

FORMS – FILED AND APPROVED

JULY 8, 2020

COMMERCIAL LINES

LI-CL-2020-026

MICHIGAN NEW AND REVISED ENDORSEMENTS FILED AND APPROVED

KEY MESSAGE

This circular announces the submission and approval of new and revised Michigan forms in response to correspondence received from the Michigan Insurance Department generally addressing criminal acts exclusions and certain notice requirements under MCL 500.3008, which is generally applicable to liability policies.

Applicable Lines of Business: AG, BP, CA, CF, CM, CY, FR, GL, MP, OP, PR

Filing ID: CL-2020-OEND1

Effective Date: November 1, 2020

BACKGROUND

We received correspondence from the Michigan Department of Insurance and Financial Services, in which the Department generally expressed that:

- With regard to the Duties conditions in various liability endorsements, "The form ...violates MCL 500.3008 because it fails to contain the mandatory reporting provision covering all notices (claim, etc.) the policy requires the insured to make to any source."
- With regard to criminal acts related exclusions, based on their interpretation of MCL §500.2236(5), the exclusion "unreasonably and deceptively affects the risk purported to be assumed in the general coverage of the policy."

ISO ACTION

We have revised and introduced Michigan endorsements for various ISO commercial lines of business in response to the Department's expressed concerns with respect to the notice requirements of MCL 500.3008, and with respect to their interpretation of criminal acts exclusions.

Refer to the attached explanatory material for complete details about the filing.

INSURANCE DEPARTMENT ACTION

The Insurance Department has approved this revision as filed.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after November 1, 2020.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number [CL-2020-OEND1](#), not this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- New edition dates of existing form numbers are being introduced.
- Forms are being withdrawn.
- New forms are being introduced.

POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2019-057](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 11-20 (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED RULES REVISION

We are announcing in a separate circular the filing and implementation of a corresponding rules revision. Please refer to the Reference(s) block for identification of that circular.

REFERENCE(S)

- [LI-CL-2020-027](#) (07/08/2020) Michigan New And Revised Exception Pages Filed And To Be Implemented
- [LI-CL-2019-057](#) (12/10/2019) Revised Lead Time Requirements Listing

ATTACHMENT(S)Filing CL-2020-OEND1Final copies of new and revised endorsements

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Michigan Endorsements Introduced And Revised

Applicable Lines of Business

This filing applies to the following lines of business:

- ◆ Agricultural Capital Assets (Output Policy)
- ◆ Businessowners
- ◆ Capital Assets (Output Policy)
- ◆ Commercial Auto
- ◆ Commercial General Liability
- ◆ Commercial Inland Marine
- ◆ Commercial Property
- ◆ Cyber
- ◆ Farm
- ◆ Management Protection
- ◆ Medical Professional Liability

About This Filing

This filing introduces and revises state-specific Commercial lines endorsements, in response to comments received from the Michigan Department of Insurance and Financial Services.

New Form(s)

We are introducing the following forms:

- ◆ AG 04 19 11 20 – Michigan – Warehouse Operators Legal Liability Coverage
- ◆ AG 04 55 11 20 – Michigan – Identity Fraud Expense Coverage
- ◆ BP 07 96 11 20 – Michigan Changes – Self-storage Facilities
- ◆ BP 07 97 11 20 – Michigan Changes – Apartment Buildings
- ◆ BP 07 98 11 20 – Michigan Changes – Residential Cleaning Services
- ◆ BP 08 61 11 20 – Michigan Changes – Funeral Directors Professional Liability

- ◆ BP 08 62 11 20 – Michigan Changes – Printers Errors And Omissions Liability
- ◆ BP 08 63 11 20 – Michigan Changes – Veterinarians Professional Liability
- ◆ BP 10 86 11 20 – Michigan Changes – Named Perils
- ◆ BP 15 35 11 20 – Michigan Changes – Information Security Protection Endorsement
- ◆ BP 15 36 11 20 – Michigan Changes –Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees
- ◆ BP 16 09 11 20 – Michigan Changes – Employee Benefits Liability Coverage
- ◆ BP 16 10 11 20 – Michigan Changes – Electronic Data Liability – Broad Coverage
- ◆ BP 16 12 11 20 – Michigan Changes – Identity Fraud Expense Coverage
- ◆ BP 16 13 11 20 – Michigan Changes – Extended Reporting Period For Employee Benefits Liability Coverage
- ◆ BP 16 14 11 20 – Michigan Changes –Extended Reporting Period For Electronic Data Liability Broad Coverage
- ◆ BP 17 60 11 20 – Michigan Changes –Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement
- ◆ BP DS 08 11 20 – Michigan Changes –Apartment Buildings Supplemental Schedule
- ◆ CA 27 01 11 20 – Michigan Employee Benefits Liability Coverage
- ◆ CA 27 02 11 20 – Michigan Customer Complaint Legal Defense Coverage
- ◆ CA 27 03 11 20 – Michigan Changes – Auto Dealers Coverage Form
- ◆ CA 27 04 11 20 – Michigan Extended Reporting Period Endorsement For Employee Benefits Liability Coverage
- ◆ CG 04 73 11 20 – Michigan Changes – Employee Benefits Liability Coverage
- ◆ CG 27 79 11 20 – Michigan Changes – Extended Reporting Period Endorsement For Employee Benefits Liability Coverage
- ◆ CP 11 22 11 20 – Builders Risk – Theft Of Building Material, Fixtures, Machinery, Equipment – Michigan
- ◆ CY 20 32 11 20 – Michigan Changes – Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees
- ◆ FP 01 16 11 20 – Michigan Changes
- ◆ FP 05 71 11 20 – Unit-owners Coverage – Michigan

- ◆ FP 05 83 11 20 – Identity Fraud Expense Coverage – Michigan
- ◆ OP 04 37 11 20 – Warehouse Operators Legal Liability Coverage – Michigan

Revised Forms

We are revising the following forms:

- ◆ AG 01 25 09 17 – Michigan Changes
- ◆ BP 01 36 09 17 – Michigan Changes
- ◆ CA 01 10 09 16 – Michigan Changes
- ◆ CG 01 68 10 09 –Michigan Changes
- ◆ CG 28 09 04 17 – Michigan Changes – Personal Injury Liability
- ◆ CM 01 11 07 01 – Michigan Changes
- ◆ CY 01 69 01 18 – Michigan Changes (formerly – Michigan Changes – Duties In the Event Of Claim Or Loss)
- ◆ MP 02 86 04 17 – Michigan Changes (formerly – Michigan Changes – Cancellation And Nonrenewal)
- ◆ OP 01 16 09 17 – Michigan Changes
- ◆ PR 01 69 09 08 – Michigan Changes

We have used a format of ~~striking-through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the above-referenced editions to the 11 20 editions. Concurrent with implementation, the 11 20 editions will supersede the prior editions.

Withdrawn Forms

We are withdrawing the following form from use in Michigan:

- ◆ AG 04 11 09 07 – Warehouse Operators Legal Liability Coverage
- ◆ AG 04 22 09 07 – Identity Fraud Expense Coverage
- ◆ BP 04 98 07 13 – Employee Benefits Liability Coverage
- ◆ BP 04 99 07 13 – Extended Reporting Period For Employee Benefits Liability Coverage
- ◆ BP 05 96 01 10 – Electronic Data Liability – Broad Coverage
- ◆ BP 05 97 07 13 – Extended Reporting Period For Electronic Data Liability – Broad Coverage
- ◆ BP 07 12 01 10 – Self-storage facilities
- ◆ BP 07 75 07 13 – Apartment Buildings

- ◆ BP 07 81 07 13 – Residential Cleaning Services
- ◆ BP 08 02 01 10 – Funeral Directors Professional Liability
- ◆ BP 08 04 01 06 – Printers Errors And Omissions Liability
- ◆ BP 08 05 01 10 – Veterinarians Professional Liability
- ◆ BP 10 09 07 13 – Named Perils
- ◆ BP 14 01 01 10 – Identity Fraud Expense Coverage
- ◆ BP 15 07 03 15 – Information Security Protection Endorsement
- ◆ BP 15 10 03 15 –Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees
- ◆ BP 17 24 01 10 – Condominiums, Co-ops, Associations – Directors And Officers Liability Endorsement
- ◆ BP DS 02 08 06 – Apartment Buildings Supplemental Schedule
- ◆ CA 25 48 10 13 – Employee Benefits Liability Coverage
- ◆ CA 25 66 10 13 – Customer Complaint Legal Defense Coverage
- ◆ CA 25 67 10 13 – Extended Reporting Period Endorsement For Employee Benefits Liability Coverage
- ◆ CG 04 35 12 07 – Employee Benefits Liability Coverage
- ◆ CG 27 15 12 07 – Extended Reporting Period Endorsement For Employee Benefits Liability Coverage
- ◆ CP 11 21 10 12 – Builders Risk – Theft Of Building Materials, Fixtures, Machinery, Equipment
- ◆ CY 20 10 01 18 – Provide Coverage For Dishonest, Malicious Or Fraudulent Acts Committed By Employees
- ◆ FP 05 23 04 16 – Unit-owners Coverage
- ◆ FP 05 59 10 06 – Identity Fraud Expense Coverage
- ◆ OP 04 24 10 10 – Warehouse Operators Legal Liability Coverage

Related Filing

CL-2020-ORU1

Background

We received correspondence from the Michigan Department of Insurance and Financial Services, in which the Department generally expressed that:

- ◆ With regard to the Duties conditions in various liability endorsements, "The form ...violates MCL 500.3008 because it fails to contain the mandatory reporting provision covering all notices (claim, etc.) the policy requires the insured to make to any source."

MCL 500.3008 states:

In such liability insurance policies there shall be a provision that notice given by or on behalf of the insured to any authorized agent of the insurer within this state, with particulars sufficient to identify the insured shall be deemed to be notice to the insurer; and also a provision that failure to give any notice required to be given by such policy within the time specified therein shall not invalidate any claim made by the insured if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible.

- ◆ With regard to criminal acts related exclusions based on their interpretation of MCL §500.2236(5), the exclusion "unreasonably and deceptively affects the risk purported to be assumed in the general coverage of the policy." Further, the Department stated that "the criminal acts portion of the exclusion could be applied in a way that denies coverage benefits without a court or other adjudicatory body convicting an insured of a criminal act that resulted in loss."

Explanation of Changes

In response to the Department's position with respect to the:

- ◆ Duties conditions, we are introducing and revising various commercial lines endorsements to address notice related requirements.

In the following example, the track changes reflect how the wording of the multistate condition in Endorsement CG 04 35 Employee Benefits Liability Coverage was revised in the new Michigan version, CG 04 73. Similar changes have been applied to various other commercial lines endorsements, which provide liability coverage:

2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

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

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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

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

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

- c. You and any other involved insured must:

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

- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- ~~df.~~ No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

- ◆ Criminal acts, we are introducing and revising various commercial lines endorsements to generally provide that the criminal acts related exclusions only apply to the extent that the insured admits under oath or is determined in any legal proceeding to have committed or directed the criminal act. In addition, with respect to various first party coverages, the criminal acts related exclusions provide a definition of "perpetrator".

In the following example, from CG 04 73 Paragraph 2.a., the track changes reflect how the multistate version of the exclusion in multistate CG 04 35 was revised. Similar changes were also applied to criminal acts exclusions in various other commercial lines liability endorsements:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the insured:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

In the following example from newly added Paragraph F. in Michigan Changes Endorsement AG 01 25, the track changes reflect how the multistate exclusion in coverage Form AG 00 01 was revised to create the new Michigan version of the exclusion. The newly added definition for "perpetrator" complements the changes to the exclusion. Similar changes were also applied to criminal acts exclusions in various commercial lines first-party coverage endorsements:

h. Dishonesty

Dishonest or criminal act (including theft) by you, ~~any of your partners, "members", officers, "managers", "employees", directors, trustees, or authorized representatives, whether acting alone or in collusion with anyone;~~ a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with anyone.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation.
- (2) Does not apply to acts of destruction by your "employees" or authorized representatives; but theft by your "employees" or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

This exclusion applies except to the extent coverage is provided within the Employee Theft Coverage.

This exclusion does not apply to carriers for hire.

...

"Perpetrator" means:

a. You; or

b. Any of your partners, "members", officers, "managers", "employees", directors, trustees or authorized representatives;

whether acting alone or in collusion anyone who commits the dishonest or criminal act.

- ◆ We are also introducing state-specific versions of various Extended Reporting Period Endorsement For Employee Benefits Liability Coverage in lieu of the related multistate endorsements to reference the new state-specific Employee Benefits Liability Coverage endorsements listed above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN – WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages 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 Paragraph **F. Limits Of Insurance**; and
2. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

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B. For the purpose of this endorsement, Paragraph **A.1. Covered Property** is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

C. For the purpose of this endorsement, **Property Not Covered** is revised as follows:

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Paragraph **A.2.c.** is replaced by the following:
"Livestock" and "poultry", unless the "livestock" and "poultry" option is indicated by an "X" in the Schedule for that location.
3. Property for which you have been released of liability;
4. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
5. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages** and will not reduce the Limit of Insurance:

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
- d. 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.

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions** is replaced by the following:

Exclusions

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. War And Military Action

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

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Exclusions **E.1.a.** through **E.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by a "perpetrator".

This exclusion applies whether or not such acts occur during your normal hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

However, with respect to your liability for loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- e.** Breakdown of refrigeration equipment.
- f.** Forged bills of lading, loading, shipping or warehouse receipts.
- g.** Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.
- h.** Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".

i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

l. Unauthorized instructions to transfer property to any person or to any place.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a.** Wear and tear, depreciation.
- b.** Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- c.** Mechanical breakdown.
- d.** Insects, vermin, rodents.
- e.** Corrosion, rust, dampness, extremes of temperature.

F. The Limits Of Insurance provision is replaced by the following:

Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Schedule.

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- G.** The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- H.** For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

Duties In The Event Of Loss

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:
 - a. How, when and where the accident took place; and
 - b. The names and addresses of any witnesses.Notice of an accident is not a notice of a claim.
2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".
3. You 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, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.
4. Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify you, shall be considered notice to us.
5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

6. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- I.** The following Definitions are added:

"Perpetrator" means:

- a. You, any of your partners, employees, directors, trustees or authorized representatives;
- b. A manager or a member if you are a limited liability company;
- c. Anyone else with an interest in the property, or their employees or authorized representatives; or
- d. Anyone else to whom the property is entrusted for any purpose;

whether or not such persons are acting alone or in collusion with other persons who commits the dishonest or criminal act.

"Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN – IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided by the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

The following is added to the **Additional Coverages** Section:

Identity Fraud Expense

1. Coverage

If you are an individual, we will pay up to \$25,000 for "expenses" incurred by you or any "family member" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you or any "family member", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to the coverage provided by this endorsement:

We will not pay for "expenses" incurred by an insured as the result of any "identity fraud":

a. Arising out of or in connection with:

- (1)** An insured's agricultural operations; or
- (2)** A business;

b. Due to any fraudulent, dishonest or criminal act of a "perpetrator".

In the event of any such act, no insured is entitled to "expenses", even insureds who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" incurred by an insured as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- (1)** Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph **a. of Loss Condition 3. Duties In The Event Of Loss Or Damage:**

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph **L. Definitions:**

a. "Expenses" means:

- (1)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3)** Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.

- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against an insured by merchants, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against an insured; and
 - (c) Challenge the accuracy or completeness of any information in a consumer credit report.
 - (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
- b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
 - c. "Perpetrator" means an insured or any person aiding or abetting an insured, or any authorized representative of an insured, whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – SELF-STORAGE FACILITIES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form are amended as follows:

A. The following is added to Paragraph A.5.f. Additional Coverages Business Income of Section I – Property:

(5) Accrued Rental Charges

We will pay for the loss of accrued rental or lease charges for storage spaces rendered unrentable because of a covered loss.

B. If the Employee Dishonesty Optional Coverage is shown as applicable in the Declarations, the following is added to Paragraph 3. Employee Dishonesty of Paragraph G. Optional Coverages of Section I – Property and is subject to the provisions of that paragraph:

We will also pay for direct loss of or damage to "money", "securities" and "other property" sustained by your "customers" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner).

The property covered under this coverage is limited to property:

- (1)** That your "customer" owns or leases; or
- (2)** That your "customer" holds for others.

Coverage applies only while the property is in your self-storage facility at the premises described in the Declarations.

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

C. Customers' Goods Legal Liability

1. The following are added to Paragraph A. Coverages of Section II – Liability:

- a.** We will pay for those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this Customers' Goods Legal Liability Coverage applies to a "customer's" property (or the property of others for which such "customer" is liable) only while the property is at the insured's self-storage facilities. 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 "property damage" to which this Customers' Goods Legal Liability Coverage 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 Paragraph 5.;
- (2)** We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
- (3)** 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 the Customers' Goods Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

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- b. This Customers' Goods Legal Liability Coverage applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "property damage" occurs during the policy period.

2. Paragraph **B. Exclusions of Section II – Liability** is amended as follows:

- a. The following exclusions are added:

This Customers' Goods Legal Liability Coverage does not apply to:

- (1) Liability arising out of your "sale and disposal operations".
- (2) "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 that the insured would have in the absence of the contract or agreement.
- (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (4) Any loss covered under **Section I – Property**.

- b. The following is added to Paragraph **B.1.f.(1) of Section II – Liability**:

- (f) Which were brought to the location by any of the "customers" of your self-storage operations.

- c. Exclusion **B.1.k.(4) of Section II – Liability** does not apply to this Customers' Goods Legal Liability Coverage.

3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Customers' Goods Legal Liability Coverage.

4. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** applies to this Customers' Goods Legal Liability Coverage.

5. The following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability**:

The most we will pay for the sum of all damages because of "property damage" to "customers'" goods in any one "occurrence" under the Customers' Goods Legal Liability Coverage is \$50,000 unless a higher amount is shown in the Declarations. This limit applies separately to each premises described in the Declarations.

D. Lock-out Or Sale, Removal And Disposal Liability Coverage

1. The following are added to Paragraph **A. Coverages of Section II – Liability**:

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers'" property in the course of "sale and disposal operations". 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 acts or omissions to which this Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **4.**; 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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

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No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

- b. This Lock-out Or Sale, Removal And Disposal Liability Coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

2. Paragraph B. Exclusions of Section II – Liability is amended as follows:

The following exclusions are added:

This Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply to:

- a. Liability for damages which the insured is obligated to pay by reason of the assumption of 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.
- b. Liability arising out of dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- 3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

4. The following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability:

The most we will pay for the sum of all damages because of all acts or omissions arising out of all "lock-outs" and all sale, removal or disposal of "customers" property in the course of "sale and disposal operations" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$25,000. This limit applies 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. This limit applies separately to each premises described in the Declarations.

- E. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of **Section II – Liability** for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Customers' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out" or sale, removal or disposal of "customers" property which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "customers" property took place.

- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "customers" property, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

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- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in our 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 an action to which this insurance may apply.
- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
- f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

F. For coverage provided under this endorsement, the following definitions are added to **Section I – Property** and **Section II – Liability**:

1. "Customer" means any person or organization which is renting, leasing or otherwise is occupying space with your permission at your self-storage facility.
2. "Lock-out" means denying a "customer" access to the "customer's" property or the occupancy of the space the "customer" is renting, leasing or otherwise occupying.
3. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property specifically excluded under this policy.
4. "Perpetrator" means:
 - a. You;
 - b. Your "employees"; or
 - c. Any other person to whom you may entrust such property;who commits the intentional "property damage" or the dishonest or criminal act.
5. "Sale and disposal operations" means all activities you conduct to reclaim rented storage space when "customers" accounts are delinquent or unpaid.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – APARTMENT BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.5. Additional Coverages of Section I – Property is amended as follows:

The Pollutant Clean Up And Removal Limit of Insurance under Subparagraph h. is increased to \$25,000.

B. The following coverages are added to Paragraph A.5. Additional Coverages of Section I – Property:

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee (including a temporary or leased employee) or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

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b. Ordinance Or Law – Equipment Coverage

- (1) Subject to Paragraph (2), if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.
- (2) If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
 - (a) The cost to reclaim the refrigerant as required by law;
 - (b) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (c) The increased cost to recharge the system with a non-CFC refrigerant.
- (3) The terms of this coverage apply separately to each piece of covered equipment.
- (4) We will not pay under this endorsement for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (5) Loss to the equipment will be determined as follows:
 - (a) If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (ii) The Limit Of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
 - (b) If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (i) The actual cash value of the equipment at the time of loss; or

(ii) The Limit Of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.

(c) We will not pay for loss due to any ordinance or law that:

(i) You were required to comply with before the loss, even if the equipment was undamaged; and

(ii) You failed to comply with.

c. Lock Replacement

- (1) We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
- (2) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- (3) A per occurrence deductible of \$100 will apply.

d. Tenant Move-back Expenses

- (1) We will pay for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.
- (2) We will only pay for the following expenses:
 - (a) Packing, transporting and unpacking of tenants' property; and
 - (b) The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for expenses listed in Paragraphs (2)(a) and (2)(b) above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.
- (4) The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$15,000.

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- C. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Paragraph **3. Employee Dishonesty** of Paragraph **G. Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

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

The property covered under this coverage is limited to property:

- a. That your tenant owns or leases;
- b. That your tenant holds for others; or
- c. For which your tenant is legally liable;

while the property is in a covered Building at the premises described in the Declarations.

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

With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, other property means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

- D. The following are added to Paragraph **A. Coverages of Section II – Liability**:

1. Tenants' Property Legal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. 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 "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 Paragraph **e.**;
- (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance for this coverage; and
- (3) 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 the Tenants' Property Legal Liability Coverage.

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No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "property damage" occurs during the policy period.

- c. This coverage does not apply to:

- (1) "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
- (2) "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 that the insured would have in the absence of the contract or agreement.
- (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (4) Liability arising out of your "sale and disposal operations".
 - (5) Any loss covered under Section I – Property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.

- e. The most we will pay for the sum of all damages under Tenants' Property Legal Liability Coverage because of "property damage" to "tenants' property" in any one "occurrence" is \$10,000. This limit applies separately to each premises described in the Declarations.

- f. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions of Section II – Liability** applies to **Tenants' Property Legal Liability Coverage**.

2. Lock-out Or Sale, Removal And Disposal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". 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 acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph e.
- (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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

- c. This coverage does not apply to:

- (1) Liability for damages which the insured is obligated to pay by reason of the assumption of 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.

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- (2) Liability arising out of dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

(a) Admits, under oath; or

(b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

- e. The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$5,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.

- f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of Section II – **Liability** for the **Lock-out Or Sale, Removal And Disposal Liability Coverage**:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.

- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in our 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 an action to which this insurance may apply.

- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

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3. Heating Or Air Conditioning Loss Reimbursement Coverage

- a. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.

The amount of such reimbursement is limited as described in Paragraph e. below. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This coverage applies only if:

- (1) The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and
- (2) You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or
- (3) You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".

- c. We shall have no duty or obligation to defend the insured or perform acts or services.

- d. This coverage does not apply to:

- (1) Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.
- (2) "Bodily injury", "property damage" and "personal and advertising injury".

- e. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under the Heating Or Air Conditioning Loss Reimbursement Coverage is \$5,000 as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises and \$10,000 in any annual period starting with the beginning of the policy period shown in the Declarations.

- f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of Section II – **Liability** for the **Heating Or Air Conditioning Loss Reimbursement Coverage**:

Duties In The Event Of A Heating Or Air Conditioning System Failure

- a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:

- (1) A notarized letter from the tenant of the demand for remuneration;
- (2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;
- (3) The name and address of the affected tenant; and
- (4) A cancelled check or money order written to the tenant.

- b. At our request, give us complete information as to:

- (1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and
- (2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

- c. Cooperate with us in the review of the reimbursement.

- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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E. For coverage provided under this endorsement, the following are added to Paragraph **F. Liability And Medical Expenses Definitions** under **Section II – Liability**:

1. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.
2. "Perpetrator" means:
 - a. You; or
 - b. Your "employees"; or
 - c. Any other person to whom you may entrust such property;
who commits the intentional "property damage" or the dishonest or criminal act.

3. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

4. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – RESIDENTIAL CLEANING SERVICES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A. The following are added to Paragraph A.5.
Additional Coverages of Section I – Property:**

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss of or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Property Loss Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Property Loss Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee (including a temporary or leased employee) or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is(are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Key And Lock Replacement

(1) We will pay for the cost to replace keys and locks at the client's residence due to theft or other loss to keys entrusted to you by your client.

