c) street cleaning;

(2) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos."

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury," arising out of one or more of the following offenses:

- a. false arrest, detention or imprisonment;
- b. malicious prosecution;

- c. the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. the use of another's advertising idea in your "advertisement"; or
- g. infringing upon another's copyright, trade dress or slogan in your "advertisement."

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) products that are still in your physical possession; or
 - (2) work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) the existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

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

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from, computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells,

data processing devices or any other media which are used with electronically controlled equipment.

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

- a. an arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or
- b. any other alternative dispute resolution proceeding in which such damages are claimed and to which the Insured submits with our consent.

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

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

21. "Your product":

a. Means:

- (1) any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) you;
 - (b) others trading under your name; or

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

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

b. Includes:

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

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

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

b. Includes:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

DEDUCTIBLE AMOUNT AND COVERAGE

DEDUCTIBLE BASIS

\$	Bodily Injury Liability	(X)	per claim
\$	Personal Injury and Advertising Injury Liability	()	per occurrence
\$	Property Damage Liability		Applicable to the sum of damages, Supplementary
\$	Bodily Injury and Property Damage Liability		Payments and defense costs
\$ PER	Bodily Injury, Personal Injury Advertising Injury		
BUSINESS PRO	and Property Damage Liability combined		
GENERAL LIABILITY			
COVERAGE PART			
DECLARATIONS PAGE			

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT

(Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," "personal injury," "advertising injury," and "property damage," however caused):

1. Our obligation under the Bodily Injury Liability, Personal Injury Liability, Advertising Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
2. The deductible applies for the deductible amount and coverage option and on the deductible basis indicated in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
 - a. **PER CLAIM BASIS** - If the deductible amount indicated in the Schedule is on a "per claim" basis, that deductible applies as follows:

(1) Under the Bodily Injury Liability, Personal Injury and Advertising Injury Liability or Property Damage Liability Coverage, respectively:

(a) to the sum of damages, supplementary payments and "defense costs" because of "bodily injury" sustained by any one person;

(b) to the sum of damages, supplementary payments and "defense costs" because of "personal injury" and "advertising injury" sustained by any one person; or

(c) to the sum of damages, supplementary payments and "defense costs" because of "property damage" sustained by any one person;

(2) under Bodily Injury and/or Property Damage Liability Coverage combined to the sum of damages, supplementary payments and "defense costs" because of "bodily injury" and "property damage" sustained by any one person; or

(3) under Bodily Injury, Personal Injury, Advertising Injury and/or Property Damage Liability Coverage combined to the sum of damages, supplementary payments and "defense costs" because of "bodily injury," "personal injury," "advertising injury" and "property damage" sustained by any one person as a result of any one "occurrence" or offense.

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury," a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "personal injury," "advertising injury" and "property damage," person includes organization.

b. **PER OCCURRENCE BASIS** - If the deductible amount indicated in the Schedule is on a per "occurrence" basis, that deductible applies as follows:

(1) under the Bodily Injury Liability Personal Injury and Advertising Injury Liability or Property Damage Liability Coverage, respectively:

(a) to the sum of damages, supplementary payments and "defense costs" because of "bodily injury";

(b) to the sum of damages, supplementary payments and "defense costs" because of "personal injury" and "advertising injury"; or

(c) to the sum of damages, supplementary payments and "defense costs" because "property damage";

(2) under Bodily Injury and/or Property Damage Liability Coverage combined, to the sum of damages, supplementary payments and "defense costs" because of all "bodily injury" and "property damage"; or

(3) under Bodily Injury, Personal Injury, Advertising Injury and/or Property Damage Liability Coverage combined, to the sum of damages, supplementary payments and "defense costs" because of "bodily injury," "personal injury," "advertising injury" and "property damage" as a result of any one "occurrence" or offense, regardless of the number of persons or organizations who sustain damages because of that "occurrence" or offense.

3. The terms of this insurance, including those with respect to:

(a) our right and duty to defend any "suits" seeking those damages; and

(b) your duties in the event of an "occurrence," offense, claim or "suit"

apply irrespective of the application of the deductible amount.

4. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount that has been paid by us.

5. The deductible applies whether or not a payment for damages is made.

6. "Defense Costs" mean all expenses incurred in the investigation, defense and settlement of any claim or "suit" under this policy including attorneys fees, court reporter fees, charges for independent medical examinations and expert witnesses, provided such claim expense is incurred by us or with our prior written permission. "Defense Costs" will not include salaried employees, counsel on retainer and office expense of either you or us.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under **Coverage A** (Section I) is replaced by the following:

- f. (1) "Bodily injury," "property damage" or "personal injury" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
- (a) request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (b) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

INTELLECTUAL PROPERTY EXCLUSION AMENDMENT

This endorsement applies to insurance under the:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM.

I. COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions, i. Infringement of Copyright, Patent, Trademark or Trade Secret, is deleted and replaced by the following:

i. Infringement of Intellectual Property

"Personal and advertising injury" arising out of any actual, alleged, or threatened infringement, misappropriation, or violation of any intellectual property or intellectual property right of any description, including but not limited to any copyright, patent, trademark, trade name, trade secret, trade dress, service mark, or any description of origin, source, authorship, authenticity, or quality.

However, this exclusion does not apply to infringement, in your "advertisement," of a:

- (1) copyright;

- (2) slogan, unless that slogan is also a trademark, trade name, trade secret, trade dress, service mark, or description of origin, source, authorship, authenticity, or quality; or

- (3) title of a literary or artistic work.

II. In SECTION V - DEFINITIONS, subparagraphs **f.** and **g.** of the definition of "personal and advertising injury" are deleted and replaced by the following:

- f.** infringing, in your "advertisement," upon another's:

- (1) copyright;

- (2) slogan, other than a slogan that is also a trademark, trade name, trade secret, trade dress, service mark, or description of origin, source, authorship, authenticity, or quality; or

- (3) title of a literary or artistic work.

Except as expressly stated above, this endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

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

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

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

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

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

territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

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

"Nuclear facility" means:

- (a) any "nuclear reactor";
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste";
- (c) any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "Insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORGANIC PATHOGEN EXCLUSION

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM – COVERAGE FOR
OPERATIONS OF DESIGNATED CONTRACTOR**

- A. The following exclusion is added to paragraph 2., Exclusions, of Section I. Coverage A. Bodily Injury and Property Damage Liability, of the Commercial General Liability Coverage Form:**

2. Exclusions

This insurance does not apply to:

Organic Pathogens

- a. Any "bodily injury" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, exposure to, discharge, dispersal, seepage, migration, growth, release or escape, or contact with any "organic pathogen."
- b. Any "property damage" which would not have occurred in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, discharge, dispersal, seepage, migration, growth, release or escape, existence of, or presence of, any "organic pathogen."
- b. Any "property damage" which would not have occurred in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, discharge, dispersal, seepage, migration, growth, release or escape, existence of, or presence of, any "organic pathogen."
- c. Any loss, cost or expense arising out of any:
 - (i) request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neu-

tralize, or in any way respond to, or assess the effects of any "organic pathogen," or

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

This exclusion applies regardless of the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence.

- B. The following exclusion is added to paragraph 2., Exclusions, of Section I. Coverage B. Personal and Advertising Injury Liability, of the Commercial General Liability Coverage Form:**

Personal and Advertising Injury Liability, of the Commercial General Liability Coverage Form:

2. Exclusions

This insurance does not apply to:

Organic Pathogens

- a. Any "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, contact with, exposure to, existence of, or presence of any "organic pathogen."

b. Any loss, cost or expense arising out of any:

(i) request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of any "organic pathogen," or

(ii) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of any "organic pathogen."

This exclusion applies regardless of the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence.

C. The following definition is added to the **Definitions** section:

"Organic pathogen" means any bacteria including *Escherichia coli*, *Salmonella*, *Listerium*, microbe, virus, fungi, mold, mildew, mycotoxins, spores, or their scent or byproducts.

This endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM – COVERAGE
FOR OPERATIONS OF DESIGNATED CONTRACTOR

- A.** The following exclusion is added to paragraph **2., Exclusions**, of **SECTION I. Coverage A. Bodily Injury and Property Damage Liability**, of the **Commercial General Liability Coverage Form**, and to paragraph **2., Exclusions**, of **SECTION I. COVERAGES**, of the **Owners and Contractors Protective Liability Coverage Form – Coverage for Operations of Designated Contractor**:

2. Exclusions

This insurance does not apply to:

Silica or Related Dust

- a.** Any "bodily injury" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, exposure to, or contact with, "silica" or dust that includes or contains "silica."
- b.** Any "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened, or suspected contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."
- c.** Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the

effects of, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (i)** the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence; and
- (ii)** whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

- B.** The following exclusion is added to paragraph **2., Exclusions** of **SECTION I. Coverage B. Personal and Advertising Injury Liability** of the **Commercial General Liability Coverage Form**:

2. Exclusions

This insurance does not apply to:

Silica or Related Dust

- a.** Any "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened, or suspected inhalation or ingestion of, contact with, exposure to, existence of, or presence of, "silica" or dust that includes or contains "silica."

- b. Any loss, cost, or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, re-mediating or disposing of, or in any way responding to or assessing the effects of, "silica" or dust that includes or contains "silica," by any insured or by any other person or entity.

This exclusion applies regardless of:

- (i) the circumstances of or leading to such actual, alleged, threatened, or suspected inhalation, ingestion, exposure, contact, existence, or presence; and

- (ii) whether the "silica" or dust that includes or contains "silica," is mixed or combined with, or also includes or contains, any other substance.