- (2) We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that a "perpetrator" commits.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (3) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$1,000.

- (4) A per occurrence deductible of \$100 will apply.

B. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Subparagraph a. of Paragraph 3. **Employee Dishonesty** of Paragraph G. **Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

We will also 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.

The property covered under this coverage is limited to property:

- (1) That your client owns or leases; or
 - (2) That your client holds for others;
- while the property is inside your client's residence.

However, this coverage 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 coverage must be presented by you.

C. The following is added to Paragraph A. **Coverages of Section II – Liability:**

Your Work Coverage

1. We will reimburse you for "property damage" claims directly arising from "your work" for a client.

The amount of such reimbursement is limited as described in Paragraph 5. below. No other obligation or liability to pay sums or perform acts or services is covered.

2. This coverage applies only if:

- a. "Your work" was performed by you or an "employee" and was done with the express knowledge of the insured;
- b. "Your work" was performed during the policy period;
- c. You reasonably determine that payment in the amount of the "property damage" to the client for "your work" is necessary; and
- d. You have received a notarized notification of a demand for remuneration from the client by mail within 90 days after the work was performed.

3. We shall have no duty nor obligation to defend the insured or perform acts or services.

4. This coverage does not apply to:

- a. "Your work" performed at any location owned by, rented or leased to the insured.
- b. Work performed by a subcontractor.
- c. "Property damage" excluded under Paragraph B. **Exclusions of Section II – Liability.**

5. The most we will reimburse you for the sum of all damages covered under Your Work Coverage is \$5,000 in any one occurrence and \$10,000 in any annual period starting with the beginning of the policy period in the Declarations.

D. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions of Section II – Liability** for Your Work Coverage:

Duties In The Event Of A Claim

1. You must notify us as soon as possible of the notification from your client of a demand for remuneration for "property damage" resulting from "your work". The notice should include:
- a. A notarized letter from the client describing the "property damage";

- b.** The names and addresses of the affected clients;
 - c.** A written description of how, when and where the "property damage" occurred; and
 - d.** A cancelled check or money order written to the client.
- 2.** At our request, give us complete inventories of the damaged property. Include quantities, costs, values and amount of the loss claimed.
- 3.** Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- 4.** Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

E. For coverage provided by this endorsement, the following definitions are added to Paragraph **H. Property Definitions** under **Section I – Property**:

- 1.** "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include property described under Subparagraphs **a.**, **c.**, **d.**, **f.** and **h.** of Paragraph **A.2. Property Not Covered**.
- 2.** "Perpetrator" means:
 - a.** You; or
 - b.** Any of your business partners, "members", officers, employees (including temporary or leased employees), "managers", directors, trustees authorized representatives or anyone to whom you entrust the keys of a client for any purpose;

whether acting alone or in collusion with other persons who commits the theft or dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – FUNERAL DIRECTORS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.
- B.** Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's business as a funeral director.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
 - 1.** Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

 - b.** "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.
 - 2.** The following Exclusions do not apply:
 - a.** Paragraph **1.j. Professional Services**;
 - b.** Paragraph **1.k.(4) Damage To Property** to "property damage" to dead bodies, any casket, urn or other container for a dead body or its cremated remains or the personal effects of a deceased person while in the care, custody or control of the insured, unless such "property damage" is caused by theft or "hostile fire";

c. Paragraph **1.k.(6) Damage To Property**; and

d. Paragraph **1.m. Damage To Your Work**.

3. The following Exclusion is added:

This insurance does not apply to:

"Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

a. Admits, under oath; or

b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

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D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

(1) "Bodily injury", "personal and advertising injury" or other 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide professional services in connection with your business.

(3) "Property damage" to property:

(a) Owned, occupied or used by; or

(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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

b. "Personal and advertising injury" sustained by any one person or organization; and

c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional services as a funeral director.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PRINTERS ERRORS AND OMISSIONS LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to damages resulting from the insured's negligent act, error or omission in providing printing services.
- B.** Under Paragraph **A.** Coverages we will also pay those sums that the insured becomes legally obligated to pay as damages resulting from the insured's negligent act, error or omission in providing printing services.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
1. Paragraphs **1.k.(6) Damage To Property** and **1.m. Damage To Your Work** do not apply.
 2. The following Exclusions are added:
This insurance does not apply to any claim:
 - a.** Resulting from a criminal act, including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.
However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:
 - (1) Admits, under oath; or
 - (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
 - b.** Resulting from infringement of copyright, trademark, service mark or trade name (other than titles or slogans) by use of such marks or names with goods, products or services sold, offered for sale or advertised.
 - c.** For reimbursement of costs of printing or printing materials.
 - d.** Resulting from insolvency or bankruptcy of the insured.
 - e.** Resulting from any publishing function of the insured.
 - f.** Resulting from the writing of materials for customers.
- D.** Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:
2. The most we will pay for the sum of all damages because of all:
 - a.** "Bodily injury", "property damage", and medical expenses arising out of any one "occurrence";
 - b.** "Personal and advertising injury" sustained by any one person or organization; and
 - c.** Printing acts, errors and omissions;is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.
- E.** For the purpose of determining the limits for the insurance provided by this endorsement, any act, error or omission together with all related acts, errors or omissions in the providing of these services will be considered one act, error or omission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – VETERINARIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.
- B.** Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's practice as a veterinarian, including serving as a member of a formal accreditation, standards review or equivalent professional board or committee.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
 - 1.** Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

 - b.** "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.
 - 2.** The following exclusions do not apply:
 - a.** Paragraph **1.j. Professional Services**;
 - b.** Paragraphs **1.k.(4)** and **1.k.(6) Damage To Property**; and
 - c.** Paragraph **1.m. Damage To Your Work**;with respect to animals treated in connection with the insured's practice as a veterinarian.

- 3.** The following exclusions are added:

This insurance does not apply to:

- a.** "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

 - (1)** Admits, under oath; or
 - (2)** Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
- b.** Liability resulting from the theft of any animal.
- c.** "Bodily injury", "property damage" or other injury due to fire, however caused.

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D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

(1) "Bodily injury", "personal and advertising injury" or other 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional veterinary services. However, if you have "employees" who are veterinarians, they are insureds with respect to their providing or failing to provide professional veterinary services in connection with your practice.

(3) "Property damage" to property:

(a) Owned, occupied or used by; or

(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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

b. "Personal and advertising injury" sustained by any one person or organization; and

c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional veterinary services.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – NAMED PERILS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property in the Businessowners Coverage Form is amended as follows:

A. Paragraph b. under A.2. Property Not Covered is replaced by the following:

b. Bullion, except as provided in the Burglary And Robbery Optional Coverage, and "money" or "securities" except as provided in the:

(1) Burglary And Robbery Optional Coverage; or

(2) Employee Dishonesty Optional Coverage.

B. Paragraph A.3. Covered Causes Of Loss is replaced by the following:

3. Covered Causes Of Loss

a. Fire.

b. Lightning.

c. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

(1) Rupture, bursting or operation of pressure relief devices; or

(2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

d. Windstorm or Hail, but not including:

(1) Frost or cold weather;

(2) Ice (other than hail), snow or sleet, whether driven by wind or not;

(3) Loss of or damage to awnings or canopies of fabric or slat construction, including their supports, outside of buildings;

(4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters; or

(5) Loss or damage by hail to lawns, trees, shrubs or plants which are part of a vegetated roof.

e. Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

f. Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

g. Riot or Civil Commotion, including:

(1) Acts of striking employees (including temporary or leased employees) while occupying the described premises; and

(2) Looting occurring at the time and place of a riot or civil commotion.

h. Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

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- i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:

- (a) Results in sprinkler leakage; or
(b) Is directly caused by freezing.

- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

- (3) Automatic Sprinkler System means:

- (a) Any automatic fire protective or extinguishing system, including connected:

- (i) Sprinklers and discharge nozzles;
(ii) Ducts, pipes, valves and fittings;
(iii) Tanks, their component parts and supports; and
(iv) Pumps and private fire protection mains.

- (b) When supplied from an automatic fire protective system:

- (i) Nonautomatic fire protective systems; and
(ii) Hydrants, standpipes and outlets.

- j. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

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

- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
(2) Ash, dust or particulate matter; or

- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

- l. Transportation, meaning loss or damage caused by:

- (1) Collision, derailment or overturn of a vehicle;
(2) Stranding or sinking of vessels; and
(3) Collapse of bridges, culverts, piers, wharves or docks.

This cause of loss applies only to Covered Property in the course of transit.

- C. Paragraph **A.4. Limitations** does not apply.

- D. Paragraph **A.5. Additional Coverages** is amended as follows:

1. Paragraph **d. Collapse** does not apply.
2. Paragraph **e. Water Damage, Other Liquids, Powder Or Molten Material Damage** does not apply.

- E. Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **2.** is replaced by the following:
2. We will not pay for loss or damage caused by or resulting from:

a. Electrical Apparatus

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

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

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1)** An occurrence that took place within 100 feet of the described premises; or
- (2)** Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Burst Piping

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

c. Water Discharge

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

d. Steam Apparatus

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

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

e. Mechanical Breakdown

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

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply with respect to the breakdown of "computers".

f. Errors Or Omissions

Errors or omissions in programming, processing or storing data, as described under "electronic data" or in any "computer" operations.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

g. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

h. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

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i. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

2. Paragraph 6. is replaced by the following:

6. Accounts Receivable And Valuable Papers And Records Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

- (1) Dishonest or criminal acts (including theft) by a "perpetrator"; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
- (b) Does not apply to a carrier for hire and acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (2) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (3) Unauthorized instructions to transfer property to any person or to any place.

b. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- (1) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1.c., B.1.d. or B.1.f. above to produce the loss or damage.

- (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- (3) Faulty, inadequate or defective:

(a) Planning, zoning, development, surveying, siting;

(b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(c) Materials used in repair, construction, renovation or remodeling; or

(d) Maintenance;

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

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c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. Paragraph D.2. Deductibles is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Burglary and Robbery;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

G. Paragraph E.8.b. Vacancy Property Loss Condition is replaced by the following:

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism; or
 - (b) Sprinkler leakage, unless you have protected the system against freezing; and

- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** and **b.(1)(b)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

H. Paragraph G. Optional Coverages is amended as follows:

1. Paragraph **2. Money And Securities** does not apply.

2. The following is added:

5. Burglary And Robbery

- a. We will pay for direct physical loss of or damage to:

- (1) Business Personal Property, if a Limit Of Insurance is shown in the Declarations; and

- (2) "Money" and "securities";

at the described premises resulting directly from actual or attempted:

- (a) Burglary, meaning the taking of property from inside the described premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit; or

- (b) Robbery, meaning the taking of property from the care and custody of a person by one who has:

- (i) Caused or threatened to cause that person bodily harm; or

- (ii) Committed an obviously unlawful act witnessed by the person from whom the property was taken.

- b. Coverage for "money" and "securities" extends to that property while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having care and custody of the property, at the described premises, or in transit between any of these places.

- c. We will not pay for loss or damage:

- (1) To household and personal effects in living quarters occupied by you, your partner, officer, director or stockholder or any relative of any of these.

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- (2) To accounts, deeds or manuscripts.
- (3) To evidences of debt other than "securities".
- (4) Of property that is missing when there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
- (5) Resulting from any dishonest or criminal act:

- (a) That you or any of your partners commit whether acting alone or in collusion with other persons.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that you or your partners:

- (i) Admit, under oath; or
- (ii) Are determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency; or

- (b) Committed by any of your employees (including temporary or leased employees), directors, trustees or authorized representatives:

- (i) Acting alone or in collusion with other persons; or
- (ii) While performing services for you or otherwise.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that your employees (including temporary or leased employees), directors, trustees or authorized representatives:

- (i) Admit, under oath; or
- (ii) Are determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (6) Resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - (7) Of property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
 - (8) Resulting from delay, loss of use or loss of market.
 - (9) Occurring during a fire at the described premises.
- d. The most we will pay for loss or damage in any one occurrence is:
- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution;
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else; and
 - (3) 25% of the Business Personal Property Limit of Insurance for all other property. But each of the following types of property are covered only up to \$2,500:
 - (a) Furs, fur garments and garments trimmed with fur;
 - (b) Jewelry, watches, watch movements, jewels, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and

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- (c) Patterns, dies, molds and forms.
- e. All loss or damage:
- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.

- I. Paragraph **H.12. Definitions** does not apply.
- J. The following is added to **Paragraph H. Definitions**:

"Perpetrator" means:

1. You or anyone else with an interest in the property; or

2. Any of your or their partners, employees (including temporary or leased employees), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – INFORMATION SECURITY PROTECTION ENDORSEMENT

INSURING AGREEMENTS d. AND g. OF THIS ENDORSEMENT PROVIDE CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE THE LIMIT OF INSURANCE.

PLEASE READ THE ENTIRE FORM CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage Tier 1 (Provided automatically if this Endorsement is attached to the Policy)	
Insuring Agreement a. Replacement Or Restoration Of Electronic Data Insuring Agreement b. Public Relations Expense Insuring Agreement c. Security Breach Expense	
Coverage Tier 2 (Applicable only if an "X" is shown in the box below)	
<input type="checkbox"/>	Insuring Agreement d. Security Breach Liability (claims-made coverage)
Coverage Tier 3 (Applicable only if an "X" is shown in the box above for Tier 2 and in the box below)	
<input type="checkbox"/>	Insuring Agreement e. Extortion Threats Insuring Agreement f. Business Income And Extra Expense Insuring Agreement g. Web Site Publishing Liability (claims-made coverage)
Claims-made Coverage	Retroactive Date (Enter date or "none" if no Retroactive Date applies.):
Insuring Agreement d. Security Breach Liability	
Insuring Agreement g. Web Site Publishing Liability	
Aggregate Limit Of Insurance And Deductibles	
Information Security Protection Aggregate Limit Of Insurance:	\$
Information Security Protection Deductible:	\$
Business Income And Extra Expense Waiting Period Hours:	24 hours (unless a different waiting period is indicated below)
<input type="checkbox"/>	hours

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Contracted Security Breach Services	
Pre-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
Post-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
<input type="checkbox"/> Supplemental Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Tier 1 First-party Expense Coverages

For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph

A.5. Additional Coverages of Section I – Property:

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

a. Replacement Or Restoration Of Electronic Data

We will pay for "loss" of "electronic data" (as defined in Paragraph R. of this Endorsement) or "computer programs" stored within the "computer system" resulting directly from an "e-commerce incident" sustained during the "policy period".

b. Public Relations Expense

We will pay for "loss" due to "negative publicity" resulting directly from an "e-commerce incident" or a "security breach" sustained during the "policy period".

c. Security Breach Expense

We will pay for "loss" resulting directly from a "security breach" sustained during the "policy period".

B. Tier 2 Liability Coverage

If Tier 2 is shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph A. Coverages of Section II – Liability:

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

d. Security Breach Liability

- (1) We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- (2) We will pay for both "loss" and "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph d.(1).

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C. Tier 3 Coverages

1. Tier 3 First-party Expense Coverages

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A.5. Additional Coverages of Section I – Property:**

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

e. Extortion Threats

We will pay for "loss" resulting directly from an "extortion threat" communicated to you during the "policy period".

However, we will not pay for "extortion expenses" or "ransom payments" which are part of a series of related threats that began prior to the "policy period".

f. Business Income And Extra Expense

We will pay for "loss" due to an "interruption" resulting directly from an "e-commerce incident" sustained during the "policy period" or an "extortion threat" communicated to you during the "policy period".

2. Tier 3 Liability Coverage

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

g. Web Site Publishing Liability

We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

D. Additional Coverages A.5.p. And A.5.q.

1. Additional Coverage p. Electronic Data

Additional Coverage **p. Electronic Data of Section I – Property** does not apply to destruction or corruption of "electronic data" resulting directly from an "e-commerce incident".

2. Additional Coverage q. Interruption Of Computer Operations

If Tiers 2 and 3 are shown as applicable in the Schedule of this Endorsement, Additional Coverage **q. Interruption Of Computer Operations of Section I – Property** does not apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to an "e-commerce incident".

E. For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Defense And Settlement

1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent. However, we shall have the right but not the duty to defend the insured against a "claim" covered under Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability**, and we shall have no duty to defend the insured against any "claim" which is not covered under either of these Insuring Agreements.

2. We may, upon the written consent of the insured, make any settlement of a "claim" which we deem reasonable. If the insured withholds consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim", plus "defense expenses" incurred, as of the date we proposed such settlement in writing to the insured. Upon refusing to consent to a settlement we deem reasonable, the insured shall, at its sole expense, assume all further responsibility for its defense including all additional costs associated with the investigation, defense and/or settlement of such "claim".

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F. For the purposes of the coverage provided by this Endorsement, "electronic data" is deleted from Paragraph **A.2. Property Not Covered of Section I – Property**.

G. For the purposes of the coverage provided by this Endorsement, the limitations in Paragraphs **A.4.a.(3) and (4) of Section I – Property**, which relate to missing property and property transferred outside the described premises on the basis of unauthorized instructions, do not apply.

H. For the purposes of the coverage provided by this Endorsement, if any of the following endorsements, or any equivalent jurisdiction-specific endorsement, are attached to the Policy, the provisions of that endorsement do not apply:

1. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement;
2. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement;
3. Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement; or
4. Electronic Data Liability – Limited Coverage Endorsement.

I. For the purposes of the coverage provided by this Endorsement, Paragraph **B. Exclusions of Section I – Property** and Paragraph **B.1. Applicable To Business Liability Coverage of Section II – Liability** are replaced by the following:

We will not be liable for "loss" or "defense expenses":

- a. Based upon, attributable to or arising out of lightning, earthquake, hail, volcanic action or any other act of nature.
- b. Based upon, attributable to or arising out of:
 - (1) War, including undeclared or civil war or civil unrest;
 - (2) Warlike action by military force, including action 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 government authority in hindering or defending against any of these.

c. Based upon, attributable to or arising out of bodily injury or physical damage to or destruction of tangible property, including loss of use thereof.

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

d. Based upon, attributable to or arising out of any unexplained or indeterminable failure, malfunction or slowdown of the "computer system", including "electronic data" and the inability to access or properly manipulate the "electronic data".

e. Based upon, attributable to or arising out of any "interruption" in normal computer function or network service or function due to insufficient capacity to process transactions or due to an overload of activity on the "computer system" or network. However, this exclusion shall not apply if such "interruption" is caused by an "e-commerce incident".

f. Based upon, attributable to or arising out of a complete or substantial failure, disablement or shutdown of the Internet or any communications and data network infrastructure, for any cause that is not an "e-commerce incident".

g. Based upon, attributable to or arising out of any failure of, reduction in or surge of power.

h. Based upon, attributable to or arising out of any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) and its amendments, or similar provisions of any federal, state or local statutory or common law.

i. Based upon, attributable to or arising out of any malfunction or failure of any satellite.

j. Based upon, attributable to or arising out of any oral or written publication of material, if done by an insured or at an insured's direction with knowledge of its falsity.

k. Based upon, attributable to or arising out of an insured's assumption of liability by contract or agreement, whether oral or written. However, this exclusion shall not apply to any liability that an insured would have incurred in the absence of such contract or agreement.

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- l.** Based upon, attributable to or arising out of any actual or alleged patent or trade secret violation, including any actual or alleged violation of the Patent Act, the Economic Espionage Act of 1996 or the Uniform Trade Secrets Act and their amendments.
- m.** Based upon, attributable to or arising out of:
 - (1)** The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2)** Any 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
 - (3)** Any "claim" or "suit" brought by, or on behalf of, any 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".
- n.** Based upon, attributable to or arising out of any "claim", "suit" or other proceeding against an insured which was pending or existed prior to the "policy period", or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim", "suit" or other proceeding.
- o.** Based upon, attributable to or arising out of your employment practices including, but not limited to, termination of employment, demotion, reassignment, discipline, harassment, coercion or refusal to employ regardless of whether you are liable as an employer or in any other capacity.
- p.** Based upon, attributable to or arising out of any "wrongful act" or "interrelated wrongful acts" that occurred before the Retroactive Date, if any, shown in the Schedule.
- q.** Based upon, attributable to or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this Policy is a renewal or replacement.

- r.** Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreement **d.** Security Breach Liability.

With the exception of "claims" excluded under Exclusion **l.**, we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

With respect to "claims" excluded under Exclusion **l.**, and based upon, attributable to or arising out of any criminal act, we will defend "claims" first made against an insured alleging such criminal act until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest, and we will not provide a defense from the time we become aware that any insured intends to so plead.

- s.** Based upon, attributable to or arising out of any action or proceeding brought by, or on behalf of, any governmental authority or regulatory agency including, but not limited to:
 - (1)** The seizure or destruction of property by order of a governmental authority; or
 - (2)** Regulatory actions or proceedings brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other regulatory agency, except when covered under Paragraph **(2)** of Insuring Agreement **d.** Security Breach Liability.

However, this exclusion shall not apply to actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as a customer of the Named Insured.

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- t. Based upon, attributable to or arising out of costs associated with upgrading or improving the "computer system" regardless of the reason for the upgrade.
- u. Based upon, attributable to or arising out of any "claim" brought or alleged by one insured against another, except for a "claim" brought or alleged by an "employee" against an insured as a result of a "security breach".
- v. Based upon, attributable to or arising out of unintentional errors or omissions in the entry of "electronic data" into the "computer system".
- w. Based upon, attributable to or arising out of infringing upon another's copyright, trade dress or slogan in your "advertisement".
- x. Based upon, attributable to or arising out of fines, penalties or assessments imposed pursuant to contract or agreement, whether oral or written, including, but not limited to, Payment Card Industry (PCI) fines, penalties or assessments.

J. For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **B. Exclusions of Section I – Property:**

Nuclear Hazard

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

K. For the purposes of the coverage provided by this Endorsement, Paragraph **C. Limits Of Insurance** of **Section I – Property** and Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of **Section II – Liability** are replaced by the following:

Limits Of Insurance

Information Security Protection Aggregate Limit Of Insurance

The most we will pay for all "loss" and "defense expenses", if covered, under this Endorsement is the Information Security Protection Aggregate Limit Of Insurance shown in the Schedule. The Information Security Protection Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Endorsement. Upon exhaustion of the Information Security Protection Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind under this Endorsement.

L. For the purposes of the coverage provided by this Endorsement, the following replaces Paragraph **D. Deductibles of Section I – Property** and is added to **Section II – Liability:**

Information Security Protection Deductible

1. Subject to **Limits Of Insurance** under Paragraph **K.** of this Endorsement:

a. Under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability:**

We will pay only the amount of "loss" and "defense expenses" which are in excess of the Deductible Amount shown in the Schedule resulting from the same "wrongful act" or "interrelated wrongful acts". Such Deductible Amount will be borne by you, self-insured, and at your own risk.

b. Under Insuring Agreements **a. Replacement Or Restoration Of Electronic Data**, **b. Public Relations Expense**, **c. Security Breach Expense** and **e. Extortion Threats:**

We will pay only the amount of "loss" which is in excess of the Deductible Amount shown in the Schedule.

c. Under Insuring Agreement **f. Business Income And Extra Expense:**

We will pay only the amount of "loss" which exceeds the greater of:

(1) The Deductible Amount shown in the Schedule; or

(2) The amount of "loss" incurred during:

(a) The first 24 hours from the beginning of the "interruption" if no other waiting period is designated in the Schedule; or

(b) The number of hours waiting period designated in the Schedule from the beginning of the "interruption".

2. In the event a "loss" is covered under more than one Insuring Agreement:

a. If Insuring Agreement **f. Business Income And Extra Expense** does not apply, the Information Security Protection Deductible shown in the Schedule will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts"; or

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b. If Insuring Agreement f. Business Income And Extra Expense does apply, the larger of the:

(1) Information Security Protection Deductible shown in the Schedule; or

(2) Amount of loss incurred during the applicable waiting period;

will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts".

M. For the purposes of the coverage provided by this Endorsement, Paragraph E.3. Duties In The Event Of Loss Or Damage of Section I – Property and Paragraph E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section II – Liability are replaced by the following:

Duties In The Event Of Claim Or Loss

In the event of either an occurrence or offense that may result in a "claim" against an insured or a "loss" or situation that may result in a "loss" covered under this Endorsement, you must notify us in writing as soon as practicable, but not to exceed 30 days, and cooperate with us in the investigation and settlement of the "claim" or "loss". Additionally:

a. Under Insuring Agreements d. Security Breach Liability and g. Web Site Publishing Liability, you must:

(1) Immediately record the specifics of the "claim" and the date received;

(2) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

(3) Authorize us to obtain records and other information; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of an occurrence or offense to which this Endorsement may also apply.