C. The following definition is added to the **Definitions** Section:

"Silica" means silicon dioxide (SiO₂) in any form, from any source.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

This insurance does not apply to:

"Bodily injury" to:

- (1) a person arising out of any:
 - (a) refusal to employ that person;
 - (b) termination of that person's employment; or
 - (c) employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) the spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) whether the injury-causing event described in paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) whether the Insured may be liable as an employer or in any other capacity; and
- (3) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) a person arising out of any:
 - (a) refusal to employ that person;
 - (b) termination of that person's employment; or
 - (c) employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) the spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) whether the injury-causing event described in paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) whether the Insured may be liable as an employer or in any other capacity; and
- (3) to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to:

1. Any "bodily injury," "property damage," "personal and advertising injury" arising out of the rendering of or failure to render any professional services.
2. Any "bodily injury," "property damage," "personal and advertising injury" arising out of:
 - a. An error, omission, defect or deficiency in:
 - i. any test performed; or
 - ii. an evaluation, a consultation or advice given, by or on behalf of any insured;
 - b. the reporting of or reliance upon any such test, evaluation, consultation or advice; or
 - c. an error, omission, defect or deficiency in experimental data or the Insured's interpretation of that data.

This endorsement does not change any other provision of the policy.



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Tel: 1-513-369-5000

AES 3016
(Ed. 05 01)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRE-EXISTING DAMAGE EXCLUSION

This insurance does not apply to:

1. Any loss or claim for damages related to "bodily injury" or "property damage" whether known or unknown:
 - a. which first occurred prior to the inception date of this policy (or the retroactive date of this policy, if any, whichever is earlier); or
 - b. which is, or is alleged to be, in the process of occurring as of the inception date of this policy (or the retroactive date of this policy, if any, whichever is earlier).

2. Any loss or claim for damages arising out of or related to "bodily injury" or "property damage," whether known or unknown, which is in the process of settlement, adjustment or "suit" as of the inception date of this policy (or the retroactive date of this policy, if any, whichever is earlier).

We will have no duty to defend any Insured against any loss, claim, "suit" or other proceeding alleging damages arising out of or related to "bodily injury" or "property damage" to which this endorsement applies.

AES 3016 (Ed. 05/01) XS



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AES 3018
(Ed. 05 01)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE ASBESTOS EXCLUSION

This insurance does not apply to:

- a. "Bodily injury," "property damage" or "personal injury" arising, whether in whole or in part, and whether directly or indirectly, out of any kind of asbestos including, but not limited to, any kind of asbestos contained or incorporated in any material or product.
- b. Any loss, cost or expense arising out of any:
 - (1) request, demand, order, writ, injunction or judgment that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, prevent, abate, or in any way respond to, or assess the presence or effect of asbestos; or
 - (2) claim or "suit" for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, preventing, abating, or in any way responding to, or assessing the presence or effect of asbestos.

AES 3018 (Ed. 05/01) XS



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CG 77 94
(Ed. 07 98)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LIABILITY ARISING OUT OF LEAD

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

This insurance does not apply to:

1. "bodily injury," "property damage," or "personal and advertising injury" arising out of, resulting from, or in any way caused by or related to the actual, alleged or threatened ingestion, inhalation, absorption, or exposure to lead in any form from any source; or
2. any loss, cost, expense, liability or other type of obligation arising out of or resulting from, or in any way related to, any:
 - a. claim, suit, request, demand, directive, or order by or on behalf of any person, entity, or governmental authority that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neu-

tralize, or in any way respond to, or assess the effects of lead in any form from any source, or to any

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

We shall not be obligated to investigate on behalf of an Insured or to defend or indemnify an Insured or any person or entity claiming any right under the policy for the matters excluded in this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

METAL GAS EXCLUSION

This insurance does not apply to "Bodily Injury," "Property Damage," "Personal Injury" or "Advertising Injury" arising out of or allegedly due to the existence, inhalation, exposure to or contact with Manganese, Aluminum, Zinc, Magnesium, Cadmium, Nickel, Beryllium, Chromium, Arsenic, Iron, Iron Oxide, Copper, Copper Oxide or any other metal gas, fume or metal by-product of metal heating, processing or welding.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AIRCRAFT PRODUCTS AND GROUNDING LIABILITY EXCLUSION

This insurance does not apply to liability arising out of "aircraft products" or reliance upon any representation or warranty made with respect thereto, or any liability arising out of the "grounding" of any aircraft (including missiles and spacecraft).

"Aircraft products" means aircraft (including missiles or spacecraft) or any ground support or control equipment used therewith, any aircraft part and goods or products installed in or on aircraft or used in connection with aircraft manufactured, sold, handled or distributed or services provided or recommended by any "insured" or by others trading under any "insured's" name. "Aircraft products" includes tooling used in the manufacture of "aircraft products" and also includes ground handling tools and equipment, training aids instructions, manuals, blueprints, engineering and other data engineering and other advice and services and labor relating to "aircraft products."