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

Failure to give any notice required by this condition within the time period specified shall not invalidate any "claim" made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been made when the "claim" is received by an insured.

b. Under Insuring Agreement a. Replacement Or Restoration Of Electronic Data and Insuring Agreement e. Extortion Threats, you must:

(1) Notify local law enforcement officials;

(2) Submit to examination under oath at our request and give us a signed statement of your answers; and

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

(4) In addition, under Insuring Agreement e. Extortion Threats, you must:

(a) Determine that the "extortion threat" has actually occurred;

(b) Make every reasonable effort to immediately notify an associate and the security firm, if any, before making any "ransom payment" based upon the "extortion threat";

(c) With respect to "ransomware", make a reasonable effort to access your "electronic data" from backup; and

(d) Approve any "ransom payment" based upon the "extortion threat".

N. Extended Reporting Periods

For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, the following are added to Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability**:

1. Basic Extended Reporting Period

- a.** A Basic Extended Reporting Period is automatically provided without additional charge if:
 - (1)** This Endorsement is cancelled or not renewed for any reason; or
 - (2)** We renew or replace this Endorsement with insurance that:
 - (a)** Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or
 - (b)** Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.
- b.** The Basic Extended Reporting Period starts with the end of the "policy period" and lasts for 30 days. A "claim" first made and reported by the insured during this 30-day period will be considered to have been received within the "policy period". However, the 30-day Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Aggregate Limit of Insurance applicable to such "claims".

- c.** The Basic Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. It applies only to "claims" to which the following applies:

- (1)** The "claim" is first made and reported to us during the Basic Extended Reporting Period; and
- (2)** The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

2. Supplemental Extended Reporting Period

- a.** You will have the right to purchase a Supplemental Extended Reporting Period from us if:
 - (1)** This Endorsement is cancelled or not renewed; or
 - (2)** We renew or replace this Endorsement with insurance that:
 - (a)** Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or
 - (b)** Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.
- b.** The Supplemental Extended Reporting Period will not be available if:
 - (1)** We cancel this Endorsement for nonpayment of premium; or
 - (2)** You fail to pay any amounts owed us.

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- c. A Supplemental Extended Reporting Period, as specified in Paragraph a., lasts one year and is available only for an additional premium.
- d. The Supplemental Extended Reporting Period starts with the end of the Basic Extended Reporting Period set forth in Paragraph 1. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us during the Supplemental Extended Reporting Period; and
 - (2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- e. You must give us a written request for the Supplemental Extended Reporting Period within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.
- f. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium in full along with any premium or deductible you owe us for coverage provided under this Endorsement within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first. Once in effect, the Supplemental Extended Reporting Period may not be cancelled.
- g. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - (1) The exposures insured;
 - (2) Previous types and amounts of insurance;
 - (3) Limit of Insurance available under this Endorsement for future payment of damages; and
 - (4) Other related factors.

The additional premium may not exceed 100% of the annual premium for this Endorsement. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.

3. Basic And Supplemental Extended Reporting Period Limits

a. Basic Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Basic Extended Reporting Period. The Limit of Insurance available during the Basic Extended Reporting Period shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the "policy period".

b. Supplemental Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Supplemental Extended Reporting Period. The Limit of Insurance available during the Supplemental Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the Basic Extended Reporting Period.

- O. For the purposes of the coverage provided by this Endorsement, Paragraph H. **Other Insurance of Section III – Common Policy Conditions** is replaced by the following:

H. Other Insurance

- 1. If any covered "claim" or "loss" is insured by any other valid policy, then this Endorsement shall apply only in excess of the amount of any deductible, retention and Limit of Insurance under such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise.
- 2. When this Endorsement is excess, we shall have no duty under Insuring Agreement d. Security Breach Liability or g. Web Site Publishing Liability 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.

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- P. For the purposes of the coverage provided by this Endorsement, the following is added to **Section III – Common Policy Conditions**:

A. Valuation – Settlement

1. All premiums, Aggregate Limits of Insurance, Deductible Amounts, "loss" and any other monetary amounts under this Endorsement are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to or another component of "loss" under this Endorsement is expressed in any currency other than United States of America dollars, payment under this Endorsement shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, settlement amount is agreed upon or the other component of "loss" is due, respectively.
2. With respect to "loss" covered under Insuring Agreement **f. Business Income And Extra Expense**:
 - a. The amount of "business income" will be determined based on consideration of:
 - (1) The net income generated from your "e-commerce activities" before the "interruption" occurred;
 - (2) The likely net income generated by your "e-commerce activities" if no "interruption" had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "e-commerce incident" on customers or on other businesses;
 - (3) The operating expenses, including payroll, necessary to resume your "e-commerce activities" with the same quality of service that existed before the "interruption"; and
 - (4) Other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and debts, liens and contracts.

However, the amount of "business income" will be reduced to the extent that the reduction in the volume of business from the affected "e-commerce activities" is offset by an increase in the volume of business from other channels of commerce such as via telephone, mail or other sources.

- b. The amount of "extra expense" will be determined based on:

- (1) Necessary expenses that exceed the normal operating expenses that would have been incurred in the course of your "e-commerce activities" during the period of coverage if no "interruption" had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of coverage once your "e-commerce activities" are resumed; and
- (2) Necessary expenses that reduce the "business income" "loss" that otherwise would have been incurred during the period of coverage.

B. Confidentiality

Under Insuring Agreement **e. Extortion Threats**, the Named Insured and its "employees" must make every reasonable effort not to divulge the existence of this coverage.

- Q. For the purposes of the coverage provided by this Endorsement, the definition of "computer" under Paragraph **H. Property Definitions** of **Section I – Property** does not apply.

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- R. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "electronic data" under Paragraph **H. Property Definitions** of **Section I – Property** and is added to Paragraph **F. Liability And Medical Expenses Definitions** of **Section II – Liability**:

"Electronic data" means digital information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic storage devices including, but not limited to, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. "Electronic data" is not tangible property.

"Electronic data" does not include your "electronic data" that is licensed, leased, rented or loaned to others.

- S. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "suit" under Paragraph **F. Liability And Medical Expenses Definitions** of **Section II – Liability** and is added to Paragraph **H. Property Definitions** of **Section I – Property**:

"Suit" means a civil proceeding in which damages to which this Endorsement applies are claimed against the insured. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured submits 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.

"Suit" does not include a civil proceeding seeking recognition and/or enforcement of a foreign money judgment.

- T. For the purposes of the coverage provided by this Endorsement, the definition of "coverage territory" under Paragraph **F. Liability And Medical Expenses Definitions** of **Section II – Liability** is replaced by the following:

"Coverage territory" means anywhere in the world. However, "suits" must be brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.

- U. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "employee" under Paragraph **F. Liability And Medical Expenses Definitions** of **Section II – Liability** and is added to Paragraph **H. Property Definitions** of **Section I – Property**:

"Employee" means any natural person who was, now is or will be:

- a. Employed on a full- or part-time basis;
- b. Furnished temporarily to you to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions;
- c. 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, but does not mean a temporary employee as defined in Paragraph **b.**;
- d. An officer;
- e. A director, trustee or manager (if a limited liability company);
- f. A volunteer worker; or
- g. A partner or a member (if a limited liability company);

of the Named Insured, but only while acting within the scope of their duties as determined by the Named Insured.

- V. For the purposes of the coverage provided by this Endorsement, the following are added to Paragraph **H. Property Definitions** of **Section I – Property** and Paragraph **F. Liability And Medical Expenses Definitions** of **Section II – Liability**:

1. "Business income" means the:

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

2. "Claim" means:

- a. A written demand for monetary or nonmonetary damages, including injunctive relief;

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b. A civil proceeding commenced by the service of a complaint or similar proceeding; or

c. Under Paragraph (2) of Insuring Agreement d. Security Breach Liability, a "regulatory proceeding" commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document;

against any insured for a "wrongful act", including any appeal therefrom.

3. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store or send "electronic data".

4. "Computer system" means the following which are owned, leased or operated by you:

a. Computers, including Personal Digital Assistants (PDAs) and other transportable or hand-held devices, electronic storage devices and related peripheral components;

b. Systems and applications software; and

c. Related communications networks;

by which "electronic data" is collected, transmitted, processed, stored or retrieved.

5. "Defense expenses" means the reasonable and necessary fees (attorneys' and experts' fees) and expenses incurred in the defense or appeal of a "claim", including the cost of appeal, attachment or similar bonds (without any obligation on our part to obtain such bonds) but excluding wages, salaries, benefits or expenses of your "employees".

6. "E-commerce activities" means those activities conducted by you in the normal conduct of your business via the Internet or other computer-based interactive communications network.

7. "E-commerce incident" means a:

a. "Virus";

b. Malicious code; or

c. Denial of service attack;

introduced into or enacted upon the "computer system" (including "electronic data") or a network to which it is connected, that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the "computer system" or otherwise disrupt its normal operation.

Recurrence of the same "virus" after the "computer system" has been restored shall constitute a separate "e-commerce incident".

8. "Extortion expenses" means:

a. Fees and costs of:

(1) A security firm; or

(2) A person or organization;

hired with our consent to determine the validity and severity of an "extortion threat" made against you;

b. Interest costs paid by you for any loan from a financial institution taken by you to pay a ransom demand;

c. Reward money paid by you to an "informant" which leads to the arrest and conviction of parties responsible for "loss"; and

d. Any other reasonable expenses incurred by you with our written consent, including:

(1) Fees and costs of independent negotiators; and

(2) Fees and costs of a company hired by you, upon the recommendation of the security firm, to protect your "electronic data" from further threats.

9. "Extortion threat" means a threat or series of related threats:

a. To perpetrate an "e-commerce incident";

b. To disseminate, divulge or utilize:

(1) Your proprietary information; or

(2) Weaknesses in the source code;

within the "computer system" by gaining unauthorized access to the "computer system";

c. To destroy, corrupt or prevent normal access to the "computer system" by gaining unauthorized access to the "computer system";

d. To inflict "ransomware" on the "computer system" or a network to which it is connected; or

e. To publish your client's "personal information".

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10. "Extra expense" means necessary expenses you incur:

- a. During an "interruption" that you would not have incurred if there had been no "interruption"; or
- b. To avoid or minimize the suspension of your "e-commerce activities".

"Extra expense" does not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system".

11. "Informant" means a person, other than an "employee", providing information not otherwise obtainable, solely in return for a reward offered by you.

12. "Interrelated wrongful acts" means all "wrongful acts" that have as a common nexus any:

- a. Fact, circumstance, situation, event, transaction or cause; or
- b. Series of causally connected facts, circumstances, situations, events, transactions or causes.

13. "Interruption" means:

- a. With respect to an "e-commerce incident":
 - (1) An unanticipated cessation or slowdown of your "e-commerce activities"; or
 - (2) Your suspension of your "e-commerce activities" for the purpose of avoiding or mitigating the possibility of transmitting a "virus" or malicious code to another person or organization;

and, with regard to Paragraphs 13.a.(1) and 13.a.(2), shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:

- (a) 90 days after the "interruption" begins;
 - (b) The time when your "e-commerce activities" are resumed; or
 - (c) The time when service is restored to you.
- b. With respect to an "extortion threat", your voluntary suspension of your "e-commerce activities":
 - (1) Based upon clear evidence of a credible threat; or
 - (2) Based upon the recommendation of a security firm, if any;

and, with regard to Paragraphs 13.b.(1) and 13.b.(2), shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:

- (a) 14 days after the "interruption" begins;
- (b) The time when your "e-commerce activities" are resumed; or
- (c) The time when service is restored to you.

14. "Loss" means:

- a. With respect to Insuring Agreement a. Replacement Or Restoration Of Electronic Data:

The cost to replace or restore "electronic data" or "computer programs" as well as the cost of data entry, reprogramming and computer consultation services.

"Loss" does not include the cost to duplicate research that led to the development of your "electronic data" or "computer programs". To the extent that any "electronic data" cannot be replaced or restored, we will pay the cost to replace the media on which the "electronic data" was stored with blank media of substantially identical type.

- b. With respect to Insuring Agreement b. Public Relations Expense:

"Public relations expenses".
- c. With respect to Insuring Agreement c. Security Breach Expense:

"Security breach expenses".
- d. With respect to Insuring Agreements d. Security Breach Liability and g. Web Site Publishing Liability:

- (1) Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements;
 - (2) Punitive and exemplary damages to the extent such damages are insurable by law; or
 - (3) Under Paragraph (2) of Insuring Agreement d. Security Breach Liability, fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law.

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With regard to Paragraphs **d.(1)** through **d.(3)**, "loss" does not include:

- (a)** Civil or criminal fines or penalties imposed by law, except civil fines or penalties as provided under Paragraph **d.(3)**;
 - (b)** The multiplied portion of multiplied damages;
 - (c)** Taxes;
 - (d)** Royalties;
 - (e)** The amount of any disgorged profits; or
 - (f)** Matters that are uninsurable pursuant to law.
 - e.** With respect to Insuring Agreement **e.** Extortion Threats:
"Extortion expenses" and "ransom payments".
 - f.** With respect to Insuring Agreement **f.** Business Income And Extra Expense:
The actual loss of "business income" you sustain and/or "extra expense" you incur.
- 15.** "Negative publicity" means information which has been made public that has caused, or is reasonably likely to cause, a decline or deterioration in the reputation of the Named Insured or of one or more of its products or services.
- 16.** "Personal information" means any information not available to the general public for any reason through which an individual may be identified, including, but not limited to, an individual's:
- a.** Social security number, driver's license number or state identification number;
 - b.** Protected health Information;
 - c.** Financial account numbers;
 - d.** Security codes, passwords, PIN numbers associated with credit, debit or charge card numbers which would permit access to financial accounts; or
 - e.** Any other nonpublic information as defined in "privacy regulations".
- 17.** "Policy period" means the period of time from the inception date of this Policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.

- 18.** "Privacy regulations" means any of the following statutes and regulations, and their amendments, associated with the control and use of personally identifiable financial, health or other sensitive information including, but not limited to:
- a.** The Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191);
 - b.** The Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
 - c.** Gramm-Leach-Bliley Act of 1999;
 - d.** Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), but solely for alleged unfair or deceptive acts or practices in or affecting commerce;
 - e.** Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003; or
 - f.** Any other similar state, federal or foreign identity theft or privacy protection statute or regulation.
- 19.** "Public relations expenses" means:
- a.** Fees and costs of a public relations firm; and
 - b.** Any other reasonable expenses incurred by you with our written consent;
- to protect or restore your reputation solely in response to "negative publicity".
- 20.** "Ransom payment" means a payment made in the form of cash.
- 21.** "Ransomware" means any software that encrypts "electronic data" held within the "computer system" and demands a "ransom payment" in order to decrypt and restore such "electronic data".
- 22.** "Regulatory proceeding" means an investigation, demand or proceeding brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

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23. "Security breach" means the acquisition of "personal information" held within the "computer system" or in non-electronic format while in the care, custody or control of the insured or authorized "third party" by a person:

- a.** Who is not authorized to have access to such information; or
- b.** Who is authorized to have access to such information but whose access results in the unauthorized disclosure of such information.

24. "Security breach expenses" means:

- a.** Costs to establish whether a "security breach" has occurred or is occurring;
- b.** Costs to investigate the cause, scope and extent of a "security breach" and to identify any affected parties;
- c.** Costs to determine any action necessary to correct or remediate the conditions that led to or resulted from a "security breach", including, but not limited to, fees paid for legal and other professional advice on how to respond to the "security breach";
- d.** Costs to notify all parties affected by a "security breach", including, but not limited to, notice to be transmitted through media required by "privacy regulations";
- e.** Overtime salaries paid to "employees" assigned to handle inquiries from the parties affected by a "security breach";
- f.** Fees and costs of a company hired by you for the purpose of operating a call center to handle inquiries from the parties affected by a "security breach";
- g.** Post-event monitoring costs for the parties affected by a "security breach" for up to one year from the date of notification to those affected parties of such "security breach"; and
- h.** Any other reasonable expenses incurred by you with our written consent.

"Security breach expenses" do not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system" as a result of a "security breach".

25. "Third party" means any entity that you engage under the terms of a written contract to perform services for you.

26. "Virus" means any kind of malicious code designed to damage or destroy any part of the "computer system" (including "electronic data") or disrupt its normal functioning.

27. "Wrongful act" means:

- a.** With respect to Insuring Agreement **d.** Security Breach Liability:

Any actual or alleged neglect, breach of duty or omission by an insured that results in:

(1) A "security breach"; or

(2) A "computer system" transmitting, by e-mail or other means, a "virus" to another person or organization.

- b.** With respect to Insuring Agreement **g.** Web Site Publishing Liability:

Any actual or alleged error, misstatement or misleading statement posted or published by an insured on its web site that results in an infringement of another's copyright, trademark, trade name, trade dress, title, slogan, service name or service mark. This does not include infringing upon another's copyright, trade dress or slogan in your "advertisement".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MICHIGAN CHANGES – PROVIDE COVERAGE FOR
DISHONEST, MALICIOUS OR
FRAUDULENT ACTS COMMITTED BY EMPLOYEES**

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – INFORMATION SECURITY PROTECTION ENDORSEMENT

Exclusion r. is replaced by the following:

- r. Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Endorsement.

With the exception of "claims" excluded under Exclusion I., we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

With respect to "claims" excluded under Exclusion I., and based upon, attributable to or arising out of any criminal act, we will defend "claims" first made against an insured alleging such criminal act until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any insured intends to so plead.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Employee Benefits Program:			
Limit Of Insurance		Deductible (Each Employee)	Premium
Each Employee	Aggregate		
\$	\$	\$	\$
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Section II – Liability is amended as follows:

1. The following is added to Paragraph **A. Coverages:**

Coverage – Employee Benefits Liability

a. Insuring Agreement

- (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (a) The amount we will pay for damages is limited as described in Paragraph **4.** of this endorsement; and

- (b) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

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

- (2) This insurance applies to damages only if:
- (a) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
- (b) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(c) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **a.(3)** below, during the policy period or an Extended Reporting Period we provide under Paragraph **6.** of this endorsement.

(3) A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(a) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(b) When we make settlement in accordance with Paragraph **a.(1)** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

(4) All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

b. Exclusions

This insurance does not apply to:

(1) Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by any insured, including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the insured:

a. Admits, under oath; or

b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

(2) Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

(3) Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

(4) Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

(5) Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

(a) Failure of any investment to perform;

(b) Errors in providing information on past performance of investment vehicles; or

(c) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

(6) Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

(7) ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

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(8) Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

(9) Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

(10) Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

2. For the purposes of the coverage provided by this endorsement:

- a.** All references to Supplementary Payments are replaced by Supplementary Payments and Employee Benefits Liability.
- b.** Paragraphs **f.(1)(b)**, **f.(2)** and **f.(3)** Coverage Extension – Supplementary Payments do not apply.

3. For the purposes of the coverage provided by this endorsement, Paragraph C.2. Who Is An Insured is replaced by the following:

- 2. Each of the following is also an insured:**
 - a.** Each of your "employees" who is or was authorized to administer your "employee benefit program".
 - b.** Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
 - c.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

4. For the purposes of the coverage provided by this endorsement, Paragraph D. Liability And Medical Expenses Limits Of Insurance is replaced by the following:

a. Limits Of Insurance

- (1)** The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

- (a)** Insureds;
- (b)** "Claims" made or "suits" brought;

- (c)** Persons or organizations making "claims" or bringing "suits";

- (d)** Acts, errors or omissions; or

- (e)** Benefits included in your "employee benefit program".

- (2)** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

- (3)** Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (a)** An act, error or omission; or

- (b)** A series of related acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the Policy to which this endorsement is attached, 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.

b. Deductible

- (1)** Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The Limits of Insurance shall not be reduced by the amount of this deductible.

- (2) The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
 - (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, and the duties of any other involved insured, in the event of an act, error or omission, or "claim";
 apply irrespective of the application of the deductible amount.
 - (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 as we have paid.
5. For the purposes of the coverage provided by this endorsement, Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a "claim" is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must also see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
 - d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
 - e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
 - f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
6. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:
- Extended Reporting Period**
- a. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - (1) This endorsement is canceled or not renewed; or
 - (2) We renew or replace this endorsement with insurance that:
 - (a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

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- (b) Does not apply to an act, error or omission on a claims-made basis.
- b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
- c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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:

- (1) The "employee benefit programs" insured;
- (2) Previous types and amounts of insurance;
- (3) Limits of Insurance available under this endorsement for future payment of damages; and
- (4) Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period.

- d. If the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph 4.a.(2) of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph 4.a.(3).

7. For the purposes of the coverage provided by this endorsement, the following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions**:

a. "Administration" means:

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

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

- b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.
- c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
- d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

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- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - (5) Any other similar benefits designated in the Schedule or added thereto by endorsement.
8. For the purposes of the coverage provided by this endorsement, Paragraphs **F.5.** and **F.18. Liability And Medical Expenses Definitions** are replaced by the following:
- 5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 - 18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

B. Section III – Common Policy Conditions is amended as follows:

For the purposes of the coverage provided by this endorsement, Paragraph **2.** under **H. Other Insurance** is replaced by the following:

- 2. This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations of the Policy to which this endorsement is attached and that applies to an act, error or omission on other than a claims-made basis, if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – ELECTRONIC DATA LIABILITY – BROAD COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Electronic Data Liability Annual Aggregate Limit Of Insurance: \$ Each Electronic Data Incident Limit: \$ Retroactive Date:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

A. The following is added to Paragraph **A.1.**

Business Liability:

Coverage – Damage To Electronic Data

Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss of electronic data" 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 to which this insurance does not apply. We may, at our discretion, investigate any "electronic data incident" and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Paragraph **D.** Liability And Medical Expenses 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.

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

- b.** This insurance applies to "loss of electronic data" only if:

- (1)** The "loss of electronic data":

- (a)** Is caused by an "electronic data incident";
(b) Takes place in the "coverage territory"; and
(c) Did not occur before the Retroactive Date, if any, shown in the Schedule or after the end of the policy period; and

(2) A claim for damages because of the "loss of electronic data" is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** Extended Reporting Period.

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 a settlement in accordance with Paragraph **a.** above.

All claims for damages because of "loss of electronic data" arising out of an "electronic data incident" shall be deemed to have been made at the time the first of those claims is made against any insured.

A claim received and recorded by the insured within 30 days after the end of the policy period will be considered to have been received within the policy period. However, this 30-day period does not apply to claims that are covered under any subsequent insurance you may purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended by the addition of the following:

This insurance does not apply to:

1. Expected Or Intended Loss

"Loss of electronic data" expected or intended from the standpoint of the insured.

2. Bodily Injury, Property Damage Or Personal And Advertising Injury

Damages that are "bodily injury", "property damage" or "personal and advertising injury".

3. Contractual Liability – Electronic Data

"Loss of electronic data" 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 that the insured would have in the absence of the contract or agreement.

4. Computer Products Or Services Exclusion

"Loss of electronic data" arising out of a negligent act, error or omission, by or for you or anyone acting on your behalf in providing "computer products or services".

5. Damage To Your Data

"Loss of electronic data" that:

a. Is owned by you;

b. Was developed by or for you; or

c. Is "your work" or "your product".

6. Performance Of A Contract

"Loss of electronic data" arising out of a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

7. Infringement Of Intellectual Property Rights

"Loss of electronic data" arising out of or resulting from the actual or alleged infringement of trademark, copyright, patent, trade secret or other intellectual property rights.

8. Access, Disclosure Or Unauthorized Use Of Electronic Data

Damages arising out of:

a. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

b. Theft or unauthorized viewing, copying, use, corruption, manipulation or deletion of "electronic data" by any Named Insured, past or present "employee", temporary worker or volunteer worker.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **a.** or **b.** above.

9. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

10. Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

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However, with respect to "loss of electronic data" arising out of a criminal act, this exclusion only applies to the extent that the insured:

- a. Admits, under oath; or
- b. Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

C. For the purposes of the coverage provided by this endorsement, Paragraph **B.1.q. Electronic Data Exclusion** does not apply.

D. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

C. 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.
- 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 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 Policy.