"Grounding" means the withdrawal of one or more aircraft (including missiles or spacecraft) from flight operations, or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the actual, alleged or suspected existence of any defect, fault, or condition in such aircraft or any part thereof **(a)** sold, handled or distributed by any "insured" or **(b)** manufactured, assembled or processed by any other person or organization according to your specifications, plans, suggestions, orders or drawings of any "insured" or with tools, machinery or other equipment furnished to such persons or organizations by any "insured," whether such aircraft so withdrawn or restricted is or are owned or operated by the same or other persons or organizations.

This endorsement does not change any other provision of the policy.



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CG 84 80
(Ed. 01 10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYERS LIABILITY EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion e., Employer's Liability, under paragraph 2., **Exclusions**, of **SECTION I - COVERAGE A - Bodily Injury and Property Damage Liability**, is deleted and replaced by the following:

c. Employer's Liability

"Bodily injury" to:

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

(a) employment by any insured; or

(b) performing duties related to the conduct of the Insured's business; or

(2) the spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph **(1)** above.

This exclusion applies:

(1) whether the Insured may be liable as an employer or in any other capacity;

(2) to any obligation to share damages with or repay someone else who must pay damages because of the injury; and

(3) to liability assumed by any insured under an "insured contract."

This endorsement does not change any other provision of the Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF OTHER INSURANCE CONDITION
(CLAIMS-MADE VERSION)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (OCCURRENCE VERSION)

Paragraph **4.b.** of the **Other Insurance** Condition – **(SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS)** is replaced by the following:

4. Other Insurance

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a claims-made basis, if:

(i) no Retroactive Date is shown in the Declarations of this insurance; or

(ii) the other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;

(b) that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(c) that is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

(d) if the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of **Coverage A (Section I)**.

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

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

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

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

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

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT CONDITION AMENDMENT

Condition 5., Premium Audit (Section IV) is replaced by the following:

5. Premium Audit, Minimum Premium - Minimum Retained Premium

- a. We will compute all premiums for this Coverage Form in accordance with the terms and conditions of this policy.
- b. Premium shown in this policy as Advance Premium is a deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable upon notice to the first Named Insured. If the sum of the Advance and Audit Premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, subject to the minimum and minimum retained premiums described below.
- c. In no event will the final premium retained by us be less than the minimum premium shown in the Declarations of this policy. If no other premium is designated specifically as a minimum premium. Such minimum premium, the Advance Premium shown in the Declarations is the minimum premium. Such minimum premium is subject to the short rate or prorate adjustment according to policy provisions in case of cancellation of the policy.
- d. This policy is also subject to a minimum retained premium of 25% of the Advance Premium shown in the Declarations of this policy. Such minimum retained premium is not subject to prorate or short rate adjustment in the event of cancellation by you and we shall retain no less than the minimum retained premium regardless of the policy term. Cancellation of the policy for non-payment of premium shall be deemed a request by you for cancellation of this policy thereby invoking the minimum retained premium, unless the short rate calculation earns more than the minimum retained premium.
- e. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIODS AMENDMENT OF SECTION V

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION) PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

- I. Paragraph 1.C.(1) of **COVERAGES** (Section 1) **COVERAGES A., COVERAGES B. or PRODUCTS/COMPLETED OPERATIONS** (if applicable) is replaced by the following:

(1) When notice of such claim is received and recorded by you or us, whichever comes first; or

- II. **SECTION V - EXTENDED PERIODS** is deleted in its entirety and replaced by the following:

SECTION V - EXTENDED REPORTING PERIODS

Basic Extended Reporting Period

1. We will provide a Basic Extended Reporting Period as described below, if:
 - a. the Coverage Form is cancelled or not renewed; or
 - b. we renew or replace the Coverage Form with insurance that:
 - (1) has a Retroactive Date that is later than the Retroactive Date shown in the Declarations of the Coverage Form; or
 - (2) does not apply to injury or damage on a claims made basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for sixty (60) days.

Limited Optional Extended Reporting Period

3. You will have the option to purchase a Limited Optional Extended Reporting Period described below if we (for any reason other than non-payment of premium, non-payment of deductibles or self-insured retentions and/or non compliance with the terms of or conditions of this policy):

- a. cancel this policy; or
- b. refuse to renew this policy (regardless of premium) on a claims made basis providing the same coverage with a Retroactive Date the same as the Retroactive Date of this policy, or if no Retroactive Date is specified in this policy, the same date as the date of this policy.

A change in premium or exclusions upon renewal does not constitute non-renewal by us.

4. The Limited Optional Extended Reporting Period is available only by endorsement and for an additional premium. This Limited Optional Extended Reporting Period starts at the end of the Basic Extended Reporting Period and last for three hundred and five (305) days.

This endorsement will set forth the terms, not inconsistent with this section, applicable to the Limited Optional Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received during such period is excess over any other valid and collectible

insurance available under policies in force after the Limited Optional Extended Reporting Period starts.

You must give us a written request for the endorsement within thirty (30) days after the end of the policy period.

5. The Limited Optional Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. We will determine the additional premium by multiplying this policy's premium by the Limited Optional Extended Reporting Period percentage shown in the Declaration of this Coverage Form.

Basic And Limited Optional Extended Reporting Periods

6. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for:
 - a. "bodily injury" or "property damage" that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or
 - b. if coverage applies, "personal injury" or "advertising injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.
7. Extended Reporting Periods do not reinstate or increase the Limits of Insurance.
8. Extended Reporting Periods do not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.
9. Claims for injury or damage, which are first received and recorded during an Extended Reporting Period, will be deemed to have been made on the last day of the policy period.
10. Once in effect, Extended Reporting Periods may not be cancelled.

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):
—

Additional information, if any, concerning the terrorism premium:

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

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap on Insurer Participation in Payment of Terrorism Losses

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

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

LIMITATION OF COVERAGE – SPECIFIED OPERATIONS

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
SCHEDULE**

Home Inspections including Mortgage Field Services as
defined per form AES 3239.

This insurance applies only to operations specifically described in the Schedule as being covered. You agree to reimburse us for any expense, including claim expenses and defense costs which might be required to expend, when it is discovered that a claim arose out of an operation not specifically designated in the Schedule as being covered.

This endorsement does not change any other provision of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED NUCLEAR, BIOLOGICAL, CHEMICAL OR RADIOLOGICAL
ACTS OF TERRORISM; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

Terrorism

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism." However, this exclusion applies only when one or more of the following are attributed to such act:

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

B. The following definitions are added:

1. For the purposes of this endorsement, **"any injury or damage"** means any injury or damage covered under any coverage part to which this endorsement is applicable, and includes but is not limited to "bodily injury," "property damage," "per-

sonal and advertising injury," "injury" or "environmental damage" as may be defined in any applicable coverage part.

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

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

C. In the event of any incident of a "certified act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we

shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM –
COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTORS

A. The following exclusion is hereby added to paragraph 2, **Exclusions** of **SECTION I - COVERAGE A. Bodily Injury and Property Damage Liability**, of the **Commercial General Liability Coverage Form**, and to paragraph 2., **Exclusions**, of **SECTION I. COVERAGES**, of the **Owners and Contractors Protective Liability Coverage Form - Coverage for Operations of Designated Contractor**:

2. Exclusions

Nuclear, Biological, or Chemical

Notwithstanding any other provision of this policy, this insurance does not apply to any "bodily injury" or "property damage" caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the "bodily injury" or "property damage":

(1) Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:

(a) loss or damage to any tangible or intangible property, or

(b) "bodily injury" or emotional distress.

(2) Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution

of any "NBC material" as a direct or indirect result of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

(a) loss or damage to any tangible or intangible property, or

(b) "bodily injury" or emotional distress.

"NBC Material" means any nuclear, biological, or chemical material or substance that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

(1) any radioactive substance or material, and the radiation it releases,

(2) any pathogen, bacterium, microbe, virus, or other organism,

(3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and

(4) any poison, toxin, or other harmful chemical, substance, or material.

The foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

B. The following exclusion is hereby added to paragraph 2., **Exclusions** of **SECTION I. COVERAGE B., Personal and Advertising Injury Liability** of the **Commercial General Liability Coverage Form**:

2. Exclusions

Nuclear, Biological, or Chemical

Notwithstanding any other provision of this policy, this insurance does not apply to any "personal or advertising injury" caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the "personal and advertising injury":

- (1) Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:

- (a) loss or damage to any tangible or intangible property, or

- (b) "bodily injury" or emotional distress.

- (2) Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or indirect result of any actual, attempted,

suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

- (a) loss or damage to any tangible or intangible property, or

- (b) "bodily injury" or emotional distress.

"NBC Material" means any nuclear, biological, or chemical material or substance that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

- (1) any radioactive substance or material, and the radiation it releases,

- (2) any pathogen, bacterium, microbe, virus, or other organism,

- (3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and

- (4) any poison, toxin, or other harmful chemical, substance, or material.

The foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

This endorsement does not change any other provision of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

Terrorism Punitive Damages

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

B. The following definition is added:

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

criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

**EMPLOYEE THEFT AND FORGERY CERTIFICATE OF COVERAGE****NAMED INSURED:** Inspection Perfection, LLC**POLICY PERIOD:**
7/25/2011-7/25/2012**Coverage is Written:****(X) Primary** **() Excess** **() Coindemnity** **() Concurrent**

This Policy consists of the following Insuring Agreements for which a premium and Limit of Insurance is indicated.