E. The following are added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

- 5. The Electronic Data Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of "loss of electronic data".
- 6. Subject to Paragraph **E.5.**, the Each Electronic Data Incident Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of the "loss of electronic data" arising out of any one "electronic data incident".

F. For the purposes of the coverage provided by this endorsement, Paragraph **E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

- a. You must see to it that we are notified as soon as practicable once you, or any insured listed under Paragraph **C.1. Who Is An Insured**, know or suspect that an "electronic data incident" has occurred, which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the known or suspected "electronic data incident" took place;

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- (2) The name and address of any person or organization whose "electronic data" was lost or damaged; and
- (3) The nature and location of any damage arising out of the known or suspected "electronic data incident".

Notice of a known or suspected "electronic data incident" is not notice of a claim.

- G.** For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

Extended Reporting Period

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of the endorsement; or
 - (2) Does not apply to "loss of electronic data" on a claims-made basis.
2. An Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge.
3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to claims to which the following applies:
 - a. The claim is first made during the Extended Reporting Period;
 - b. The "loss of electronic data" occurs before the end of the policy period; and
 - c. The "loss of electronic data" did not commence before the Retroactive Date, if any.
4. You must give us a written request for the Extended Reporting Period endorsement within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this Policy. Once in effect, the Extended Reporting Period may not be cancelled.

6. 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. Limit of Insurance available under this Policy for future payment of damages; and
- d. Other related factors.

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

7. When the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance for any claim first made during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under the Electronic Data Liability Annual Aggregate Limit Of Insurance.

Paragraph E.5. of this endorsement will be amended accordingly.

- H.** For the purposes of the coverage provided by this endorsement, Paragraphs F.4. and F.18. **Liability And Medical Expenses Definitions** are replaced by the following:

4. "Coverage territory" means all parts of the world provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.

18. "Suit" means a civil proceeding in which damages because of "loss of electronic data" 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.

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I. For the purposes of the coverage provided by this endorsement, the following are added to Paragraph F. **Liability And Medical Expenses Definitions:**

23. "Computer products or services" means:

- a. Manufacturing, developing, designing, creating, selling, handling, marketing, distributing, licensing, or disposing of computer or electronic goods, by you or on your behalf. Computer or electronic goods includes, but is not limited to:
 - (1) Computer software or computer programming;
 - (2) Electronic or computer equipment, components or peripherals;
 - (3) Communications or broadcasting equipment; or
 - (4) Industrial or robotic equipment; and any containers (other than vehicles), materials, parts or equipment furnished in connection with such computer or electronic goods, by you or on your behalf; or
- b. Computer-related services performed by you or on your behalf, including but not limited to:
 - (1) Installation, testing, service, maintenance, technical support, repair, integration, networking, consulting or analysis of or training for:
 - (a) Computer software or computer programming;
 - (b) Electronic or computer equipment, components or peripherals;
 - (c) Communications or broadcasting equipment; or
 - (d) Industrial or robotic equipment;
 - (2) Processing, storage, transmission or other handling of "electronic data" for others; or
 - (3) Provision of broadcasting or communication services for others, or consulting, evaluating or advising on such services, including but not limited to broadcasts or communications via television, cable, satellite, radio, Internet, wireless transmissions or cellular transmissions.

24. "Electronic data incident" means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts or errors or omissions, which results in "loss of electronic data".

25. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

26. "Loss of electronic data" means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, "electronic data".

J. For the purposes of the coverage provided by this endorsement, Paragraph H.2. **Other Insurance** is replaced by the following:

2. This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations and that applies to loss of "electronic data" on other than a claims-made basis if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Identity Fraud Expense Aggregate Limit – \$25,000 unless otherwise indicated below:
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Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
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Section I – Property is amended as follows:

A. The following is added to Paragraph **A.5.**
Additional Coverages:

Identity Fraud Expense Coverage

1. We will pay up to \$25,000, unless a different Identity Fraud Expense Aggregate Limit is indicated in the Schedule, for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.
2. We will pay up to \$5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.
3. Regardless of the number of claims you make:
 - a. The Identity Fraud Expense Aggregate Limit shown in the Schedule is the most we will pay for the sum of all "expenses"; and
 - b. \$5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Identity Fraud Expense Coverage is additional insurance.

B. With respect to the coverage provided by this endorsement, the following is added to Paragraph **B. Exclusions:**

We will not pay for:

1. "Expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any fraudulent, dishonest or criminal act by a "perpetrator".

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- a. Admits, under oath; or
- b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

2. Loss other than "expenses" or additional advertising expenses.

- C. With respect to the coverage provided by this endorsement, Paragraph **D. Deductible** is replaced by the following:

D. Deductible

We will not pay for "expenses" or additional advertising expenses until the amount of "expenses" and advertising expenses exceeds \$250. We will then pay the amount of "expenses" and additional advertising expenses in excess of the deductible up to the applicable limit of insurance provided in this endorsement. No other deductible applies to Identity Fraud Expense Coverage.

- D. The following is added to Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

- E. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the coverage provided by this endorsement does not apply to any loss payable under that Employee Dishonesty Optional Coverage.

- F. The following definitions are added to Paragraph **H. Definitions**:

1. "Expenses" means:

- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- c. Costs for obtaining credit reports.
- d. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$250 per day. Total payment for lost income is not to exceed \$10,000.
- e. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

- f. Reasonable attorney fees incurred as a result of "identity fraud" to:

- (1) Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
- (2) Remove any criminal or civil judgments wrongly entered against you; and
- (3) Challenge the accuracy or completeness of any information in a consumer credit report.

- g. Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

2. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of your business, as described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

3. "Perpetrator" means:

- a. You;
- b. Your partners, "members", officers, "managers", directors, trustees; or
- c. Any authorized representative of yours, but only if such act was committed with the knowledge or consent of any of the individuals listed in Paragraph **3.a.** or **3.b.** of this definition;

whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

- G. With respect to the coverage provided by this endorsement, the **Other Insurance** Condition under **Section III – Common Policy Conditions** is replaced by the following:

Other Insurance

The coverage provided under this endorsement will be excess over any other insurance or agreement covering the same loss or damage, whether you can collect on it or not. But we will not pay more than the applicable limit of insurance provided under this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

SCHEDULE

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

A. An Extended Reporting Period endorsement is provided, as described in Paragraph **A.6.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement.

B. An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to "claims" first received and recorded during the Extended Reporting Period. This limit is equal to the Aggregate Limit, if any, entered in the Schedule of the Michigan Changes – Employee Benefits Liability Coverage endorsement in effect at the end of the policy period.

C. Paragraph **A.4.a.(2)** of the Michigan Changes – Employee Benefits Liability Coverage endorsement is replaced by the following:

- (2)** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for "claims" first received and recorded during the Extended Reporting Period.

D. The following is added to Paragraph **2.** of the **Other Insurance** Condition of Paragraph **B.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement:

This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **A.6.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be canceled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD FOR ELECTRONIC DATA LIABILITY – BROAD COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

SCHEDULE

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

A. An Extended Reporting Period endorsement is provided, as described in Paragraph **G.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement.

B. An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Electronic Data Liability Annual Aggregate Limit entered in the Schedule of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement or shown in the Declarations as applicable to this coverage in effect at the end of the policy period.

C. Paragraph **E.5.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement is replaced by the following:

5. The Electronic Data Liability Annual Aggregate Limit is the most we will pay for the sum of all damages because of "loss of electronic data".

However, the above Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of "loss of electronic data" for claims first received and recorded during the Extended Reporting Period.

D. The following is added to the **Other Insurance** Condition of Paragraph **J.2.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement:

This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **G.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Named Association:	
Directors And Officers Liability Annual Aggregate Limit Of Insurance:	\$
Deductible:	\$
Pending Or Prior Litigation Date:	Retroactive Date:
<input type="checkbox"/> Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

For the purposes of the coverage provided by this endorsement, **Section II – Liability** is amended as follows:

A. The following are added to Paragraph A. Coverages:

1. Insuring Agreement – Management Liability

- a.** We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

- b.** If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1)** Such spousal status; or
- (2)** Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

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However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

- c.** This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1) The estate, heirs or legal representatives of a deceased "insured person"; and
- (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

- B.** For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions, Subparagraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" arising out of any deliberately criminal act, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or

- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- b.** For "bodily injury".

- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".

- d.** For "property damage".

- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

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- f. Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.
 - g. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1) During a prior policy period of this policy; or
 - (2) Under any insurance policy of which this policy is a replacement.
 - h. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
 - i. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
 - j. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
 - k. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
 - (1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2) A "claim" arising out of a "wrongful employment practices act".
 - l. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
 - m. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:
 - (1) The "association" would have been liable in the absence of such contract or agreement; or
 - (2) Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";
 - n. Arising out of "personal and advertising injury".
 - o. Arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2) Any 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
 - (3) A "claim" made or "suit" brought by or on behalf of any 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";

including without limitation any "claim" by or on behalf of the "association".
 - p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.
- A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph B.
- C.** For the purposes of the coverage provided by this endorsement, Paragraph C. **Who Is An Insured** is replaced by the following:
- 1. The "association" is an insured.
 - 2. "Insured persons" are insureds.

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D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

E. For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- 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 person involved in the specific "wrongful act", including names and addresses of the potential claimants;

- c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";

- d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and

- e. The circumstances by which the insureds first became aware of the specific "wrongful act".

2. If a "claim" is received by any insured, you must:

- a. Immediately record the specifics of the "claim" 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" 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";

- b. Authorize us to obtain records and other information;

- c. Cooperate with us in the investigation or settlement of the "claim"; 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 "wrongful acts" to which this insurance may also apply.

4. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

6. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

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- F. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to "wrongful acts" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.
3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.
4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
6. 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. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.
7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.
- H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability:**
 1. "Association" means the entity named in the Schedule as the named association.
 2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;for a "wrongful act", including any appeal therefrom.

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3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
6. "Interrelated wrongful act" means all causally connected "wrongful acts".
7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.
8. "Wrongful act" includes a "wrongful employment practices act" and means:
 - a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.

- b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
9. "Wrongful employment practices act" means any actual or alleged:
 - a. Wrongful dismissal, discharge or termination of employment;
 - b. Breach of any implied employment contract;
 - c. Employment-related misrepresentation;
 - d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
 - e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
 - f. Wrongful failure to employ or promote;
 - g. Wrongful reference, discipline or deprivation of a career opportunity;
 - h. Failure to adopt adequate workplace or employment policies and procedures; or
 - i. Illegal retaliatory treatment.

- I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" 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.

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**MICHIGAN CHANGES – APARTMENT BUILDINGS
SUPPLEMENTAL SCHEDULE**

POLICY NUMBER:		COMPANY:	
NAMED INSURED:			

This Schedule may be used in conjunction with the Businessowners Policy Declarations when it is used to insure Apartment Buildings and modified by the Michigan Changes – Apartment Buildings endorsement.

ENDORSEMENT BP 07 97: Applicable only to premises for which entries are shown below:

Premises Information			
Premises Number	Building Number	Premises Address	Premium
			\$
			\$
			\$

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FINE ARTS COVERAGE: Applicable only to premises for which entries are shown below:

Premises Number	Premium
	\$
	\$
	\$

LOSS OR DAMAGE TO TENANTS' AUTOS (LEGAL LIABILITY COVERAGE): Applicable only to premises for which entries are shown below:

Premises Number	Limit Of Liability (Per Event)	Deductible Other Than Collision		Collision Deductible
		For Each Tenant's Auto	Maximum Deductible In Any One Event	
	\$	\$	\$	\$
	\$			
	\$			
Premium For All Premises:	\$			

FORMS APPLICABLE TO SPECIFIC PREMISES/COVERAGES:

Premises Number	Building Number	Coverage	Form Number

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POLICY NUMBER:

COMMERCIAL AUTO
CA 27 01 11 20

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN EMPLOYEE BENEFITS LIABILITY COVERAGE

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Coverage	Limits Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ Each Employee	\$	\$
	\$ Employee Benefits Aggregate		
Retroactive Date			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

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A. Employee Benefits Liability Coverage

1. Coverage

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of any act, error or omission, of the "insured", or of any other person for whose acts the "insured" is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Paragraph D. Limits Of Insurance; and
 - (2) Our right to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph B. Supplementary Payments.
- b. This insurance applies to damages only if:
- (1) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
 - (2) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
 - (3) A "claim" for damages, because of an act, error or omission, is first made against any "insured", in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph G. Extended Reporting Period of this endorsement.
- c. A "claim" 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.

A "claim" received and recorded by the "insured" within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any "insured", including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

b. Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

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e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any "insured" is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the "insured", from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. Supplementary Payments

We will pay for the "insured":

1. All expenses we incur.
2. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
4. All costs taxed against the "insured" in any "suit" against the "insured" we defend.

5. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

C. Who Is An Insured

The following are "insureds" for Employee Benefits Liability Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the "administration" of your "employee benefit program".
3. Your members, if you are a limited liability company, but only with respect to the "administration" of your "employee benefit program". Your managers are also "insureds", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insureds" but only with respect to their liability as stockholders.
5. Each of your "employees" who is or was authorized to administer your "employee benefit program".
6. Any "auto" dealership that is acquired or formed by you, other than a partnership or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that "auto" dealership. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier.
- b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the "auto" dealership.

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

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D. Limits Of Insurance

1. The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program".
2. The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
3. Subject to the Employee Benefit Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - a. An act, error or omission; or
 - b. A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the Policy to which this endorsement is attached, 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.

E. Deductible

1. Our obligation to pay damages on behalf of the "insured" applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

2. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
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, and the duties of any other involved "insured", in the event of an act, error or omission, or "claim"apply irrespective of the application of the deductible amount.
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 as we have paid.

F. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a "claim" is made or "suit" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and

(2) Notify us as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply.

d. Notice given by or on behalf of the "insured" to our authorized agent, with particulars sufficient to identify the "insured", shall be considered notice to us.

e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

f. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

If other valid and collectible insurance is available to the "insured" for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

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

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-"insured" amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits Of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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.

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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 limits of insurance to the total applicable limits of insurance of all insurers.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be cancelled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" "insured";
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for "claims" first received and recorded during the Extended Reporting Period.

The extended reporting period employee benefit aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits Of Insurance.

Paragraph D.2. of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph D.3.

H. Definitions

For the purposes of the coverage provided by this endorsement, **Section V – Definitions** is amended as follows:

1. The "employee" definition is replaced by the following:

"Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
2. The "suit" definition is replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

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3. The following definitions are added:

a. "Administration" means:

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

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

b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- (1) Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;

- (4) Vacation plans, including buy-and-sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and

- (5) Any other similar benefits designated in the Schedule or added thereto by endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CUSTOMER COMPLAINT LEGAL DEFENSE COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE FOR DEFENSE EXPENSES ONLY.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance		Premium
\$	Per Customer Complaint Legal Defense Limit	\$
\$	Customer Complaint Legal Defense Aggregate Limit	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay for "defense expenses" incurred to defend an "insured" against a "customer complaint" to which this insurance applies. We will have the duty to defend any "insured" against a "customer complaint". However, we will have no duty to defend an "insured" against any "customer complaint" to which this insurance does not apply. We may investigate and, with your written consent, settle any "customer complaint" as we consider appropriate. However:
 - a. The amount we will pay for "defense expenses" is limited as described in Paragraph **D. Limit Of Insurance**; and
 - b. Coverage for "defense expenses" ends when the applicable Limit Of Insurance shown in the Schedule has been exhausted.

2. No other obligation to pay sums such as:
 - a. Prejudgment or postjudgment interest;
 - b. Punitive damages;
 - c. Civil or criminal fines; or
 - d. Penalties imposed by law
 imposed on the "insured" is covered unless explicitly provided for in the definition of "defense expenses" contained in Paragraph **F.2.b.** of this endorsement.
3. This insurance applies only if the "customer complaint" is made within the coverage territory and during the policy period in accordance with Paragraph **A.4.**
4. A "customer complaint" will be deemed to have been made when notice of such "customer complaint" is received and recorded by any "insured" or by us, whichever comes first.

A "customer complaint" received and recorded by the "insured" within 30 days after the end of the policy period will be considered to have been made within the policy period, if no subsequent insurance is available to cover "defense expenses" associated with such "customer complaint".

5. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be deemed to have been made at the time the first of those "customer complaints" is made against any "insured".

B. Exclusions

1. This insurance does not apply to "defense expenses" incurred as a result of "customer complaints" arising out of:

a. Accidents, Personal And Advertising Injury, Acts, Errors Or Omissions And Loss

- (1) An "accident";
- (2) "Personal and advertising injury";
- (3) "Acts, errors or omissions"; or
- (4) "Loss" to an "auto" while the "insured" is attending, servicing, repairing, parking or storing it in your "auto dealer operations".

b. Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Any criminal, fraudulent, malicious, dishonest or intentional act, error or omission by an "insured", including the willful or reckless violation of any law or regulation.

However, this exclusion does not apply to any "insured" who did not:

- (1) Personally commit;
- (2) Personally participate in;
- (3) Personally acquiesce to; or
- (4) Remain passive after having knowledge of;

any such act, error or omission.

In addition, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

c. Product Recall

The loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, 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.

d. Mechanical Breakdown Or Warranty Agreements

Any obligation under a warranty or mechanical breakdown agreement.

2. This insurance does not apply to the payment of judgments or settlements.

C. Who Is An Insured

The following are "insured's" for Customer Complaint Legal Defense Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
3. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insured's", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insured's", but only with respect to their liability as stockholders.
5. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "auto dealer operations".

6. Any "auto" dealership that is acquired or formed by you, other than a partnership 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 "auto" dealership. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "consumer complaints" that were first made before you acquired or formed the "auto" dealership.

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

D. Limit Of Insurance

1. Regardless of the number of:

- a. "Insureds";
- b. "Customer complaints"; or
- c. Persons or organizations bringing "customer complaints";

the Customer Complaint Legal Defense Aggregate Limit shown in the Schedule is the most we will pay for all "defense expenses" because of "customer complaints" covered under this endorsement.

2. Subject to the Customer Complaint Legal Defense Aggregate Limit described in Paragraph D.1., the Per Customer Complaint Legal Defense Limit shown in the Schedule is the most we will pay for the sum of all "defense expenses" because of any one "customer complaint".

3. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be considered one "customer complaint" for the purposes of determining the "Per Customer Complaint" Legal Defense Limit.

4. The Customer Complaint Legal Defense Aggregate Limit applies 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 Customer Complaint Legal Defense Aggregate Limit.

E. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of Customer Complaint

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

a. In the event of a "customer complaint", you must:

(1) Immediately record the specifics of the "customer complaint" and the date received; and

(2) Notify us, in writing, as soon as practicable.

b. Additionally, you and any other involved "insured" must:

(1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

(2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the "customer complaint".

(3) Cooperate with us in the investigation or settlement of the "customer complaint" or defense against the "customer complaint".

(4) Authorize us to obtain records and other pertinent information.

2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

This insurance is excess over any other collectible insurance providing "defense expenses" for "customer complaints".

3. The **Policy Period, Coverage Territory** Condition is replaced by the following:

Policy Period, Coverage Territory

The coverage territory is:

a. The United States of America;

b. The territories and possessions of the United States of America;

c. Puerto Rico; and

d. Canada.

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4. The following condition is added:

Transfer Of Duties When The Limit Of Insurance Is Exhausted

- a. If we defend the "insured" against a "customer complaint" and we conclude that, based on "customer complaints" which have been reported to us and to which this insurance may apply, the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit is likely to be exhausted by the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.
- b. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted in the payment of "defense expenses", we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that the applicable Limit of Insurance has actually been exhausted, and that our duty to defend the "insured" against any "customer complaint" has ended;
 - (2) Initiate, and cooperate in, the transfer of control to any appropriate "insured", of all "customer complaints" for which the duty to defend has ended for the reason described in Paragraph **E.4.b.** and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to continue the defense of such "customer complaints" until such transfer is completed, provided the appropriate "insured" is cooperating in completing such transfer.
- c. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted by the payment of "defense expenses", the first Named Insured, and any other "insured" involved in a "customer complaint" subject to these limits, must:
 - (1) Cooperate in the transfer of control of "customer complaints"; and
 - (2) Arrange for the defense of such "customer complaint" within such time period as agreed to between the appropriate "insured" and us. Absent any such agreement, arrangements for the defense of such "customer complaint" must be made as soon as practicable.

- d. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **E.4.b.**

The duty of the first Named Insured to reimburse us will begin on:

- (1) The date on which the Limit of Insurance is used up, if we sent notice in accordance with Paragraph **E.4.a.**; or
- (2) The date on which we sent notice in accordance with Paragraph **E.4.b.**, if we did not send notice in accordance with Paragraph **E.4.a.**
- e. The exhaustion of the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit by the payment of "defense expenses" and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this condition.

F. Definitions

For the purposes of the coverage provided by this endorsement:

- 1. The definition of "suit" contained in **Section V – Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "customer complaint" to which this insurance applies are claimed.

"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;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.
- 2. The following definitions are added:
 - a. "Customer complaint" means a claim or "suit" made by or on behalf of your customer for damages as the result of the sale, service or repair of an "auto" in your "auto dealer operations".

b. "Defense expenses" means payments allocated to a specific "customer complaint" we investigate or defend, including:

(1) All expenses we incur.

(2) All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the "customer complaint", including actual loss of earnings up to \$250 a day because of time off from work.

(3) All court costs taxed against the "insured" in any "customer complaint" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – AUTO DEALERS COVERAGE FORM

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, **Covered Autos Liability Coverage** does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.

2. Paragraph **2.b.(4)** of the **Who Is An Insured** Provision is replaced by the following:

(4) Your customers. However, those customers are "insureds" up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

3. The **Expected Or Intended Injury** Exclusion is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

4. The **Racing** Exclusion is replaced by the following:

Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

B. Changes In Physical Damage Coverage

Any **Physical Damage Coverage** and any **Rental Reimbursement Coverage** provided by the Policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes In Personal And Advertising Injury Liability

The **Criminal Acts** Exclusion is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the "insured":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

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D. Changes In Acts, Errors Or Omissions Liability Coverage

The **Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts** Exclusion is replaced by the following:

This insurance does not apply to:

Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Damages arising out of any criminal, fraudulent, malicious, dishonest or intentional "act, error or omission" by an "insured", including the willful or reckless violation of any law or regulation.

However, this exclusion does not apply to any "insured" who did not:

- a. Personally commit;
- b. Personally participate in;
- c. Personally acquiesce to; or
- d. Remain passive after having knowledge of;

any such "act, error or omission".

In addition, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- a. Admits, under oath; or
- b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

E. Changes In Conditions

1. The Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions Condition is amended to:

- a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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

Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN EXTENDED REPORTING PERIOD
ENDORSEMENT FOR EMPLOYEE BENEFITS
LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN EMPLOYEE BENEFITS LIABILITY COVERAGE

SCHEDULE

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

- A. A Michigan Extended Reporting Period Endorsement is provided, as described in Paragraph **G.** of the Michigan Employee Benefits Liability Coverage endorsement.
- B. A Michigan Employee Benefits Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to "claims" first received and recorded during the Extended Reporting Period. This limit is equal to the Employee Benefits Aggregate Limit, if any, entered in the Schedule of **CA 27 01** in effect at the end of the policy period.
- C. Paragraph **D.2.** of the Michigan Employee Benefits Liability Coverage endorsement is replaced by the following:
 - 2. The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Employee Benefits Aggregate Limit does not apply to "claims" first received and recorded during the Extended Reporting Period.

The Employee Benefits Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for "claims" first received and recorded during the Extended Reporting Period.

- D. The following is added to Subparagraph **2.b.(1)** of the **Other Insurance** Condition of Paragraph **F.** of the Michigan Employee Benefits Liability Coverage endorsement:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Michigan Extended Reporting Period Endorsement takes effect.
- E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **G.** of the Michigan Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ Each Employee	\$	\$
	\$ Aggregate		
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. The following is added to Section I – Coverages:

Coverage – Employee Benefits Liability

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** (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.

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

b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

c. A "claim" 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.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or
(2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
(2) Errors in providing information on past performance of investment vehicles; or
(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and Employee Benefits Liability.
2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

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C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of **Section II – Who Is An Insured** are replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

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 no other similar insurance applies 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 under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

(1) An act, error or omission; or

(2) A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

2. Deductible

a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

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

(1) Our right and duty to defend any "suits" seeking those damages; and

(2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

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- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E.** For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV – Commercial General Liability Conditions** are replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a "claim" is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
 - d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
 - f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
- 4. Other Insurance**
- If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:
- a. **Primary Insurance**
This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.
 - b. **Excess Insurance**
 - (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
 - (a) No Retroactive Date is shown in the Schedule of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
 - (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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 limits of insurance to the total applicable limits of insurance of all insurers.