Insuring Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence	Premium
1. Employee Theft	\$ 5,000	\$ 250.	\$ INCLUDED
2. Forgery or Alteration	\$ Not Covered	\$	\$
Total			\$ INCLUDED

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this Policy is deleted.

If Added by Endorsement:

Insuring Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence	Premium
	\$	\$	\$
	\$	\$	\$

Premium shown is payable: \$ INCLUDED

FORMS AND ENDORSEMENTS applicable to all coverage parts and made part of this Policy at time of issue are listed on the attached Forms and Endorsements Schedule IL 88 01 (11 85).

Cancellation of Prior Insurance Issued by Us:

On acceptance of this Coverage Part, you give us notice cancelling prior Policy or Bond No. _____, the cancellation to be effective at the time this Coverage Part becomes effective.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLIENTS' PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

Provisions

With regard to this **Clients' Property** Endorsement, the provisions of the Coverage Form or Policy to which this endorsement is attached apply, unless modified by this endorsement.

A. The following insuring agreement is added to section A. Insuring Agreements:

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

B. Under section D. Exclusions in the Commercial Crime Coverage Form and Commercial Crime Policy, the Acts of Employees, Managers, Directors, Trustees or Representatives Exclusion does not apply to this Insuring Agreement.

C. Under section E. Conditions:

1. Paragraph (1) of the **Duties in the Event of Loss** Condition is replaced by the following:

Notify us as soon as possible.

2. The **Ownership of Property; Interests Covered** Condition is replaced by the following:

The property covered under this Insuring Agreement is limited to property:

- a. that your "client" owns or leases; or

- b. that your "client" holds for others whether or not your "client" is legally liable for the loss of such property.

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

D. Under section F. Definitions:

1. The following definitions are added:

- a. **"Client"** means any entity for whom you perform services under a written contract.

- b. **"Occurrence"** means:

- (1) an individual act;
- (2) the combined total of all separate acts whether or not related; or
- (3) a series of acts whether or not related;

committed by an "employee," acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.

2. The definition of "theft" is replaced by the following:

"Theft" means the unlawful taking of property to the deprivation of your "client."

EMPLOYEE THEFT AND FORGERY POLICY (LOSS SUSTAINED FORM)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or 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. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.o. or E.1.p., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the **Extended Period to Discover Loss Condition E.1.j.:**

1. Employee Theft

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

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery or Alteration

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

- (1) made or drawn by or drawn upon you; or

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

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

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- b. If you are sued for refusing to pay any instrument covered in paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

B. Limit of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This Policy does not cover:

a. Acts Committed by You, Your Partners or Your Members

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

- (1) you; or
- (2) any of your partners or "members";

whether acting alone or in collusion with other persons.

b. Acts of Employees Learned of by You Prior to the Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members," "managers," officers, directors or trustees, not in collusion with the "employee," learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Confidential Information

Loss resulting from:

- (1) the unauthorized disclosure of your confidential information including, but not limited to, patents trade secrets, processing methods or customer lists; or
- (2) the unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

d. Indirect Loss

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

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

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

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

e. Legal Fees, Costs and Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.2.

2. Insuring Agreement A.1. does not cover:

a. Inventory Shortages

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

- (1) an inventory computation; or
- (2) a profit and loss computation.

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

b. Trading

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

c. Warehouse Receipts

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

3. Insuring Agreement A.2. does not cover:

Acts of Employees, Managers, Directors, Trustees or Representatives

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

- a. whether acting alone or in collusion with other persons; or
- b. while performing services for you or otherwise.

E. Conditions

1. Conditions Applicable to All Insuring Agreements

a. Additional Employees

If, while this policy is in force, you hire additional "employees," other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "employees" shall automatically be covered under this Policy. Notice to us of an increase in the number of "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Cancellation of Policy

- (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.

c. 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.

d. Concealment, Misrepresentation or Fraud

This Policy is void in any case of fraud by you as it relates to this Policy 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 Policy;
- (2) the property covered under this Policy;
- (3) your interest in the property covered under this Policy; or
- (4) a claim under this Policy.

e. Consolidation - Merger or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) you must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this Policy to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) for the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this Policy shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

f. Cooperation

You must cooperate with us in all matters pertaining to this policy as stated in its terms and conditions.

g. Duties in the Event of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money," "securities" or "other property" you must:

- (1) Notify us as soon as possible.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.

(3) Produce for our examination all pertinent records.

(4) Give us a detailed, sworn proof of loss within 120 days.

(5) Cooperate with us in the investigation and settlement of any claim.

h. Employee Benefit Plans

(1) The "employee benefit plans" shown in the Declarations (hereafter referred to as Plan) are included as insureds under Insuring Agreement A.1.

(2) If any Plan is insured jointly with any other entity under this Policy, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

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

(4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(5) If two or more Plans are insured under this Policy, any payment we make for loss:

(a) sustained by two or more Plans; or

- (b) of commingled "funds" or "other property" of two or more Plans;

resulting directly from an "occurrence," will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

- (6) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any Plan.

i. 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 shown in the Declarations and up to 3 years afterward.

j. Extended Period to Discover Loss

We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans."

k. 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 k.(1) and k.(2) apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

l. Joint Insured

- (1) If more than one insured is named in the Declarations, the first Named Insured will act for itself and for every other insured for all purposes of this Policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every insured.
- (3) An "employee" of any insured is considered to be an "employee" of every insured.

- (4) If this policy or any of its coverages is cancelled as to any insured, loss sustained by that Insured is covered only if it is "discovered" by you:

(a) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans."

- (5) We will not pay more for loss sustained by more than one insured than the amount we would pay if all such loss had been sustained by one insured.

- (6) Payment by us to the first Named Insured for loss sustained by any insured, other than an "employee benefit plan," shall fully release us on account of such loss.

m. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) unless you have complied with all the terms of this policy;
- (2) until 90 days after you have filed proof of loss with us; and
- (3) unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

n. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this policy.

o. Loss Sustained During Prior Insurance Issued by Us or Any Affiliate

(1) Loss Sustained Partly During This Policy and Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

(a) partly during the Policy Period shown in the Declarations; and

(b) partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this Policy became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance

that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) this Policy became effective at the time of cancellation of the prior insurance; and
- (b) the loss would have been covered under this Policy had it been in effect at the time of the "occurrence."

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

- (3) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this Policy or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this Policy. If no loss was sustained under this Policy, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this Policy, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

- (4) The following examples demonstrate how we will settle losses subject to this Condition E.1.o.:

Example Number 1:

The Insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

The amount of loss sustained under Policy A is \$2,500 and under Policy B is \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).
2. The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is ap-

plied to the loss (i.e., \$7,500 loss – \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

Example Number 2:

The Insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

Policy A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

The amount of loss sustained under Policy A is \$175,000 and under Policy B is \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss – \$10,000 deductible = \$165,000 which is greater than the \$125,000 policy limit.
2. The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit – \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

Example Number 3:

The Insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

Policy A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

Policy B

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

Policy C

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

Policy D

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

The amount of loss sustained under Policy A is \$350,000, under Policy B is \$250,000, under Policy C is \$600,000 and under Policy D is \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we

will pay is \$250,000 (i.e., \$350,000 loss – \$100,000 deductible = \$250,000).

2. The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
3. The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy D as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.

p. Loss Sustained During Prior Insurance Not Issued by Us or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this Policy, provided:
 - (a) this Policy became effective at the time of cancellation of the prior insurance; and
 - (b) the loss would have been covered under this Policy had it been in effect at the time of the "occurrence."

- (2) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this Policy or was written under the prior cancelled insurance.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

- (3) The insurance provided under this Condition is subject to the following:

- (a) If loss covered under this Condition is also partially covered under Condition E.1.o., the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition E.1.o.
- (b) For loss covered under this Condition that is not subject to paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this Policy and is limited to the lesser of the amount recoverable under:
 - (i) this Policy as of its effective date; or
 - (ii) the prior cancelled insurance had it remained in effect.

q. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this Policy, our obligations are limited as follows:

(1) Primary Insurance

When this Policy is written as primary insurance, and:

(a) You have other insurance subject to the same terms and conditions as this Policy, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in paragraph (1)(a), we will only pay for the amount of loss that exceeds:

(i) the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(ii) the Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this Policy.

(2) Excess Insurance

(a) When this Policy is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this Policy.

(b) However, if loss covered under this Policy is subject to a Deductible, we will reduce the Deductible Amount

shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

r. Ownership of Property; Interests Covered

The property covered under this Policy is limited to property:

(1) that you own or lease; or

(2) that you hold for others whether or not you are legally liable for the loss of such property.

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

s. 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.

t. Records

You must keep records of all property covered under this Policy so we can verify the amount of any loss.

u. Recoveries

(1) Any recoveries, whether effected before or after any payment under this Policy, whether made by us or you, shall be applied net of the expense of such recovery:

(a) first, to you in satisfaction of your covered loss in excess of the amount paid under this policy;

(b) second, to us in satisfaction of amounts paid in settlement of your claim;

(c) third, to you in satisfaction of any Deductible Amount; and

(d) fourth, to you in satisfaction of any loss not covered under this Policy.

(2) Recoveries do not include any recovery:

(a) from insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) of original "securities" after duplicates of them have been issued.

v. Territory

This Policy covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

w. Transfer of Your Rights and Duties under This Policy

(1) 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.

(2) 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 temporary custody of your property will have your rights and duties but only with respect to that property.

x. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled.

You must also do everything necessary to secure those rights and do nothing after loss to impair them.

y. Valuation - Settlement

(1) The value of any loss for purposes of coverage under this Policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) at face value in the "money" issued by that country; or

(ii) in the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered."