- F.** For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

Extended Reporting Period

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
- a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

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

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

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a.** Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- b.** Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- c.** Unemployment insurance, social security benefits, workers' compensation and disability benefits;

- d.** Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and

- e.** Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:

- 5.** "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

- 18.** "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD ENDORSEMENT FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

SCHEDULE

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

A. An Extended Reporting Period Endorsement is provided, as described in Paragraph **F.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement.

B. An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Aggregate Limit, if any, entered in the Schedule of **CG 04 73** in effect at the end of the policy period.

C. Paragraph **D.1.b.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement is replaced by the following:

1. Limits Of Insurance

b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for claims first received and recorded during the Extended Reporting Period.

D. The following is added to Subparagraph **4.b.(1)** of the Other Insurance Condition of Paragraph **E.** of the Michigan Changes – Employee Benefits Liability Coverage Endorsement:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Extended Reporting Period Endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **F.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDERS RISK – THEFT OF BUILDING MATERIALS, FIXTURES, MACHINERY, EQUIPMENT – MICHIGAN

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Theft Limit Of Insurance	Theft Deductible
		\$	\$
		\$	\$
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Subject to the provisions of Paragraphs **B.** through **E.** below and all other provisions of this Policy, we will pay for loss or damage by theft or attempted theft of the following property if such property is intended to be permanently located in or on the building or structure described in the Schedule or within 100 feet of its premises:

1. Fixtures and machinery;
2. Equipment used to service the building; and
3. Building materials and supplies used for construction.

B. We will not pay for loss or damage by theft or attempted theft which occurs during the hours or days while construction is not in progress, unless a watchman is on duty at the described premises during such time.

C. The most we will pay for loss or damage in any occurrence of theft or attempted theft is the Theft Limit Of Insurance shown in the Schedule.

D. The Theft Deductible shown in the Schedule is the only deductible that applies to the coverage provided under this endorsement.

E. Theft or attempted theft as covered under this endorsement does not include:

1. Dishonest or criminal acts by a "perpetrator".

This exclusion applies whether or not the dishonest or criminal act occurs during your normal hours of operation.

However, with respect to criminal acts, this exclusion only applies to the extent that the "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

2. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 3. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- F. For the purpose of the coverage provided by this endorsement, "perpetrator" means:
1. You, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;
 2. Any contractors or subcontractors or their respective employees (including temporary employees and leased workers); or
 3. Any person to whom the property is entrusted for any purpose;
- whether the dishonest or criminal act is committed by someone acting alone or in collusion with any other party who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PROVIDE COVERAGE FOR DISHONEST, MALICIOUS OR FRAUDULENT ACTS COMMITTED BY EMPLOYEES

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA INFORMATION SECURITY PROTECTION CYBER POLICY

A. Under the Commercial Cyber Insurance Policy, Exclusion **19.** of **Section V – Exclusions** is replaced by the following:

- 19.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.

With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

B. Under the Information Security Protection Cyber Policy, the Financial Institutions Information Security Protection Cyber Policy and the Media And Information Security Protection Cyber Policy, Exclusion **20.** of **Section V – Exclusions** is replaced by the following:

- 20.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.

With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided by the following:

CAUSES OF LOSS FORM – FARM PROPERTY
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS,
DEFINITIONS
LIVESTOCK COVERAGE FORM
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

- A. Under the Exclusions – Other Exclusions,** Paragraph **B.2.a.(6)** in the Mobile Agricultural Machinery And Equipment Coverage Form, under **Covered Causes Of Loss – Basic – Theft,** Paragraph **B.9.a.(9)** and under **Covered Causes Of Loss – Special,** Paragraph **D.1.p.** in the Causes Of Loss Form – Farm Property are replaced by the following:

Dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a)** Applies whether or not an act occurs during your normal hours of operation;
- (b)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (a)** Admits, under oath; or

- (b)** Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- B. Paragraph A.3.b.(2) under Covered Cause Of Loss – Theft of Paragraph A.3. Covered Causes Of Loss – in the Livestock Coverage Form is replaced by the following:**

- (2)** Under this Cause of Loss, we will not pay for:
 - (a)** Theft of Covered Property when the theft; or
 - (b)** "Loss" caused by or resulting from or made necessary by attempted theft of Covered Property when the attempted theft is caused by or results from dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the Covered Property for any purpose, whether acting alone or in collusion with any other party.

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This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
- (b) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the Covered Property:

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- C. The following is added to Paragraph **F.** in the Livestock Coverage Form and the Mobile Agricultural Machinery And Equipment Coverage Form and Paragraph **C.** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions Form:

"Perpetrator" means:

- a. You;
- b. Any "insured"; or
- c. Any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE – MICHIGAN

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

SCHEDULE

Unit Number	Description
Coverage A Limit Of Insurance:	\$
Coverage C Limit Of Insurance:	\$
Coverage D Limit Of Insurance:	\$
Loss Assessment Limit Of Insurance – Property:	\$
Loss Assessment Limit Of Insurance – Liability:	\$
Covered Causes Of Loss – Basic Or Broad:	
Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing (Paragraph B.1.b.(2)(a)) Applies:	<input type="checkbox"/>
Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail (Paragraph B.1.b.(2)(b)) Applies:	<input type="checkbox"/>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Definitions

1. With respect solely to the coverage provided by this endorsement, Paragraph **C. Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is revised as follows:

- a. Definition 4. "Dwelling" is replaced by the following:

4. "Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- a. Owned and occupied by you; or

- b. Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

- b. Definition 7. "Insured location" is replaced by the following:

7. "Insured location" means the location of the "dwelling".

- c. The following definition is added:

"Perpetrator" means:

- a. You;
- b. Any "insured"; or
- c. Any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

2. With respect solely to the coverage provided by this endorsement, **Section IV – Definitions** of the Farm Liability Coverage Form is revised as follows:

- a. Definition **14.** "Insured location" is replaced by the following:

14. "Insured location" means the location of the "dwelling".

- b. The following definition is added:

"Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- a. Owned and occupied by you; or
- b. Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

B. Section I – Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. **Section I – Coverages, Coverage A – Dwellings, Paragraphs A. Coverage, A.1. Covered Property, A.2. Property Not Covered and B.1. Coverage A Conditions,** the Property Valuation, Loss Condition are replaced by the following:

a. Coverage A

We will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **A** of this endorsement caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

(1) Covered Property

The following are Covered Property under Coverage **A** of this endorsement:

- (a) The alterations, appliances, fixtures and improvements which are part of the building contained within the "dwelling";
- (b) Items of real property which pertain exclusively to the "dwelling";
- (c) Property that is your insurance responsibility under a corporation or association of property owners agreement; or
- (d) Structures owned solely by you, other than the "dwelling", at the "insured location".

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(2) Property Not Covered

The following are not Covered Property under Coverage **A** of this endorsement:

- (a)** Land, including land on which the "dwelling", real property or structures are located;
- (b)** Structures rented or held for rental to any person who does not reside in the "dwelling", unless used solely as a private garage;
- (c)** Structures used to store "business property";
- (d)** Water; or
- (e)** Trees, shrubs, plants or lawns, except to the extent provided for in Paragraph **C.1.** of this endorsement.

b. Coverage A Conditions

Loss Condition – Valuation

(1) Covered Property

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

- (a)** If the loss or damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace.
- (b)** If the loss or damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) Roof Surfacing

(a) Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(a)**:

In the event of loss or damage to roof surfacing caused by windstorm or hail, we will settle such loss or damage to roof surfacing at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(b) Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(b)**:

We will not pay for cosmetic damage to roof surfacing caused by windstorm or hail. For the purpose of this provision, cosmetic damage means that the windstorm or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- (c)** For the purpose of the provisions in this Paragraph **B.1.b.(2)**, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

2. Section I – Coverages, Coverage B – Other Private Structures Appurtenant To Dwellings is deleted.

- 3.** Under Section **I** – Coverage **C** – Household Personal Property, we will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **C** of this Policy caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

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4. Section I – Coverage D – Loss Of Use is replaced by the following:

a. Coverage

We cover the following, up to the Limit Of Insurance shown in the Schedule for each unit for Coverage **D**. This limit is the total Limit of Insurance for the coverages in Paragraph **(1)** Your Additional Living Expense, Paragraph **(2)** Fair Rental Value and Paragraph **(3)** Expense Due To Emergency Prohibition Against Occupancy:

(1) Your Additional Living Expense

If a loss by a Covered Cause of Loss to Covered Property or the building containing the Covered Property renders the "dwelling" uninhabitable, we will pay any necessary increase in living expense you incur so that your household can maintain its normal standard of living.

Payment under your Additional Living Expense will be for the shortest time required for repair or replacement of the damaged property, or, if you relocate, the shortest time for your household to settle elsewhere.

(2) Fair Rental Value

If a Covered Cause of Loss renders unusable a private garage that you, as the owner, rent or hold for rental, we will pay for the Fair Rental value loss you sustain.

But we will exclude from our payment any expenses that do not continue while the rental garage is unusable.

Payment under this Fair Rental Value Coverage will be for the shortest time required to repair or replace the damaged garage.

(3) Expense Due To Emergency Prohibition Against Occupancy

We will pay for the Additional Living Expense you sustain if a civil authority prevents use of the "dwelling" because of direct damage to neighboring premises by a Covered Cause of Loss.

But we will not pay parts of such expense that are incurred after a period of three weeks has elapsed.

The period of our liability under Coverage **D** – Loss Of Use is not limited by the expiration of the Policy to which this endorsement is attached.

No Deductible applies to Coverage **D**.

b. Coverage D Conditions

Coverage **D** is subject to the Farm Property Conditions (see Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions) and the Common Policy Conditions.

C. Section II – Coverage Extensions

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph A. Trees, Shrubs, Plants And Lawns is replaced by the following:

A. Trees, Shrubs, Plants And Lawns

This Coverage Extension applies to Coverages **A** and **C**.

Trees, shrubs, plants and lawns you solely own at the location of the "dwelling" are Covered Property but only if loss or damage is caused by or results from any of the following Covered Causes of Loss:

1. Fire or lightning;
2. Explosion;
3. Riot Or Civil Commotion;
4. Aircraft;
5. Vehicles not owned or operated by a resident of the covered "dwelling";
6. Vandalism; or
7. Theft.

However, this Coverage Extension does not apply to trees, shrubs, plants or lawns that are contraband, or trees, shrubs, plants or lawns in the course of illegal transportation or trade.

For all damaged or destroyed trees, shrubs, plants or lawns at the location of the "dwelling", the most we will pay under this Extension is 10% of the Coverage **C** Limit Of Insurance shown in the Declarations.

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However, we will not pay more than \$500 for any one damaged or destroyed tree, shrub, plant or lawn.

This Extension is additional insurance.

We will not pay for loss of or damage to trees, shrubs, plants or lawns grown for business or farming purposes.

2. Under Paragraph **B. Household Personal Property Of "Insureds" Away From The "Insured Location"**, the first paragraph is replaced by the following:

This Coverage Extension applies to Coverage **C** and is part of (not in addition to) the applicable Limit of Insurance.

3. Under Paragraph **C. Refrigerated Products – Not "Farm Personal Property"**, the first two paragraphs are replaced by the following:

This Coverage Extension applies to Coverage **C** and is part of (not in addition to) the applicable Limit of Insurance.

We will pay up to \$1,000 for loss of or damage to contents of a freezer or refrigerated unit, in the "dwelling" you occupy, caused by a change in temperature due to:

- a. Interruption of electrical service to refrigeration equipment, caused by damage to generating or transmission equipment; or
- b. Mechanical or electrical breakdown of a refrigeration system.

4. Paragraph **D. Building Additions And Alterations** is deleted.

D. Section III – Additional Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph **A. Removal Of Fallen Trees** is deleted.

2. The following is added:

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Property Loss Assessment for your share of loss assessment charged during the policy period against you, as owner of the "dwelling", by a corporation or association of property owners. The assessment must be made as a result of direct loss or damage to property owned by all members collectively and of a type that would be covered by this endorsement if owned by you and caused by a Covered Cause of Loss under Coverage **A**, other than:

(1) Earthquake; or

(2) Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

The Limit Of Insurance shown in the Schedule is the most we will pay for any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

This Additional Coverage is additional insurance.

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E. Covered Causes Of Loss

When Basic or Broad is shown in the Schedule, and with respect solely to the coverage provided by this endorsement, Covered Causes Of Loss means the Covered Causes of Loss in the Causes Of Loss Form – Farm Property revised as follows:

1. Under **B. Covered Causes Of Loss – Basic**

- a. Paragraph 1. **Fire Or Lightning** is replaced by the following:

1. **Fire Or Lightning**

- b. Item c.(1) of Paragraph 2. **Windstorm Or Hail** is replaced by the following and Item c.(3) is deleted:

- (1) Covered Property under Coverage A, or the property inside the "dwelling" or a covered structure, caused by rain, snow, sleet, sand or dust, whether driven by wind or not, unless the "dwelling" or covered structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters; or

- c. Paragraph 3. **Explosion** is replaced by the following:

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.

- d. Item a. of Paragraph 8. **Vandalism** is replaced by the following:

- a. The "dwelling" or property which pertains to the "dwelling", or its contents, if the building containing the "dwelling" has been "vacant" for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant.

- e. Paragraph 9. **Theft** is replaced by the following:

9. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This Cause of Loss does not include loss caused by or resulting from:

- a. Theft in or from a "dwelling" under construction, or of materials and supplies for use in such construction, until the "dwelling" is completed and is being lived in;

- b. With respect to household personal property away from the "insured location", theft of:

- (1) Property at any residence owned by, rented to, or occupied by, an "insured", except while an "insured" is temporarily residing there.

But property of a student who is an "insured" is covered at a residence away from home provided the student has been there at any time during the 90 days immediately preceding the loss;

- (2) Any watercraft, its furnishings, equipment or outboard engines or motors; or

- (3) Trailers, semitrailers or campers;

- c. Unauthorized instructions to transfer property to any person or to any place;

- d. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense; or

- e. Dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;

- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

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However, with respect to loss caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- f. Paragraphs **12. Collision – Coverages E And F Only**, **13. Earthquake Loss To "Livestock"** and **14. Flood Loss To "Livestock"** are deleted.

2. Under C. Covered Causes Of Loss – Broad

- a. Paragraphs **15. Electrocution Of Covered "Livestock"**, **16. Attacks On Covered "Livestock" By Dogs Or Wild Animals**, **17. Accidental Shooting Of Covered "Livestock"**, **18. Drowning Of Covered "Livestock" From External Causes** and **19. Loading/Unloading Accidents** are deleted.
- b. Paragraph **23. Accidental Discharge Or Leakage Of Water Or Steam** is replaced by the following:
 - 23. Accidental Discharge Or Leakage Of Water Or Steam** from within a plumbing, heating, air conditioning or other system or appliance that is located on the "insured location" and contains water or steam.

Under this Cause of Loss, we will pay for loss of or damage to covered household personal property provided that Broad is shown in the Declarations for the coverage applicable to that household personal property.

We will also pay to tear out and replace any part of a building or other structure owned solely by you which is Covered Property under Coverage **A** but only so that repairs can be made to the damaged system or appliance provided that Broad is shown in the Schedule for the coverage applying to that building or structure covered under Coverage **A**.

We will not pay:

- a. For loss or damage caused by discharge or leakage from a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water;
 - b. The cost to repair any defect that caused the loss or damage;
 - c. For loss or damage caused by discharge or leakage within the "dwelling", if the building containing the "dwelling" has been "vacant" for 60 consecutive days immediately before the loss;
 - d. For loss or damage to or within the "dwelling" caused by accidental discharge or leakage which occurs away from the building where the "dwelling" is located;
 - e. For loss or damage caused by or resulting from freezing; or
 - f. For loss or damage caused by or resulting from discharge or leakage from roof drains, gutters, downspouts or similar fixtures or equipment.
- c. Paragraph **24. Freezing** is replaced by the following:
 - 24. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the systems or appliance of water.

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However, if the "dwelling" or a covered structure is protected by an automatic fire protective system, you must use reasonable care to continue the water supply and maintain heat in the "dwelling" or covered structure for coverage to apply.

A plumbing system does not include a roof drain, gutter, downspout or similar fixtures or equipment.

- d. Paragraph **25. Sudden And Accidental Damage** from artificially generated electrical current is replaced by the following:

- 25. Sudden And Accidental Damage** from artificially generated electrical equipment – Applicable Only to Coverages **A** and **C**.

This cause of loss does not include loss of or damage to:

- a. Tubes, transistors or integrated circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus. Integrated circuitry includes, but is not limited to, chips, transformers, resistors, diodes, wafers and rectifiers; or
- b. Laser or infrared devices used to operate or assist in the operation of any appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

3. **D. Covered Causes Of Loss – Special** does not apply.

F. Additional Exclusion

With respect solely to the coverage provided by this endorsement, the following is added:

Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties)

1. We will not pay for loss or damage to structures used as a private garage and that are rented or held for rental to any person who does not reside in the "dwelling", including loss or damage to contents of such structures, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at that structure. This exclusion applies regardless of whether such operations are:
 - a. Legally permitted or prohibited;

- b. Permitted or prohibited under the terms of any rental agreement; or
- c. Usual to the intended occupancy of the structure.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

2. We do not provide coverage for the Fair Rental Value loss, as provided under Coverage **D** – Loss Of Use, that you, as owner, sustain as a result of loss or damage described in Paragraph **F.1**.
3. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the structure regardless of whether such operations are:
 - a. Legally permitted or prohibited;
 - b. Permitted or prohibited under the terms of any rental agreement; or
 - c. Usual to the intended occupancy of the structure.
- G. With respect solely to the coverage provided by this endorsement, under the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Paragraph **B.8. Farm Property Conditions – Loss Conditions – Other Insurance And Service Agreement** is replaced by the following:

8. Other Insurance And Service Agreement

- a. You may have insurance subject to the same plan, terms, conditions and provisions as the insurance under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form. If you do have such Other Insurance, except insurance in the name of a corporation or association of property owners, we will pay only our share of the covered loss or damage. Our share is the proportion that the applicable Limit Of Insurance shown in the Schedule bears to the limits of insurance of all insurance covering on the same basis.

If there is other insurance in the name of a corporation or association of property owners covering the same loss or damage, the amount we will pay for loss or damage is:

- (1) Excess over the amount due under such other insurance, whether the corporation or association of property owners has collected that amount or not; and

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- (2) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such other insurance because of the application of a deductible.

But we will not pay more than the applicable Limit Of Insurance shown in the Schedule.

b. If at the time of loss or damage:

- (1) There is a service agreement, except a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be excess over any amounts payable under any such service agreement.
- (2) There is a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be:
- (a) Excess over the amount due under such service agreement, whether the corporation or association of property owners has collected that amount or not; and
- (b) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such service agreement because of the application of a deductible.

Service agreement means a service plan, property restoration plan, home warranty or other similar service or warranty agreement, even if it is characterized as insurance.

H. With respect solely to the coverage provided by this endorsement, under the Farm Liability Coverage Form:

1. Under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** and under **Coverage I – Personal And Advertising Injury Liability**, the following exclusion is added:

Loss Assessment

This insurance does not apply to liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided under Paragraph **H.2.** of this endorsement; or

- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

- (1) That directly relate to the ownership, maintenance or use of an "insured location" as defined in this endorsement; or
- (2) Where the liability of others is assumed by you prior to an "occurrence"; unless excluded in **a.** above or elsewhere in the Exclusions of the Policy to which this endorsement is attached.

2. With respect solely to the coverage provided in this endorsement, under the Farm Liability Coverage Form, the following is added to **Section I – Coverages, Additional Coverages:**

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Liability Loss Assessment for your share of loss assessment charged against you, as owner of the "dwelling", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
- (1) "Bodily injury", "property damage", "personal injury" or "advertising injury" not excluded from coverage under this endorsement or elsewhere in the Policy to which this endorsement is attached; or
- (2) Liability for an act of a director, officer or trustee in the capacity of director, officer or trustee, provided such person:
- (a) Is elected by the members of a corporation or association of property owners; and
- (b) Serves without deriving any income from the exercise of duties which are solely on behalf of the corporation or association of property owners.

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b. Paragraph 1.b.(2) under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** does not apply to this Loss Assessment Coverage.

c. Regardless of the number of assessments, the Limit Of Insurance shown in the Schedule for Liability Loss Assessment is the most we will pay for loss arising out of:

(1) One "occurrence"; or

(2) A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.

d. This Additional Coverage does not apply to assessments charged against you or a corporation or association of property owners by any governmental body.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE – MICHIGAN

This endorsement modifies insurance provided by the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

The following is added to **Section III – Additional Coverages** in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

Identity Fraud Expense

1. Coverage

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to this coverage:

We will not pay for "expenses" incurred by an "insured" as the result of any "identity fraud":

a. Arising out of or in connection with:

- (1)** An "insured's" farming operations; or
- (2)** A business;

b. Due to any fraudulent, dishonest or criminal act of a "perpetrator":

In the event of any such act, no "insured" is entitled to "expenses", even "insureds" who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" incurred by an "insured" as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- (1)** Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph **a. of Loss Condition 3. Duties In the Event Of Loss Or Damage** under **B. Farm Property Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph **C. Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

a. "Expenses" means:

- (1)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.

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- (3) Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against an "insured"; and
 - (c) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

c. "Perpetrator" means:

- (1) An "insured";
 - (2) Any person aiding or abetting an "insured"; or
 - (3) Any authorized representative of an "insured";
- whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE – MICHIGAN

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any occurrence and settle any claim or "suit" that may result.

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But:

- a. The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance**; and
- b. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

B. For the purpose of this endorsement, Paragraph **A.1. Covered Property** is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

C. For the purpose of this endorsement, **Property Not Covered** is revised as follows:

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Property for which you have been released of liability;
3. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
4. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages** and will not reduce the Limit of Insurance:

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.

c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

d. 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.

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions** is replaced by the following:

Exclusions

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. War And Military Action

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

Exclusions E.1.a. through E.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by a "perpetrator".

This exclusion applies whether or not such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

However, with respect to your liability for loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
- e. Breakdown of refrigeration equipment.
- f. Forged bills of lading, loading, shipping or warehouse receipts.
- g. Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.

h. Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".

i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

l. Unauthorized instructions to transfer property to any person or to any place.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Wear and tear, depreciation.
- b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- c. Mechanical breakdown.
- d. Insects, vermin, rodents.
- e. Corrosion, rust, dampness, extremes of temperature.

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- F. The **Limits Of Insurance** provision is replaced by the following:

Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Schedule.

- G. The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- H. For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

Duties In The Event Of Loss

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:
 - a. How, when and where the accident took place; and
 - b. The names and addresses of any witnesses.Notice of an accident is not a notice of a claim.
2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".
3. You 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, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.

4. Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify you, shall be considered notice to us.

5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

6. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- I. The following definitions are added:

1. "Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

2. "Perpetrator" means:

- a. You, any of your partners, employees, directors, trustees or authorized representatives;
- b. A manager or a member if you are a limited liability company;
- c. Anyone else with an interest in the property, or their employees or authorized representatives; or
- d. Anyone else to whom the property is entrusted for any purpose;

whether or not such persons are acting alone or in collusion with other persons who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Loss Payment and Mortgageholders Conditions:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- a. The municipality;

- b. You and the mortgageholder, if any; or

- c. With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

C. The following is added to the Legal Action Against Us Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

D. The Appraisal Loss Condition is replaced by the following:

Appraisal

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

- a. Pay its chosen appraiser; and

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

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

E. Paragraph A.6.a.(6) Employee Theft of Additional Crime Coverages is replaced by the following:

- (6) This coverage is cancelled as to any "employee" immediately upon discovery by:

(a) You; or

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

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

However, with respect to discovery of prior criminal acts, this Paragraph A.6.a.(6) only applies to the extent that the "employee":

(a) Admits, under oath; or

(b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this cancellation of coverage, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. Exclusion C.2.h. Dishonesty is replaced by the following:

h. Dishonesty

Dishonest or criminal act (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with anyone.