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered." We may, at our option:

(i) pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a

bond having a penalty not exceeding the lesser of the:

- i. market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - ii. the Limit of Insurance applicable to the "securities."
- (c) Loss of or damage to "other property" for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
- (i) the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 - (ii) the amount you actually spend that is necessary to repair or replace the lost or damaged property; or
 - (iii) the Limit of Insurance applicable to the lost or damaged property.

With regard to paragraphs y.(1)(c)(i) through y.(1)(c)(iii), we will not pay on a replacement cost basis for any loss or damage:

- i. until the lost or damaged property is actually repaired or replaced; and
- ii. unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":

(a) in the "money" of the country in which the loss or damage occurred; or

(b) in the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered."

- (3) Any property that we pay for or replace becomes our property.

2. Conditions Applicable to Insuring Agreement A.1.

a. Termination As to Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:

(a) you; or

(b) any of your partners, "members," "managers," officers, directors, or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the **Territory Condition E.1.v.** for a period of not more than 90 consecutive days.

3. Conditions Applicable to Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.2.**

b. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. **Territory Condition E.1.v.** does not apply to Insuring Agreement **A.2.**

F. Definitions

1. **"Discover"** or **"discovered"** means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this Policy.

2. "Employee":

a. "Employee" means:

(1) any natural person:

(a) while in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

(b) who you compensate directly by salary, wages or commissions; and

(c) who you have the right to direct and control while performing services for you;

(2) any natural person who is furnished temporarily to you:

(a) to substitute for a permanent "employee" as defined in paragraph **a.(1)**, who is on leave; or

(b) to meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

- (3) any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph **a.(2)**;**

- (4) any natural person who is:
 - (a) a trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
 - (b) a director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
 - (5) any natural person who is a former "employee," partner, "member," "manager," director or trustee retained as a consultant while performing services for you;
 - (6) any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";
 - (7) any "employee" of an entity merged or consolidated with you prior to the effective date of this Policy; or
 - (8) any of your "managers," directors or trustees while:
 - (a) performing acts within the scope of the usual duties of an "employee"; or
 - (b) acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.
- b. "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in paragraph 2.a.
3. **"Employee benefit plan"** means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
 4. **"Forgery"** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
 5. **"Funds"** means "money" and "securities."
 6. **"Manager"** means a person serving in a directoral capacity for a limited liability company.
 7. **"Member"** means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager."
 8. **"Money"** means:
 - a. currency, coins and bank notes in current use and having a face value; and
 - b. travelers checks, register checks and money orders held for sale to the public.
 9. **"Occurrence"** means:
 - a. Under Insuring Agreement A.1.:
 - (1) an individual act;
 - (2) the combined total of all separate acts whether or not related; or
 - (3) a series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.o. or E.1.p.
 - b. Under Insuring Agreement A.2.:
 - (1) an individual act;
 - (2) the combined total of all separate acts whether or not related; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

AGRIPAK FARM AND RANCH POLICY
AgriPro® AGRIBUSINESS® PROTECTION POLICY
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL INLAND MARINE POLICY
COMMERCIAL PROPERTY COVERAGE PART
EQUINE CARE, CUSTODY AND CONTROL COVERAGE FORM
EQUINE CARE, CUSTODY OR CONTROL POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
SAFEPAK® POLICY
SELECT BUSINESS POLICY
SELECT BUSINESS POLICY COVERAGE FORM

The following exclusion is added:

A. Nuclear, Biological or Chemical Exclusion

Notwithstanding any other provision of this policy, we will not pay for any loss or damage caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the loss or damage:

1. Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:
 - a. loss or damage to any tangible or intangible property, or
 - b. "bodily injury" or emotional distress.
2. Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or indirect result

of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

- a. loss or damage to any tangible or intangible property, or
- b. "bodily injury" or emotional distress.

However, if a hostile fire results, directly or indirectly, from 1. or 2. above, we will not pay for any loss or damage from that fire, unless an applicable statute of the state whose law applies to this insurance requires us to do so. This is so, even if another exclusion in this Coverage Form, Coverage Part, or Policy also applies, and under that other exclusion we would pay for loss or damage from that fire.

However, if an applicable statute of the state whose law applies to this insurance requires us to pay for loss or damage from that fire, then we will do so, but only

- (a) to the extent necessary to satisfy the minimum mandatory requirements of that statute and

- (b) subject to all applicable policy provisions including the Limit of Insurance on the affected property.

Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Coverage Forms or Endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

B. Definitions

The following definitions are added:

1. "NBC material"

"NBC material" means any nuclear, biological, or chemical material or substance that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

- (1) any radioactive substance or material, and the radiation it releases,
- (2) any pathogen, bacterium, microbe, virus, or other organism,
- (3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and
- (4) any poison, toxin, or other harmful chemical, substance, or material.
- (5) the foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

2. "Bodily injury"

"Bodily injury" includes any physical injury, disease, or death of any person.