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation;

(2) Does not apply to acts of destruction by your "employees" or authorized representatives; but theft by your "employees" or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

This exclusion applies except to the extent coverage is provided within the Employee Theft Coverage.

This exclusion does not apply to carriers for hire.

G. The following definition is added to Paragraph L. Definitions:

"Perpetrator" means:

a. You; or

b. Any of your partners, "members", officers, "managers", "employees", directors, trustees or authorized representatives;

whether acting alone or in collusion with anyone who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. Paragraph B.2.f. is replaced by the following:

f. Dishonesty

Dishonest or criminal acts (including theft) by a "perpetrator"; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation;

(2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from criminal acts, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

42. Paragraph E.2. Appraisal Property Loss Condition is replaced by the following:

2. Appraisal

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

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

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

23. The following is added to Paragraph E.4. Legal Action Against Us Property Loss Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

34. The following is added to Paragraph E.5. Loss Payment Property Loss Condition and Paragraph F.2. Mortgageholders Property General Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- (a) The municipality;
- (b) You and the mortgageholder, if any; or
- (c) With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

5. Paragraph G.3.b.(1) of the Employee Dishonesty Optional Coverage is replaced by the following:

b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that a "perpetrator" commits.**

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1) Admits, under oath; or**

- (2) Is determined in any legal proceeding;**

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

6. The following is added to Paragraph H. Property Definitions:

a. With respect to Paragraph B.2.f. Dishonesty, "perpetrator" means:

- (1) You or anyone else with an interest in the property; or**

- (2) Any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees or authorized representatives;**

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

b. With respect to Paragraph G.3.b.(1) of the Employee Dishonesty Optional Coverage, "perpetrator" means:

- (1) You; or**

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

whether acting alone or in collusion with other persons who commit the dishonest or criminal act.

B. Section II – Liability is amended as follows:

1. Paragraph A.1.f.(1)(f) Coverage Extension – Supplementary Payments is replaced by the following:

- (f) Prejudgment interest awarded against the insured on the part of the judgment we pay.**

2. The Criminal Acts Exclusion of Paragraph B.1. is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or**

- (2) Is determined in any legal proceeding;**

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

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23. Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Condition is amended as follows:

- a. Paragraph **b.** is replaced by the following:
 - b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

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

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- b. Paragraph **d.** is replaced by the following:
 - d. Failure to:
 - (1) Give us notice of an "occurrence", offense, claim or "suit" as soon as practicable; or
 - (2) Immediately send us copies of demands, notices, summonses or legal papers received in connection with the claim or "suit";

shall not invalidate the claim made by you if it shall be shown that it was not reasonably possible to give us notice as soon as practicable or to immediately send us copies, and that you gave us notice and sent us copies as soon as was reasonably possible.

c. The following paragraph is added:

- e. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraphs **A.1., A.2., A.3. and A.5. Cancellation** are replaced by the following:

- 1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
- 2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.
- 5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

For a covered "auto" licensed or principally garaged in, or ~~"auto-dealer operations" conducted in,~~ Michigan, this endorsement modifies insurance provided under the following:

~~AUTO DEALERS COVERAGE FORM~~
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, **Covered Autos Liability Coverage** does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.

~~2. Paragraph 2.b.(4) of the Who Is An Insured Provision in the Auto Dealers Coverage Form is replaced by the following:~~

~~(4) Your customers. However, those customers are "insureds" up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.~~

32. The **Expected Or Intended Injury** Exclusion is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

43. The **Racing** Exclusion is replaced by the following:

Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

B. Changes In Physical Damage Coverage

Any **Physical Damage Coverage** and any **Rental Reimbursement Coverage** provided by the Policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes In Conditions

1. The **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Motor Carrier Coverage Forms and the ~~**Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions**~~ Condition in the Auto Dealers Coverage Form are amended to:

- a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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

Concealment, Misrepresentation Or Fraud

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

a. This Coverage Form;

b. The covered "auto";

c. Your interest in the covered "auto"; or

d. A claim under this Coverage Form.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. The paragraph relating to prejudgment interest in **Supplementary Payments**, Section I, is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

- B. With respect to the **Duties** Condition, Section IV:

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. The last sentence of Paragraph 2.b. is deleted.
3. The reference to Paragraph d. is amended to read Paragraph e.
4. The following is added:
 - d. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- C. The **Criminal Acts** Exclusion under **Coverage B – Personal And Advertising Injury Liability** of the Commercial General Liability Coverage Part is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

1. Admits, under oath; or

2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- D. The **Criminal Or Fraudulent Acts** Exclusion of the **Electronic Data Liability Coverage** Form is replaced by the following:

Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

However, with respect to "loss of electronic data" arising out of a criminal act, this exclusion only applies to the extent that the insured:

1. Admits, under oath; or

2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PERSONAL INJURY LIABILITY

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

- A. The heading for **Section I – Coverages – Bodily Injury And Property Damage Liability** is revised as follows:

Section I – Coverages

Coverage A – Bodily Injury And Property Damage Liability

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

2. Exclusions

This insurance does not apply to:

Personal Injury

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

- C. The following is added to **Section I – Coverages**:

Coverage B – Personal Injury Liability

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal 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 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.

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

- b. This insurance applies to "personal injury" caused by an offense arising out of operations performed for you by the "contractor" at the location specified in the Declarations, but only if the offense was committed during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal 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 injury".

b. Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

c. Contractual Liability

"Personal 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.

d. Pollution

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

e. Pollution-related

Any loss, cost or expense arising out of any:

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

D. The paragraph relating to prejudgment interest in Section I – Supplementary Payments is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

E. Paragraphs 2. and 3. of Section III – Limits Of Insurance are replaced by the following:

2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury", "property damage" and "personal injury".
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence" and all "personal injury" sustained by any one person or organization.

F. Paragraph 4. of the Duties In The Event Of Occurrence, Claim Or Suit under Section IV – Conditions is replaced by the following:

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

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

c. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

d. You and any other involved insured must:

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

e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

f. No insured will, 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.

G. Paragraphs a., c., d. and e. of Cancellation under Section IV – Conditions are replaced by the following:

2. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

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- c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing addresses known to us or our authorized agent.
 - d. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.
 - e. If this Policy is cancelled, we will send the "contractor" any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- H. Paragraph **13. When We Do Not Renew** under **Section IV – Conditions** is replaced by the following:
- 13. When We Do Not Renew**
- If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.
- If notice is mailed, proof of mailing shall be sufficient proof of notice.
- I. The definition of "suit" in **Section V – Definitions** is replaced by the following:
- 18. "Suit"** means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury", "property damage" or "personal 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.
- J. The following is added to **Section V – Definitions**:
- "Personal injury" means injury, including consequential "bodily injury", arising out of the offenses of false arrest, detention or imprisonment.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

A. The Conditions of this Coverage Part that are in conflict with the statutes of the State of Michigan are amended to conform to such statutes.

B. Loss Condition **B. Appraisal** in the Commercial Inland Marine Conditions is replaced by the following:

B. Appraisal

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

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

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

C. General Condition **A. Concealment, Misrepresentation Or Fraud** in the Commercial Inland Marine Conditions is replaced by the following:

A. Concealment, Misrepresentation Or Fraud

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

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

D. Wherever it appears, the phrase minimum annual premium is replaced by the phrase minimum written premium.

E. With respect to the:

- Commercial Articles Coverage Form
- Camera And Musical Instrument Dealers Coverage Form
- Equipment Dealers Coverage Form
- Physicians And Surgeons Equipment Coverage Form
- Signs Coverage Form
- Theatrical Property Coverage Form
- Film Coverage Form
- Floor Plan Coverage Form
- Jewelers Block Coverage Form
- Accounts Receivable Coverage Form
- Valuable Papers And Records Coverage Form

The exclusion for dishonest or criminal act (including theft) under **B.2. Exclusions** is replaced by the following:

Dishonest or criminal act (including theft) committed by a "perpetrator".

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

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to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. The following Definition is added to the following:

- Commercial Articles Coverage Form
- Camera And Musical Instrument Dealers Coverage Form
- Equipment Dealers Coverage Form
- Physicians And Surgeons Equipment Coverage Form
- Signs Coverage Form
- Theatrical Property Coverage Form
- Film Coverage Form
- Floor Plan Coverage Form
- Jewelers Block Coverage Form
- Accounts Receivable Coverage Form
- Valuable Papers And Records Coverage Form

"Perpetrator" means:

(1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;

(2) A manager or a member if you are a limited liability company; or

(3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

~~MICHIGAN CHANGES – DUTIES IN THE EVENT OF CLAIM OR LOSS~~

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA AND INFORMATION SECURITY PROTECTION CYBER POLICY

A. Paragraph 20. in Section V – Exclusions of the Financial Institutions Information Security Protection Cyber Policy, Information Security Protection Cyber Policy and Media And Information Security Protection Cyber Policy is replaced by the following:

- 20.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion 13., this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreements 2. Security Breach Liability and 8. Security Breach Expense.

With the exception of "claims" excluded under Exclusion 13., we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

With respect to "claims" excluded under Exclusion 13., and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

B. Paragraph 19. in Section V – Exclusions of the Commercial Cyber Insurance Policy is replaced by the following:

- 19.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion 13., this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreements 1. Security Breach Expense and 6. Security Breach Liability.

With the exception of "claims" excluded under Exclusion 13., we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

With respect to "claims" excluded under Exclusion 13., and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

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C. The following is added to the **Duties In The Event Of Claim Or Loss** Condition in **Section VI – Conditions**:

c. Notice given by or on behalf of the "named insured" to "our" authorized agent, with particulars sufficient to identify the "named insured", shall be considered notice to "us".

d. Failure to give any notice required by this condition within the time period specified shall not invalidate any "claim" made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

EXECUTIVE LIABILITY COVERAGE PART
FIDUCIARY LIABILITY COVERAGE PART
FINANCIAL INSTITUTIONS EXECUTIVE LIABILITY COVERAGE PART
NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

A. Paragraph A. of Section III – Exclusions in Executive Liability Coverage Form **MP 00 01**, Executive Liability And Entity Securities Liability Coverage Form **MP 00 02**, Financial Institutions Executive Liability Coverage Form **MP 00 04**, Financial Institutions Executive Liability And Entity Securities Liability Coverage Form **MP 00 05**, Not-for-profit Management Liability Coverage Form **MP 00 06**, Executive Liability Side A Coverage Form **MP 00 08** and Financial Institutions Executive Liability Side A Coverage Form **MP 00 09** is replaced by the following:

A. Based upon, attributable to, or arising in fact out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" based upon, attributable to, or arising in fact out of any deliberately criminal act, this exclusion only applies to the extent that the "insured person":

1. Admits, under oath; or

2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency;

B. Paragraph A. of Section II – Exclusions in Fiduciary Liability Coverage Form **MP 00 07** is replaced by the following:

A. Based upon, attributable to, or arising in fact out of any dishonest, fraudulent, deliberately criminal or malicious act, or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" based upon, attributable to, or arising in fact out of any deliberately criminal act, this exclusion only applies to the extent that the "insured person":

1. Admits, under oath; or

2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency;

AC.The **Cancellation** Common Policy Condition is amended as follows:

1. Paragraph 1. is replaced by the following:

1. The Named Organization shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

2. Paragraph 3. is replaced by the following:

3. We will mail or deliver our notice to the Named Organization's last mailing address known to us or our authorized agent.

3. Paragraph 5. is replaced by the following:

5. If this Policy is cancelled, we will send the Named Organization any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

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BD. The following condition is added and supersedes any other provision to the contrary:

Nonrenewal

If we decide not to renew this Policy, we will mail or deliver to the Named Organization's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the:

1. **Loss Payment** Condition; and
2. **Mortgageholders** Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- a. The municipality;

- b. You and the mortgageholder, if any; or

- c. With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

C. The following is added to the Legal Action Against Us Capital Assets Program Coverage Form Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

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

Appraisal

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

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

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

E. Paragraph **a.(6)** of Paragraph **A.6. Additional Crime Coverages** is replaced by the following:

(6) This coverage is cancelled as to any "employee" immediately upon discovery by:

(a) You; or

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

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

However, with respect to discovery of prior criminal acts, this Paragraph **A.6.a.(6)** only applies to the extent that the "employee":

(a) Admits, under oath; or

(b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this Paragraph **A.6.a.(6)**, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. Exclusion **C.2.h. Dishonesty** is replaced by the following:

h. Dishonesty

Dishonest or criminal act (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with anyone.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation.
- (2) Does not apply to acts of destruction by your "employees" or authorized representatives; but theft by your "employees" or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

This exclusion applies except to the extent coverage is provided within the Employee Theft Coverage.

This exclusion does not apply to carriers for hire.

G. The following definition is added to Paragraph **L. Definitions**:

33. "Perpetrator" means:

a. You; or

b. Any of your partners, "members", officers, "managers", "employees", directors, trustees or authorized representatives;

whether acting alone or in collusion with anyone who commits the dishonest or criminal act.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

A. The Criminal Acts exclusions in Physicians, Surgeons And Dentists Professional Liability Coverage Forms PR 00 01 and PR 00 02, Allied Healthcare Providers Professional Liability Coverage Forms PR 00 05 and PR 00 06, and Optometrists Professional Liability Coverage Forms PR 00 11 and PR 00 12 are replaced by the following:

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

B. The Criminal Acts exclusions in Hospital Professional Liability Coverage Forms PR 00 03 and PR 00 04, Blood Banks Professional Liability Coverage Forms PR 00 07 and PR 00 08, and Diagnostic Testing Laboratories Professional Liability Coverage Forms PR 00 09 and PR 00 10 are replaced by the following:

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by or at the direction of the insured.

However, this exclusion only applies to the extent that the insured:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

C. The Criminal Acts exclusions in Veterinarians Professional Liability Coverage Forms PR 00 13 and PR 00 14 are replaced by the following:

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to fraud, committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

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AD. The paragraph relating to prejudgment interest in **Supplementary Payments** under **Section I** is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

BE. With respect to the Duties Condition in **Section IV**:

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. The last sentence of Paragraph **2.b.** is deleted.

3. The reference to Paragraph **d.** is amended to read Paragraph **e.**

4. The following is added:

- d.** Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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WAREHOUSE OPERATORS LEGAL
LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART
SCHEDULE

Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages 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:

- a. The amount we will pay for damages is limited as described in Paragraph F. Limits Of Insurance; and

- b. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

B. For the purpose of this endorsement, Paragraph A.1. Covered Property is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

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C. For the purpose of this endorsement, **Property Not Covered is revised as follows:**

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Paragraph **A.2.c.** is replaced by the following:
"Livestock" and "poultry", unless the "livestock" and "poultry" option is indicated by an "X" in the Schedule for that location.
3. Property for which you have been released of liability;
4. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
5. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages and will not reduce the Limit of Insurance:**

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
- d. 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.
- e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions is replaced by the following:**

EXCLUSIONS

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. War And Military Action

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

Exclusions **E.1.a.** through **E.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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2. Your liability for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e. Breakdown of refrigeration equipment.
- f. Forged bills of lading, loading, shipping or warehouse receipts.
- g. Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.
- h. Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".
- i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

- j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

- k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - l. Unauthorized instructions to transfer property to any person or to any place.
 - m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Wear and tear, depreciation.
 - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
 - c. Mechanical breakdown.
 - d. Insects, vermin, rodents.
 - e. Corrosion, rust, dampness, extremes of temperature.

- F. The **Limits Of Insurance** provision is replaced by the following:

LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule.

- G. The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

H. For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

DUTIES IN THE EVENT OF LOSS

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:

- (a) How, when and where the accident took place; and
- (b) The names and addresses of any witnesses.

Notice of an accident is not a notice of a claim.

2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".

3. You 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, settlement or defense of the claim or "suit"; and

(d) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.

4. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

I. The following Definition is added:

"Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided by the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

The following is added to the **Additional Coverages** Section:

IDENTITY FRAUD EXPENSE

1. Coverage

If you are an individual, we will pay up to \$25,000 for "expenses" incurred by you or any "family member" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you or any "family member", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to the coverage provided by this endorsement:

We will not pay for "expenses" incurred by an insured as the result of any "identity fraud":

a. Arising out of or in connection with:

- (1)** An insured's agricultural operations; or
- (2)** A business;

b. Due to any fraudulent, dishonest or criminal act of:

- (1)** An insured;
- (2)** Any person aiding or abetting an insured; or
- (3)** Any authorized representative of an insured;

whether acting alone or in collusion with others.

In the event of any such act, no insured is entitled to "expenses", even insureds who did not commit or conspire to commit the act causing the "identity fraud".

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph **a. of Loss Condition 3. Duties In the Event Of Loss Or Damage:**

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph **L. Definitions:**

a. "Expenses" means:

- (1)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3)** Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
- (4)** Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5)** Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a)** Defend lawsuits brought against an insured by merchants, financial institutions or their collection agencies;
 - (b)** Remove any criminal or civil judgments wrongly entered against an insured; and
 - (c)** Challenge the accuracy or completeness of any information in a consumer credit report.

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(6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Employee Benefits Program:			
Limit Of Insurance		Deductible (Each Employee)	Premium
Each Employee	Aggregate		
\$	\$	\$	\$
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Section II – Liability is amended as follows:

1. The following is added to Paragraph **A. Coverages:**

Coverage – Employee Benefits Liability

a. Insuring Agreement

- (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (a) The amount we will pay for damages is limited as described in Paragraph 4. of this endorsement; and

- (b) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

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

- (2) This insurance applies to damages only if:

- (a) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";

- (b) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(c) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **a.(3)** below, during the policy period or an Extended Reporting Period we provide under Paragraph **6.** of this endorsement.

(3) A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(a) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(b) When we make settlement in accordance with Paragraph **a.(1)** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

(4) All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

b. Exclusions

This insurance does not apply to:

(1) **Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by any insured, including the willful or reckless violation of any statute.

(2) **Bodily Injury, Property Damage Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

(3) **Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

(4) **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

(5) **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

(a) Failure of any investment to perform;

(b) Errors in providing information on past performance of investment vehicles; or

(c) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

(6) **Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

(7) **ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

(8) **Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

(9) **Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

(10) **Employment-related Practices**

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

2. For the purposes of the coverage provided by this endorsement:

- a. All references to Supplementary Payments are replaced by Supplementary Payments and Employee Benefits Liability.
- b. Paragraphs **f.(1)(b)**, **f.(2)** and **f.(3)** Coverage Extension – Supplementary Payments do not apply.

3. For the purposes of the coverage provided by this endorsement, Paragraph **C.2. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

4. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

a. Limits Of Insurance

- (1) The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (a) Insureds;
 - (b) "Claims" made or "suits" brought;
 - (c) Persons or organizations making "claims" or bringing "suits";
 - (d) Acts, errors or omissions; or
 - (e) Benefits included in your "employee benefit program".
- (2) The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

(3) Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

(a) An act, error or omission; or

(b) A series of related acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

b. Deductible

(1) Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The Limits of Insurance shall not be reduced by the amount of this deductible.

(2) The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

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(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, and the duties of any other involved insured, in the event of an act, error or omission, or "claim";

apply irrespective of the application of the deductible amount.

(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 as we have paid.

5. For the purposes of the coverage provided by this endorsement, Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

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

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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

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

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

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

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

6. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

Extended Reporting Period

a. You will have the right to purchase an Extended Reporting Period, as described below, if:

- (1) This endorsement is canceled or not renewed; or
- (2) We renew or replace this endorsement with insurance that:

(a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

(b) Does not apply to an act, error or omission on a claims-made basis.

b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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:

- (1) The "employee benefit programs" insured;
- (2) Previous types and amounts of insurance;

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(3) Limits of Insurance available under this endorsement for future payment of damages; and

(4) Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period.

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

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph 4.a.(2) of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph 4.a.(3).

7. For the purposes of the coverage provided by this endorsement, the following definitions are added to Paragraph F. **Liability And Medical Expenses Definitions:**

a. "Administration" means:

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

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

b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

(1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

(2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

(3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;

(4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and

(5) Any other similar benefits designated in the Schedule or added thereto by endorsement.

8. For the purposes of the coverage provided by this endorsement, Paragraphs F.5. and F.18. **Liability And Medical Expenses Definitions** are replaced by the following:

5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

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18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

B. Section III – Common Policy Conditions is amended as follows:

For the purposes of the coverage provided by this endorsement, Paragraph 2. under **H. Other Insurance** is replaced by the following:

- 2. This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached and that applies to an act, error or omission on other than a claims-made basis, if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

SCHEDULE

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

A. An Extended Reporting Period endorsement is provided, as described in Paragraph **A.6.** of the Employee Benefits Liability Coverage endorsement.

B. An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. These limits are equal to the Aggregate Limit, if any, entered in the Declarations in effect at the end of the policy period.

C. Paragraph **A.4.a.(2)** of the Employee Benefits Liability Coverage endorsement is replaced by the following:

- (2)** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for claims first received and recorded during the Extended Reporting Period.

D. The following is added to Paragraph **2.** of the **Other Insurance** Condition of Paragraph **B.1.** of the Employee Benefits Liability Coverage endorsement:

2. This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- b.** Whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **A.6.** of the Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTRONIC DATA LIABILITY – BROAD COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Electronic Data Liability Annual Aggregate Limit Of Insurance:
B. Each Electronic Data Incident Limit:
C. Retroactive Date:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

A. The following is added to Paragraph A.1. Business Liability:

Coverage – Damage To Electronic Data

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss of electronic data" 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 to which this insurance does not apply. We may, at our discretion, investigate any "electronic data incident" and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Paragraph **D. Liability And Medical Expenses 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.

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

- b.** This insurance applies to "loss of electronic data" only if:

- (1)** The "loss of electronic data":

- (a)** Is caused by an "electronic data incident";
- (b)** Takes place in the "coverage territory";
- (c)** Did not occur before the Retroactive Date, if any, shown in the Schedule or after the end of the policy period; and

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(2) A claim for damages because of the "loss of electronic data" is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** – Extended Reporting Period.

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 a settlement in accordance with Paragraph **A.1.a.** of this endorsement.

All claims for damages because of "loss of electronic data" arising out of an "electronic data incident" shall be deemed to have been made at the time the first of those claims is made against any insured.

A claim received and recorded by the insured within 30 days after the end of the policy period will be considered to have been received within the policy period. However, this 30 day period does not apply to claims that are covered under any subsequent insurance you may purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended by the addition of the following:

This insurance does not apply to:

1. Expected Or Intended Loss

"Loss of electronic data" expected or intended from the standpoint of the insured.

2. Bodily Injury, Property Damage Or Personal And Advertising Injury

Damages that are "bodily injury", "property damage" or "personal and advertising injury".

3. Contractual Liability – Electronic Data

"Loss of electronic data" 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 that the insured would have in the absence of the contract or agreement.

4. Computer Products Or Services Exclusion

"Loss of electronic data" arising out of a negligent act, error or omission, by or for you, or anyone acting on your behalf in providing "computer products or services".

5. Damage To Your Data

"Loss of electronic data" that:

a. Is owned by you;

b. Was developed by or for you; or

c. Is "your work" or "your product".

6. Performance Of A Contract

"Loss of electronic data" arising out of a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

7. Infringement Of Intellectual Property Rights

"Loss of electronic data" arising out of or resulting from the actual or alleged infringement of trademark, copyright, patent, trade secret or other intellectual property rights.

8. Unauthorized Use Of Electronic Data

"Loss of electronic data" arising out of theft or unauthorized viewing, copying, use, corruption, manipulation or deletion, of "electronic data" by any Named Insured, past or present "employee", temporary worker or volunteer worker.

9. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

10. Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

C. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

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.

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- 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.
 - 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 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 policy.
- D. The following are added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:**
- 5. The Electronic Data Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of "loss of electronic data".
 - 6. Subject to Paragraph D.5., the Each Electronic Data Incident Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of the "loss of electronic data" arising out of any one "electronic data incident".
- E. For the purposes of the coverage provided by this endorsement, Paragraph E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit is replaced by the following:**
- a. You must see to it that we are notified as soon as practicable once you, or any insured listed under Paragraph C.1. Who Is An Insured, know or suspect that an "electronic data incident" has occurred, which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the known or suspected "electronic data incident" took place;
 - (2) The name and address of any person or organization whose "electronic data" was lost or damaged; and
 - (3) The nature and location of any damage arising out of the known or suspected "electronic data incident".

Notice of a known or suspected "electronic data incident" is not notice of a claim.
- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:**
- Extended Reporting Period**
- 1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of the endorsement; or
 - (2) Does not apply to "loss of electronic data" on a claims-made basis.
 - 2. An Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge.
 - 3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to claims to which the following applies:
 - a. The claim is first made during the Extended Reporting Period;
 - b. The "loss of electronic data" occurs before the end of the policy period; and

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- c. The "loss of electronic data" did not commence before the Retroactive Date, if any.
- 4. You must give us a written request for the Extended Reporting Period Endorsement within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
- 5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this policy. Once in effect, the Extended Reporting Period may not be cancelled.
- 6. 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. Limit of Insurance available under this policy for future payment of damages; and
 - d. Other related factors.The additional premium will not exceed 200% of the annual premium for this endorsement.
- 7. When the Extended Reporting Period is in effect we will provide an Extended Reporting Period Aggregate Limit of Insurance for any claim first made during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under the Electronic Data Liability Annual Aggregate Limit of Insurance.

Paragraph **D.5.** of this endorsement will be amended accordingly.

G. For the purposes of the coverage provided by this endorsement, Paragraphs **F.4.** and **F.18. Liability And Medical Expenses Definitions** are replaced by the following:

- 4. "Coverage territory" means all parts of the world provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.
- 18. "Suit" means a civil proceeding in which damages because of "loss of electronic data" 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.
- H.** For the purposes of the coverage provided by this endorsement, the following definitions are added to Paragraph **F. Liability And Medical Expenses Definitions**:

23. "Computer products or services" means:

- a. Manufacturing, developing, designing, creating, selling, handling, marketing, distributing, licensing, or disposing of computer or electronic goods, by you or on your behalf. Computer or electronic goods includes, but is not limited to:
 - (1) Computer software or computer programming;
 - (2) Electronic or computer equipment, components or peripherals;
 - (3) Communications or broadcasting equipment; or
 - (4) Industrial or robotic equipment; and any containers (other than vehicles), materials, parts or equipment furnished in connection with such computer or electronic goods, by you or on your behalf; or
- b. Computer-related services performed by you or on your behalf, including but not limited to:
 - (1) Installation, testing, service, maintenance, technical support, repair, integration, networking, consulting or analysis of or training for:
 - (a) Computer software or computer programming;
 - (b) Electronic or computer equipment, components or peripherals;
 - (c) Communications or broadcasting equipment; or
 - (d) Industrial or robotic equipment;
 - (2) Processing, storage, transmission or other handling of "electronic data" for others; or
 - (3) Provision of broadcasting or communication services for others, or consulting, evaluating or advising on such services, including but not limited to broadcasts or communications via television, cable, satellite, radio, internet, wireless transmissions or cellular transmissions.

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- 24. "Electronic data incident" means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts, or errors or omissions, which results in "loss of electronic data".
- 25. "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.
- 26. "Loss of electronic data" means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, "electronic data".

I. For the purposes of the coverage provided by this endorsement, Paragraph **H.2. Other Insurance** is replaced by the following:

- 2. This Electronic Data Liability insurance is excess over 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 that applies to loss of "electronic data" on other than a claims-made basis, if:
 - (1) No Retroactive Date is shown in the Schedule of this endorsement; or
 - (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD FOR ELECTRONIC DATA LIABILITY – BROAD COVERAGE

This endorsement modifies insurance provided under the following:

ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

SCHEDULE

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

- A.** An Extended Reporting Period endorsement is provided, as described in Paragraph **F.** of the Electronic Data Liability – Broad Coverage endorsement.
- B.** An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Electronic Data Liability Annual Aggregate Limit entered in the Schedule of the Electronic Data Liability – Broad Coverage endorsement or shown in the Declarations as applicable to this coverage in effect at the end of the policy period.
- C.** Paragraph **D.5.** of the Electronic Data Liability – Broad Coverage endorsement is replaced by the following:
- 5.** The Electronic Data Liability Annual Aggregate Limit is the most we will pay for the sum of all damages because of "loss of electronic data".
- However, the above Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.
- The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of "loss of electronic data" for claims first received and recorded during the Extended Reporting Period.
- D.** The following is added to the **Other Insurance** Condition of Paragraph **I.2.** of the Electronic Data Liability – Broad Coverage endorsement:
- 2.** This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:
- b.** Whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.
- E.** This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **F.** of the Electronic Data Liability – Broad Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELF-STORAGE FACILITIES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form is amended as follows:

A. The following is added to Paragraph A.5.f. Additional Coverages Business Income of Section I – Property:

(5) Accrued Rental Charges

We will pay for the loss of accrued rental or lease charges for storage spaces rendered unrentable because of a covered loss.

B. If the Employee Dishonesty Optional Coverage is shown as applicable in the Declarations, the following is added to Paragraph 3. Employee Dishonesty of Paragraph G. Optional Coverages of Section I – Property and is subject to the provisions of that paragraph:

We will also pay for direct loss of or damage to "money", "securities" and "other property" sustained by your "customers" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner).

The property covered under this coverage is limited to property:

- (1) That your "customer" owns or leases; or
- (2) That your "customer" holds for others.

Coverage applies only while the property is in your self-storage facility at the premises described in the Declarations.

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

C. Customers' Goods Legal Liability

1. The following are added to Paragraph A. Coverages of Section II – Liability:

- a. We will pay for those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this Customers' Goods Legal Liability Coverage applies to a "customer's" property (or the property of others for which such "customer" is liable) only while the property is at the insured's self-storage facilities. 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 "property damage" to which this Customers' Goods Legal Liability Coverage 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 Paragraph 5.;
- (2) We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
- (3) 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 the Customers' Goods Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

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- b. This Customers' Goods Legal Liability Coverage applies to "property damage" only if:
 - (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "property damage" occurs during the policy period.
- 2. Paragraph **B. Exclusions of Section II – Liability** is amended as follows:
 - a. The following exclusions are added:

This Customers' Goods Legal Liability Coverage does not apply to:

 - (1) Liability arising out of your "sale and disposal operations".
 - (2) "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 that the insured would have in the absence of the contract or agreement.
 - (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
 - (4) Any loss covered under **Section I – Property**.
 - b. The following is added to Paragraph **B.1.f.(1) of Section II – Liability**:
 - (f) Which were brought to the location by any of the "customers" of your self-storage operations.
 - c. Exclusion **B.1.k.(4) of Section II – Liability** does not apply to this Customers' Goods Legal Liability Coverage.
- 3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Customers' Goods Legal Liability Coverage.
- 4. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** applies to this Customers' Goods Legal Liability Coverage.

- 5. The following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability**:

The most we will pay for the sum of all damages because of "property damage" to "customers'" goods in any one "occurrence" under the Customers' Goods Legal Liability Coverage is \$50,000 unless a higher amount is shown in the Declarations. This limit applies separately to each premises described in the Declarations.

D. Lock-out Or Sale, Removal And Disposal Liability Coverage

- 1. The following are added to Paragraph **A. Coverages of Section II – Liability**:

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers'" property in the course of "sale and disposal operations". 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 acts or omissions to which this Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph 4.; 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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

- b. This Lock-out Or Sale, Removal And Disposal Liability Coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

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2. Paragraph **B. Exclusions of Section II – Liability** is amended as follows:

The following exclusions are added:

This Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply to:

a. Liability for damages which the insured is obligated to pay by reason of the assumption of 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.

b. Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.

3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

4. The following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability**:

The most we will pay for the sum of all damages because of all acts or omissions arising out of all "lock-outs" and all sale, removal or disposal of "customers" property in the course of "sale and disposal operations" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$25,000. This limit applies 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. This limit applies separately to each premises described in the Declarations.

E. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition** under Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Customers' Property

1. You must see to it that we are notified as soon as possible of a "lock-out" or sale, removal or disposal of "customers" property which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "customers" property took place.

2. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "customers" property, 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 our 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 an action to which this insurance may apply.

4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

F. For coverage provided under this endorsement, the following definitions are added to **Section I – Property** and **Section II – Liability**:

1. "Customer" means any person or organization which is renting, leasing or otherwise is occupying space with your permission at your self-storage facility.

2. "Lock-out" means denying a "customer" access to the "customer's" property or the occupancy of the space the "customer" is renting, leasing or otherwise occupying.

3. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property specifically excluded under this policy.

4. "Sale and disposal operations" means all activities you conduct to reclaim rented storage space when "customers" accounts are delinquent or unpaid.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

APARTMENT BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.5. Additional Coverages of Section I – Property is amended as follows:

The Pollutant Clean Up And Removal Limit of Insurance under Subparagraph h. is increased to \$25,000.

B. The following coverages are added to Paragraph A.5. Additional Coverages of Section I – Property:

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee (including a temporary or leased employee) or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Ordinance Or Law – Equipment Coverage

- (1) Subject to Paragraph (2), if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.
- (2) If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
 - (a) The cost to reclaim the refrigerant as required by law;
 - (b) The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (c) The increased cost to recharge the system with a non-CFC refrigerant.
- (3) The terms of this coverage apply separately to each piece of covered equipment.
- (4) We will not pay under this endorsement for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (5) Loss to the equipment will be determined as follows:
 - (a) If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i) The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (ii) The Limit Of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
 - (b) If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (i) The actual cash value of the equipment at the time of loss; or

(ii) The Limit Of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.

(c) We will not pay for loss due to any ordinance or law that:

(i) You were required to comply with before the loss, even if the equipment was undamaged; and

(ii) You failed to comply with.

c. Lock Replacement

(1) We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.

(2) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.

(3) A per occurrence deductible of \$100 will apply.

d. Tenant Move-back Expenses

(1) We will pay for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.

(2) We will only pay for the following expenses:

(a) Packing, transporting and unpacking of tenants' property; and

(b) The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.

(3) We will only pay for expenses listed in Paragraphs (2)(a) and (2)(b) above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.

(4) The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$15,000.

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- C. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Paragraph **3. Employee Dishonesty** of Paragraph **G. Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

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

The property covered under this coverage is limited to property:

- a. That your tenant owns or leases;
- b. That your tenant holds for others; or
- c. For which your tenant is legally liable;

while the property is in a covered Building at the premises described in the Declarations.

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

With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, other property means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

- D. The following are added to Paragraph **A. Coverages of Section II – Liability**:

1. Tenants' Property Legal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. 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 "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 Paragraph **e.**;
- (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance for this coverage; and
- (3) 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 the Tenants' Property Legal Liability Coverage.

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No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies to "property damage" only if:
 - (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
 - (2) The "property damage" occurs during the policy period.
- c. This coverage does not apply to:
 - (1) "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
 - (2) "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 that the insured would have in the absence of the contract or agreement.
 - (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
 - (4) Liability arising out of your "sale and disposal operations".
 - (5) Any loss covered under Section I – Property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.
- e. The most we will pay for the sum of all damages under Tenants' Property Legal Liability Coverage because of "property damage" to "tenants' property" in any one "occurrence" is \$10,000. This limit applies separately to each premises described in the Declarations.
- f. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions of Section II – Liability** applies to **Tenants' Property Legal Liability Coverage**.

2. Lock-out Or Sale, Removal And Disposal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". 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 acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in Paragraph e.
 - (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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.
- b. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.
- c. This coverage does not apply to:
 - (1) Liability for damages which the insured is obligated to pay by reason of the assumption of 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.
 - (2) Liability arising out of dishonest or criminal acts by you, your "employees" or any other person to whom you may entrust such property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

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- e. The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$5,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.

- f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of **Section II – Liability** for the **Lock-out Or Sale, Removal And Disposal Liability Coverage**:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.
- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in our 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 an action to which this insurance may apply.

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

3. Heating Or Air Conditioning Loss Reimbursement Coverage

- a. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.

The amount of such reimbursement is limited as described in Paragraph e. below. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This coverage applies only if:

- (1) The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and
- (2) You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or
- (3) You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".

- c. We shall have no duty or obligation to defend the insured or perform acts or services.

- d. This coverage does not apply to:

- (1) Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.
- (2) "Bodily injury", "property damage" and "personal and advertising injury".

e. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under the Heating Or Air Conditioning Loss Reimbursement Coverage is \$5,000 as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises and \$10,000 in any annual period starting with the beginning of the policy period shown in the Declarations.

f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions** of **Section II – Liability** for the **Heating Or Air Conditioning Loss Reimbursement Coverage**:

Duties In The Event Of A Heating Or Air Conditioning System Failure

a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:

- (1) A notarized letter from the tenant of the demand for remuneration;
- (2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;

(3) The name and address of the affected tenant; and

(4) A cancelled check or money order written to the tenant.

b. At our request, give us complete information as to:

(1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and

(2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

c. Cooperate with us in the review of the reimbursement.

E. For coverage provided under this endorsement, the following are added to Paragraph **F. Liability And Medical Expenses Definitions** under **Section II – Liability**:

1. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.

2. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

3. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RESIDENTIAL CLEANING SERVICES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A. The following are added to Paragraph A.5.
Additional Coverages of Section I – Property:**

a. Reward Payment

- (1)** We will reimburse you for rewards paid as follows:
 - (a)** Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss of or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:
 - (i)** Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
 - (ii)** The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Property Loss Condition.
 - (b)** Up to \$5,000 to an eligible person for the return of stolen Covered Property when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (i)** Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or
 - (ii)** The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Property Loss Condition.

(2) This Additional Coverage applies subject to the following conditions:

- (a)** An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:
 - (i)** You or any family member;
 - (ii)** Your employee (including a temporary or leased employee) or any of his or her family members;
 - (iii)** An employee of a law enforcement agency;
 - (iv)** An employee of a business engaged in property protection;
 - (v)** Any person who had custody of the Covered Property at the time the theft was committed; or
 - (vi)** Any person involved in the crime.
- (b)** No reward will be reimbursed unless and until the person(s) committing the crime is(are) convicted or the Covered Property is returned.
- (c)** The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Key And Lock Replacement

- (1)** We will pay for the cost to replace keys and locks at the client's residence due to theft or other loss to keys entrusted to you by your client.

(2) We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that you or any of your business partners, "members", officers, employees (including temporary or leased employees), "managers", directors, trustees, authorized representatives or anyone to whom you entrust the keys of a client for any purpose commits, whether acting alone or in collusion with other persons.

(3) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$1,000.

(4) A per occurrence deductible of \$100 will apply.

B. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Subparagraph a. of Paragraph 3. **Employee Dishonesty** of Paragraph G. **Optional Coverages** of **Section I – Property** and is subject to the provisions of that paragraph:

We will also 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.

The property covered under this coverage is limited to property:

(1) That your client owns or leases; or

(2) That your client holds for others;

while the property is inside your client's residence.

However, this coverage 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 coverage must be presented by you.

C. The following is added to Paragraph A. **Coverages** of **Section II – Liability**:

Your Work Coverage

1. We will reimburse you for "property damage" claims directly arising from "your work" for a client.

The amount of such reimbursement is limited as described in Paragraph 5. below. No other obligation or liability to pay sums or perform acts or services is covered.

2. This coverage applies only if:

a. "Your work" was performed by you or an "employee" and was done with the express knowledge of the insured;

b. "Your work" was performed during the policy period;

c. You reasonably determine that payment in the amount of the "property damage" to the client for "your work" is necessary; and

d. You have received a notarized notification of a demand for remuneration from the client by mail within 90 days after the work was performed.

3. We shall have no duty nor obligation to defend the insured or perform acts or services.

4. This coverage does not apply to:

a. "Your work" performed at any location owned by, rented or leased to the insured.

b. Work performed by a subcontractor.

c. "Property damage" excluded under Paragraph B. **Exclusions** of **Section II – Liability**.

5. The most we will reimburse you for the sum of all damages covered under Your Work Coverage is \$5,000 in any one occurrence and \$10,000 in any annual period starting with the beginning of the policy period in the Declarations.

D. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of **Section II – Liability** for Your Work Coverage:

Duties In The Event Of A Claim

1. You must notify us as soon as possible of the notification from your client of a demand for remuneration for "property damage" resulting from "your work". The notice should include:

a. A notarized letter from the client describing the "property damage";

b. The names and addresses of the affected clients;

c. A written description of how, when and where the "property damage" occurred; and

d. A cancelled check or money order written to the client.

2. At our request, give us complete inventories of the damaged property. Include quantities, costs, values and amount of the loss claimed.

- E. For coverage provided by this endorsement, the following definition is added to Paragraph **H. Property Definitions** under **Section I – Property**:
- "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include property described under Subparagraphs **a., c., d., f. and h.** of Paragraph **A.2. Property Not Covered**.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNERAL DIRECTORS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.
- B.** Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's business as a funeral director.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
- Paragraph **1.b. Contractual Liability** is replaced by the following:
This insurance does not apply to:
 - "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.
 - The following Exclusions do not apply:
 - Paragraph **1.j. Professional Services**;
 - Paragraph **1.k.(4) Damage To Property** to "property damage" to dead bodies, any casket, urn or other container for a dead body or its cremated remains or the personal effects of a deceased person while in the care, custody or control of the insured, unless such "property damage" is caused by theft or "hostile fire";
 - Paragraph **1.k.(6) Damage To Property**; and
 - Paragraph **1.m. Damage To Your Work**.

3. The following Exclusion is added:

This insurance does not apply to:

"Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

- "Bodily injury", "personal and advertising injury" or other injury:
 - 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(1)(a)** above;
 - For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph **(1)(a)** or **(1)(b)**; or

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(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide professional services in connection with your business.

(3) "Property damage" to property:

(a) Owned, occupied or used by; or

(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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

b. "Personal and advertising injury" sustained by any one person or organization; and

c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional services as a funeral director.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRINTERS ERRORS AND OMISSIONS LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to damages resulting from the insured's negligent act, error or omission in providing printing services.
- B.** Under Paragraph **A.** Coverages we will also pay those sums that the insured becomes legally obligated to pay as damages resulting from the insured's negligent act, error or omission in providing printing services.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
 - 1.** Paragraphs **1.k.(6) Damage To Property** and **1.m. Damage To Your Work** do not apply.
 - 2.** The following Exclusions are added:

This insurance does not apply to any claim:

 - a.** Resulting from a criminal act, including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.
 - b.** Resulting from infringement of copyright, trademark, service mark or trade name (other than titles or slogans) by use of such marks or names with goods, products or services sold, offered for sale or advertised.
 - c.** For reimbursement of costs of printing or printing materials.
 - d.** Resulting from insolvency or bankruptcy of the insured.
 - e.** Resulting from any publishing function of the insured.
 - f.** Resulting from the writing of materials for customers.

D. Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

- 2.** The most we will pay for the sum of all damages because of all:
 - a.** "Bodily injury", "property damage", and medical expenses arising out of any one "occurrence";
 - b.** "Personal and advertising injury" sustained by any one person or organization; and
 - c.** Printing acts, errors and omissions;is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.
- E.** For the purpose of determining the limits for the insurance provided by this endorsement, any act, error or omission together with all related acts, errors or omissions in the providing of these services will be considered one act, error or omission.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VETERINARIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

A. For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.

B. Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's practice as a veterinarian, including serving as a member of a formal accreditation, standards review or equivalent professional board or committee.

C. With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

b. "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.

2. The following exclusions do not apply:

a. Paragraph **1.j. Professional Services**;

b. Paragraphs **1.k.(4)** and **1.k.(6) Damage To Property**; and

c. Paragraph **1.m. Damage To Your Work**;

with respect to animals treated in connection with the insured's practice as a veterinarian.

3. The following exclusions are added:

This insurance does not apply to:

a. "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

b. Liability resulting from the theft of any animal.

c. "Bodily injury", "property damage" or other injury due to fire, however caused.

D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

(1) "Bodily injury", "personal and advertising injury" or other 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph **(1)(a)** or **(1)(b)**; or

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- (2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional veterinary services. However, if you have "employees" who are veterinarians, they are insureds with respect to their providing or failing to provide professional veterinary services in connection with your practice.
- (3) "Property damage" to property:
- (a) Owned, occupied or used by; or
 - (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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";
- b. "Personal and advertising injury" sustained by any one person or organization; and
- c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional veterinary services.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED PERILS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property in the Businessowners Coverage Form is amended as follows:

A. Paragraph b. under A.2. Property Not Covered is replaced by the following:

b. Bullion, except as provided in the Burglary And Robbery Optional Coverage, and "money" or "securities" except as provided in the:

(1) Burglary And Robbery Optional Coverage; or

(2) Employee Dishonesty Optional Coverage.

B. Paragraph A.3. Covered Causes Of Loss is replaced by the following:

3. Covered Causes Of Loss

a. Fire.

b. Lightning.

c. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

(1) Rupture, bursting or operation of pressure relief devices; or

(2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

d. Windstorm or Hail, but not including:

(1) Frost or cold weather;

(2) Ice (other than hail), snow or sleet, whether driven by wind or not;

(3) Loss of or damage to awnings or canopies of fabric or slat construction, including their supports, outside of buildings;

(4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters; or

(5) Loss or damage by hail to lawns, trees, shrubs or plants which are part of a vegetated roof.

e. Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

f. Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

g. Riot or Civil Commotion, including:

(1) Acts of striking employees (including temporary or leased employees) while occupying the described premises; and

(2) Looting occurring at the time and place of a riot or civil commotion.

h. Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

- i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:

- (a) Results in sprinkler leakage; or
(b) Is directly caused by freezing.

- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

- (3) Automatic Sprinkler System means:

- (a) Any automatic fire protective or extinguishing system, including connected:

- (i) Sprinklers and discharge nozzles;
(ii) Ducts, pipes, valves and fittings;
(iii) Tanks, their component parts and supports; and
(iv) Pumps and private fire protection mains.

- (b) When supplied from an automatic fire protective system:

- (i) Nonautomatic fire protective systems; and
(ii) Hydrants, standpipes and outlets.

- j. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

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

- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
(2) Ash, dust or particulate matter; or

- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

- l. Transportation, meaning loss or damage caused by:

- (1) Collision, derailment or overturn of a vehicle;
(2) Stranding or sinking of vessels; and
(3) Collapse of bridges, culverts, piers, wharves or docks.

This cause of loss applies only to Covered Property in the course of transit.

- C. Paragraph **A.4. Limitations** does not apply.

- D. Paragraph **A.5. Additional Coverages** is amended as follows:

1. Paragraph **d. Collapse** does not apply.
2. Paragraph **e. Water Damage, Other Liquids, Powder Or Molten Material Damage** does not apply.

- E. Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **2.** is replaced by the following:
2. We will not pay for loss or damage caused by or resulting from:

a. Electrical Apparatus

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

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

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1)** An occurrence that took place within 100 feet of the described premises; or
- (2)** Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Burst Piping

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

c. Water Discharge

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

d. Steam Apparatus

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

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

e. Mechanical Breakdown

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

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply with respect to the breakdown of "computers".

f. Errors Or Omissions

Errors or omissions in programming, processing or storing data, as described under "electronic data" or in any "computer" operations.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

g. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

h. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

i. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

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2. Paragraph 6. is replaced by the following:

6. Accounts Receivable And Valuable Papers And Records Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

- (1) Dishonest or criminal acts (including theft) by you or anyone else with an interest in the property, any of your or their partners, employees (including temporary or leased employees), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
 - (b) Does not apply to a carrier for hire and acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.
 - (2) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - (3) Unauthorized instructions to transfer property to any person or to any place.
- b. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- (1) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1.c., B.1.d. or B.1.f. above to produce the loss or damage.

- (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- (3) Faulty, inadequate or defective:

(a) Planning, zoning, development, surveying, siting;

(b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(c) Materials used in repair, construction, renovation or remodeling; or

(d) Maintenance;

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

- c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. Paragraph **D.2. Deductibles** is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Burglary and Robbery;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

G. Paragraph **E.8.b. Vacancy** Property Loss Condition is replaced by the following:

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism; or
- (b) Sprinkler leakage, unless you have protected the system against freezing; and

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** and **b.(1)(b)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

H. Paragraph **G. Optional Coverages** is amended as follows:

1. Paragraph **2. Money And Securities** does not apply.

2. The following is added:

5. Burglary And Robbery

a. We will pay for direct physical loss of or damage to:

- (1) Business Personal Property, if a Limit Of Insurance is shown in the Declarations; and

(2) "Money" and "securities";

at the described premises resulting directly from actual or attempted:

(a) Burglary, meaning the taking of property from inside the described premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit; or

(b) Robbery, meaning the taking of property from the care and custody of a person by one who has:

(i) Caused or threatened to cause that person bodily harm; or

(ii) Committed an obviously unlawful act witnessed by the person from whom the property was taken.

b. Coverage for "money" and "securities" extends to that property while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having care and custody of the property, at the described premises, or in transit between any of these places.

c. We will not pay for loss or damage:

(1) To household and personal effects in living quarters occupied by you, your partner, officer, director or stockholder or any relative of any of these.

(2) To accounts, deeds or manuscripts.

(3) To evidences of debt other than "securities".

(4) Of property that is missing when there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.

(5) Resulting from any dishonest or criminal act:

(a) That you or any of your partners commit whether acting alone or in collusion with other persons; or

- (b) Committed by any of your employees (including temporary or leased employees), directors, trustees or authorized representatives:
 - (i) Acting alone or in collusion with other persons; or
 - (ii) While performing services for you or otherwise.
- (6) Resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (7) Of property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
- (8) Resulting from delay, loss of use or loss of market.
- (9) Occurring during a fire at the described premises.
- d. The most we will pay for loss or damage in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or

- (b) Within a bank or savings institution;
- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else; and
- (3) 25% of the Business Personal Property Limit of Insurance for all other property. But each of the following types of property are covered only up to \$2,500:
 - (a) Furs, fur garments and garments trimmed with fur;
 - (b) Jewelry, watches, watch movements, jewels, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and
 - (c) Patterns, dies, molds and forms.
- e. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.

I. Paragraph **H.12. Definitions** does not apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Identity Fraud Expense Aggregate Limit – \$25,000
unless otherwise indicated below:

\$

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

Section I – Property is amended as follows:

A. The following is added to Paragraph **A.5. Additional Coverages:**

Identity Fraud Expense Coverage

1. We will pay up to \$25,000, unless a different Identity Fraud Expense Aggregate Limit is indicated in the Schedule, for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.
2. We will pay up to \$5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.
3. Regardless of the number of claims you make:
 - a. The Identity Fraud Expense Aggregate Limit shown in the Schedule is the most we will pay for the sum of all "expenses"; and
 - b. \$5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Identity Fraud Expense Coverage is additional insurance.

B. With respect to the coverage provided by this endorsement, the following is added to Paragraph **B. Exclusions:**

We will not pay for:

1. "Expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any fraudulent, dishonest or criminal act by:
 - a. You, your partners, "members", officers, "managers", directors, trustees; or
 - b. Any authorized representative of yours, but only if such act was committed with the knowledge or consent of any of the individuals listed in Paragraph **B.1.a.** of this endorsement,

whether acting alone or in collusion with others.

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

2. Loss other than "expenses" or additional advertising expenses.

C. With respect to the coverage provided by this endorsement, Paragraph **D. Deductible** is replaced by the following:

We will not pay for "expenses" or additional advertising expenses until the amount of "expenses" and advertising expenses exceeds \$250. We will then pay the amount of "expenses" and additional advertising expenses in excess of the deductible up to the applicable limit of insurance provided in this endorsement. No other deductible applies to Identity Fraud Expense Coverage.

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D. The following is added to Paragraph E.3. Duties In The Event Of Loss Or Damage Property Loss Conditions:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

E. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the coverage provided by this endorsement does not apply to any loss payable under that Employee Dishonesty Optional Coverage.

F. The following definitions are added to Paragraph H. Definitions:

1. "Expenses" means:

- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- c. Costs for obtaining credit reports.
- d. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$250 per day. Total payment for lost income is not to exceed \$10,000.
- e. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

f. Reasonable attorney fees incurred as a result of "identity fraud" to:

- (1) Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
- (2) Remove any criminal or civil judgments wrongly entered against you; and
- (3) Challenge the accuracy or completeness of any information in a consumer credit report.

g. Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

2. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of your business, as described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

G. With respect to the coverage provided by this endorsement, the Other Insurance Condition under Section III – Common Policy Conditions is replaced by the following:

The coverage provided under this endorsement will be excess over any other insurance or agreement covering the same loss or damage, whether you can collect on it or not. But we will not pay more than the applicable limit of insurance provided under this endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INFORMATION SECURITY PROTECTION ENDORSEMENT

INSURING AGREEMENTS d. AND g. OF THIS ENDORSEMENT PROVIDE CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE THE LIMIT OF INSURANCE.

PLEASE READ THE ENTIRE FORM CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage Tier 1 (Provided automatically if this Endorsement is attached to the Policy)	
Insuring Agreement a. Replacement Or Restoration Of Electronic Data Insuring Agreement b. Public Relations Expense Insuring Agreement c. Security Breach Expense	
Coverage Tier 2 (Applicable only if an "X" is shown in the box below)	
<input type="checkbox"/> Insuring Agreement d. Security Breach Liability (claims-made coverage)	
Coverage Tier 3 (Applicable only if an "X" is shown in the box above for Tier 2 and in the box below)	
<input type="checkbox"/> Insuring Agreement e. Extortion Threats <input type="checkbox"/> Insuring Agreement f. Business Income And Extra Expense <input type="checkbox"/> Insuring Agreement g. Web Site Publishing Liability (claims-made coverage)	
Claims-made Coverage	Retroactive Date (Enter date or "none" if no Retroactive Date applies.):
Insuring Agreement d. Security Breach Liability	
Insuring Agreement g. Web Site Publishing Liability	
Aggregate Limit Of Insurance And Deductibles	
Information Security Protection Aggregate Limit Of Insurance:	\$
Information Security Protection Deductible:	\$
Business Income And Extra Expense Waiting Period Hours:	24 hours (unless a different waiting period is indicated below)
	<input type="checkbox"/> hours

Contracted Security Breach Services	
Pre-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
Post-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
<input type="checkbox"/> Supplemental Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Tier 1 First-party Expense Coverages

For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph

A.5. Additional Coverages of Section I – Property:

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

a. Replacement Or Restoration Of Electronic Data

We will pay for "loss" of "electronic data" (as defined in Paragraph R. of this Endorsement) or "computer programs" stored within the "computer system" resulting directly from an "e-commerce incident" sustained during the "policy period".

b. Public Relations Expense

We will pay for "loss" due to "negative publicity" resulting directly from an "e-commerce incident" or a "security breach" sustained during the "policy period".

c. Security Breach Expense

We will pay for "loss" resulting directly from a "security breach" sustained during the "policy period".

B. Tier 2 Liability Coverage

If Tier 2 is shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph A. Coverages of Section II – Liability:

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

d. Security Breach Liability

- (1) We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- (2) We will pay for both "loss" and "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph d.(1).

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C. Tier 3 Coverages

1. Tier 3 First-party Expense Coverages

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A.5. Additional Coverages of Section I – Property:**

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

e. Extortion Threats

We will pay for "loss" resulting directly from an "extortion threat" communicated to you during the "policy period".

However, we will not pay for "extortion expenses" or "ransom payments" which are part of a series of related threats that began prior to the "policy period".

f. Business Income And Extra Expense

We will pay for "loss" due to an "interruption" resulting directly from an "e-commerce incident" sustained during the "policy period" or an "extortion threat" communicated to you during the "policy period".

2. Tier 3 Liability Coverage

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

g. Web Site Publishing Liability

We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

D. Additional Coverages A.5.p. And A.5.q.

1. Additional Coverage p. Electronic Data

Additional Coverage **p. Electronic Data** of **Section I – Property** does not apply to destruction or corruption of "electronic data" resulting directly from an "e-commerce incident".

2. Additional Coverage q. Interruption Of Computer Operations

If Tiers 2 and 3 are shown as applicable in the Schedule of this Endorsement, Additional Coverage **q. Interruption Of Computer Operations** of **Section I – Property** does not apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to an "e-commerce incident".

E. For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Defense And Settlement

1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent. However, we shall have the right but not the duty to defend the insured against a "claim" covered under Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability**, and we shall have no duty to defend the insured against any "claim" which is not covered under either of these Insuring Agreements.

2. We may, upon the written consent of the insured, make any settlement of a "claim" which we deem reasonable. If the insured withholds consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim", plus "defense expenses" incurred, as of the date we proposed such settlement in writing to the insured. Upon refusing to consent to a settlement we deem reasonable, the insured shall, at its sole expense, assume all further responsibility for its defense including all additional costs associated with the investigation, defense and/or settlement of such "claim".

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F. For the purposes of the coverage provided by this Endorsement, "electronic data" is deleted from Paragraph **A.2. Property Not Covered of Section I – Property**.

G. For the purposes of the coverage provided by this Endorsement, the limitations in Paragraphs **A.4.a.(3) and (4) of Section I – Property**, which relate to missing property and property transferred outside the described premises on the basis of unauthorized instructions, do not apply.

H. For the purposes of the coverage provided by this Endorsement, if any of the following endorsements, or any equivalent jurisdiction-specific endorsement, are attached to the Policy, the provisions of that endorsement do not apply:

1. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement;
2. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement;
3. Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement; or
4. Electronic Data Liability – Limited Coverage Endorsement.

I. For the purposes of the coverage provided by this Endorsement, Paragraph **B. Exclusions of Section I – Property** and Paragraph **B.1. Applicable To Business Liability Coverage of Section II – Liability** are replaced by the following:

We will not be liable for "loss" or "defense expenses":

- a. Based upon, attributable to or arising out of lightning, earthquake, hail, volcanic action or any other act of nature.
- b. Based upon, attributable to or arising out of:
 - (1) War, including undeclared or civil war or civil unrest;
 - (2) Warlike action by military force, including action 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 government authority in hindering or defending against any of these.

c. Based upon, attributable to or arising out of bodily injury or physical damage to or destruction of tangible property, including loss of use thereof.

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

d. Based upon, attributable to or arising out of any unexplained or indeterminable failure, malfunction or slowdown of the "computer system", including "electronic data" and the inability to access or properly manipulate the "electronic data".

e. Based upon, attributable to or arising out of any "interruption" in normal computer function or network service or function due to insufficient capacity to process transactions or due to an overload of activity on the "computer system" or network. However, this exclusion shall not apply if such "interruption" is caused by an "e-commerce incident".

f. Based upon, attributable to or arising out of a complete or substantial failure, disablement or shutdown of the Internet or any communications and data network infrastructure, for any cause that is not an "e-commerce incident".

g. Based upon, attributable to or arising out of any failure of, reduction in or surge of power.

h. Based upon, attributable to or arising out of any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) and its amendments, or similar provisions of any federal, state or local statutory or common law.

i. Based upon, attributable to or arising out of any malfunction or failure of any satellite.

j. Based upon, attributable to or arising out of any oral or written publication of material, if done by an insured or at an insured's direction with knowledge of its falsity.

k. Based upon, attributable to or arising out of an insured's assumption of liability by contract or agreement, whether oral or written. However, this exclusion shall not apply to any liability that an insured would have incurred in the absence of such contract or agreement.

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- l. Based upon, attributable to or arising out of any actual or alleged patent or trade secret violation, including any actual or alleged violation of the Patent Act, the Economic Espionage Act of 1996 or the Uniform Trade Secrets Act and their amendments.
- m. Based upon, attributable to or arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2) Any 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
 - (3) Any "claim" or "suit" brought by, or on behalf of, any 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".
- n. Based upon, attributable to or arising out of any "claim", "suit" or other proceeding against an insured which was pending or existed prior to the "policy period", or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim", "suit" or other proceeding.
- o. Based upon, attributable to or arising out of your employment practices including, but not limited to, termination of employment, demotion, reassignment, discipline, harassment, coercion or refusal to employ regardless of whether you are liable as an employer or in any other capacity.
- p. Based upon, attributable to or arising out of any "wrongful act" or "interrelated wrongful acts" that occurred before the Retroactive Date, if any, shown in the Schedule.
- q. Based upon, attributable to or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this Policy is a renewal or replacement.

- r. Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreement d. Security Breach Liability.

With the exception of "claims" excluded under Exclusion l., we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest, and we will not provide a defense from the time we become aware that any insured intends to so plead.

- s. Based upon, attributable to or arising out of any action or proceeding brought by, or on behalf of, any governmental authority or regulatory agency including, but not limited to:
 - (1) The seizure or destruction of property by order of a governmental authority; or
 - (2) Regulatory actions or proceedings brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other regulatory agency, except when covered under Paragraph (2) of Insuring Agreement d. Security Breach Liability.
- However, this exclusion shall not apply to actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as a customer of the Named Insured.
- t. Based upon, attributable to or arising out of costs associated with upgrading or improving the "computer system" regardless of the reason for the upgrade.
 - u. Based upon, attributable to or arising out of any "claim" brought or alleged by one insured against another, except for a "claim" brought or alleged by an "employee" against an insured as a result of a "security breach".
 - v. Based upon, attributable to or arising out of unintentional errors or omissions in the entry of "electronic data" into the "computer system".

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w. Based upon, attributable to or arising out of infringing upon another's copyright, trade dress or slogan in your "advertisement".

x. Based upon, attributable to or arising out of fines, penalties or assessments imposed pursuant to contract or agreement, whether oral or written, including, but not limited to, Payment Card Industry (PCI) fines, penalties or assessments.

J. For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **B. Exclusions of Section I – Property:**

Nuclear Hazard

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

K. For the purposes of the coverage provided by this Endorsement, Paragraph **C. Limits Of Insurance of Section I – Property** and Paragraph **D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability** are replaced by the following:

Limits Of Insurance

Information Security Protection Aggregate Limit Of Insurance

The most we will pay for all "loss" and "defense expenses", if covered, under this Endorsement is the Information Security Protection Aggregate Limit Of Insurance shown in the Schedule. The Information Security Protection Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Endorsement. Upon exhaustion of the Information Security Protection Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind under this Endorsement.

L. For the purposes of the coverage provided by this Endorsement, the following replaces Paragraph **D. Deductibles of Section I – Property** and is added to **Section II – Liability:**

Information Security Protection Deductible

1. Subject to **Limits Of Insurance** under Paragraph **K.** of this Endorsement:

a. Under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability:**

We will pay only the amount of "loss" and "defense expenses" which are in excess of the Deductible Amount shown in the Schedule resulting from the same "wrongful act" or "interrelated wrongful acts". Such Deductible Amount will be borne by you, self-insured, and at your own risk.

b. Under Insuring Agreements **a. Replacement Or Restoration Of Electronic Data**, **b. Public Relations Expense**, **c. Security Breach Expense** and **e. Extortion Threats:**

We will pay only the amount of "loss" which is in excess of the Deductible Amount shown in the Schedule.

c. Under Insuring Agreement **f. Business Income And Extra Expense:**

We will pay only the amount of "loss" which exceeds the greater of:

(1) The Deductible Amount shown in the Schedule; or

(2) The amount of "loss" incurred during:

(a) The first 24 hours from the beginning of the "interruption" if no other waiting period is designated in the Schedule; or

(b) The number of hours waiting period designated in the Schedule from the beginning of the "interruption".

2. In the event a "loss" is covered under more than one Insuring Agreement:

a. If Insuring Agreement **f. Business Income And Extra Expense** does not apply, the Information Security Protection Deductible shown in the Schedule will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts"; or

b. If Insuring Agreement **f. Business Income And Extra Expense** does apply, the larger of the:

(1) Information Security Protection Deductible shown in the Schedule; or

(2) Amount of loss incurred during the applicable waiting period;

will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts".

- M.** For the purposes of the coverage provided by this Endorsement, Paragraph **E.3. Duties In The Event Of Loss Or Damage of Section I – Property** and Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section II – Liability** are replaced by the following:

Duties In The Event Of Claim Or Loss

In the event of either an occurrence or offense that may result in a "claim" against an insured or a "loss" or situation that may result in a "loss" covered under this Endorsement, you must notify us in writing as soon as practicable, but not to exceed 30 days, and cooperate with us in the investigation and settlement of the "claim" or "loss". Additionally:

- a.** Under Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability, you must:

- (1) Immediately record the specifics of the "claim" and the date received;
- (2) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (3) Authorize us to obtain records and other information; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of an occurrence or offense to which this Endorsement may also apply.

You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been made when the "claim" is received by an insured.

- b.** Under Insuring Agreement **a.** Replacement Or Restoration Of Electronic Data and Insuring Agreement **e.** Extortion Threats, you must:

- (1) Notify local law enforcement officials;
- (2) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (3) Give us a detailed, sworn proof of loss within 120 days.

- (4) In addition, under Insuring Agreement **e.** Extortion Threats, you must:

- (a) Determine that the "extortion threat" has actually occurred;
- (b) Make every reasonable effort to immediately notify an associate and the security firm, if any, before making any "ransom payment" based upon the "extortion threat";
- (c) With respect to "ransomware", make a reasonable effort to access your "electronic data" from backup; and
- (d) Approve any "ransom payment" based upon the "extortion threat".

N. Extended Reporting Periods

For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability, the following are added to Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability**:

1. Basic Extended Reporting Period

- a.** A Basic Extended Reporting Period is automatically provided without additional charge if:

- (1) This Endorsement is cancelled or not renewed for any reason; or
- (2) We renew or replace this Endorsement with insurance that:

- (a) Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or

- (b) Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.

- b. The Basic Extended Reporting Period starts with the end of the "policy period" and lasts for 30 days. A "claim" first made and reported by the insured during this 30-day period will be considered to have been received within the "policy period". However, the 30-day Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Aggregate Limit of Insurance applicable to such "claims".
- c. The Basic Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. It applies only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us during the Basic Extended Reporting Period; and
 - (2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

2. Supplemental Extended Reporting Period

- a. You will have the right to purchase a Supplemental Extended Reporting Period from us if:
 - (1) This Endorsement is cancelled or not renewed; or
 - (2) We renew or replace this Endorsement with insurance that:
 - (a) Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or
 - (b) Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.
- b. The Supplemental Extended Reporting Period will not be available if:
 - (1) We cancel this Endorsement for nonpayment of premium; or
 - (2) You fail to pay any amounts owed us.
- c. A Supplemental Extended Reporting Period, as specified in Paragraph **a.**, lasts one year and is available only for an additional premium.
- d. The Supplemental Extended Reporting Period starts with the end of the Basic Extended Reporting Period set forth in Paragraph **1.** It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us during the Supplemental Extended Reporting Period; and
 - (2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- e. You must give us a written request for the Supplemental Extended Reporting Period within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.
- f. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium in full along with any premium or deductible you owe us for coverage provided under this Endorsement within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first. Once in effect, the Supplemental Extended Reporting Period may not be cancelled.

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

- (1) The exposures insured;
- (2) Previous types and amounts of insurance;
- (3) Limit of Insurance available under this Endorsement for future payment of damages; and
- (4) Other related factors.

The additional premium may not exceed 100% of the annual premium for this Endorsement. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.

3. Basic And Supplemental Extended Reporting Period Limits

a. Basic Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Basic Extended Reporting Period. The Limit of Insurance available during the Basic Extended Reporting Period shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the "policy period".

b. Supplemental Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Supplemental Extended Reporting Period. The Limit of Insurance available during the Supplemental Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the Basic Extended Reporting Period.

- O. For the purposes of the coverage provided by this Endorsement, Paragraph H. **Other Insurance** of **Section III – Common Policy Conditions** is replaced by the following:

H. Other Insurance

1. If any covered "claim" or "loss" is insured by any other valid policy, then this Endorsement shall apply only in excess of the amount of any deductible, retention and Limit of Insurance under such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise.

2. When this Endorsement is excess, we shall have no duty under Insuring Agreement d. Security Breach Liability or g. Web Site Publishing Liability 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.

- P. For the purposes of the coverage provided by this Endorsement, the following is added to **Section III – Common Policy Conditions**:

A. Valuation – Settlement

1. All premiums, Aggregate Limits of Insurance, Deductible Amounts, "loss" and any other monetary amounts under this Endorsement are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to or another component of "loss" under this Endorsement is expressed in any currency other than United States of America dollars, payment under this Endorsement shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, settlement amount is agreed upon or the other component of "loss" is due, respectively.
2. With respect to "loss" covered under Insuring Agreement f. Business Income And Extra Expense:
 - a. The amount of "business income" will be determined based on consideration of:
 - (1) The net income generated from your "e-commerce activities" before the "interruption" occurred;
 - (2) The likely net income generated by your "e-commerce activities" if no "interruption" had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "e-commerce incident" on customers or on other businesses;
 - (3) The operating expenses, including payroll, necessary to resume your "e-commerce activities" with the same quality of service that existed before the "interruption"; and

- (4) Other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and debts, liens and contracts.

However, the amount of "business income" will be reduced to the extent that the reduction in the volume of business from the affected "e-commerce activities" is offset by an increase in the volume of business from other channels of commerce such as via telephone, mail or other sources.

- b. The amount of "extra expense" will be determined based on:
- (1) Necessary expenses that exceed the normal operating expenses that would have been incurred in the course of your "e-commerce activities" during the period of coverage if no "interruption" had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of coverage once your "e-commerce activities" are resumed; and
 - (2) Necessary expenses that reduce the "business income" "loss" that otherwise would have been incurred during the period of coverage.

B. Confidentiality

Under Insuring Agreement e. Extortion Threats, the Named Insured and its "employees" must make every reasonable effort not to divulge the existence of this coverage.

- Q. For the purposes of the coverage provided by this Endorsement, the definition of "computer" under Paragraph H. **Property Definitions of Section I – Property** does not apply.

- R. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "electronic data" under Paragraph H. **Property Definitions of Section I – Property** and is added to Paragraph F. **Liability And Medical Expenses Definitions of Section II – Liability**:

"Electronic data" means digital information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic storage devices including, but not limited to, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. "Electronic data" is not tangible property.

"Electronic data" does not include your "electronic data" that is licensed, leased, rented or loaned to others.

- S. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "suit" under Paragraph F. **Liability And Medical Expenses Definitions of Section II – Liability** and is added to Paragraph H. **Property Definitions of Section I – Property**:

"Suit" means a civil proceeding in which damages to which this Endorsement applies are claimed against the insured. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured submits 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.

"Suit" does not include a civil proceeding seeking recognition and/or enforcement of a foreign money judgment.

- T. For the purposes of the coverage provided by this Endorsement, the definition of "coverage territory" under Paragraph F. **Liability And Medical Expenses Definitions of Section II – Liability** is replaced by the following:

"Coverage territory" means anywhere in the world. However, "suits" must be brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.

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U. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "employee" under Paragraph F. Liability And Medical Expenses Definitions of Section II – Liability and is added to Paragraph H. Property Definitions of Section I – Property:

"Employee" means any natural person who was, now is or will be:

- a. Employed on a full- or part-time basis;
- b. Furnished temporarily to you to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions;
- c. 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, but does not mean a temporary employee as defined in Paragraph b.;
- d. An officer;
- e. A director, trustee or manager (if a limited liability company);
- f. A volunteer worker; or
- g. A partner or a member (if a limited liability company);

of the Named Insured, but only while acting within the scope of their duties as determined by the Named Insured.

V. For the purposes of the coverage provided by this Endorsement, the following are added to Paragraph H. Property Definitions of Section I – Property and Paragraph F. Liability And Medical Expenses Definitions of Section II – Liability:

- 1. "Business income" means the:
 - a. Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including payroll.
- 2. "Claim" means:
 - a. A written demand for monetary or nonmonetary damages, including injunctive relief;
 - b. A civil proceeding commenced by the service of a complaint or similar proceeding; or
 - c. Under Paragraph (2) of Insuring Agreement d. Security Breach Liability, a "regulatory proceeding" commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document;

against any insured for a "wrongful act", including any appeal therefrom.

- 3. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store or send "electronic data".
- 4. "Computer system" means the following which are owned, leased or operated by you:
 - a. Computers, including Personal Digital Assistants (PDAs) and other transportable or hand-held devices, electronic storage devices and related peripheral components;
 - b. Systems and applications software; and
 - c. Related communications networks; by which "electronic data" is collected, transmitted, processed, stored or retrieved.
- 5. "Defense expenses" means the reasonable and necessary fees (attorneys' and experts' fees) and expenses incurred in the defense or appeal of a "claim", including the cost of appeal, attachment or similar bonds (without any obligation on our part to obtain such bonds) but excluding wages, salaries, benefits or expenses of your "employees".
- 6. "E-commerce activities" means those activities conducted by you in the normal conduct of your business via the Internet or other computer-based interactive communications network.
- 7. "E-commerce incident" means a:
 - a. "Virus";
 - b. Malicious code; or
 - c. Denial of service attack;introduced into or enacted upon the "computer system" (including "electronic data") or a network to which it is connected, that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the "computer system" or otherwise disrupt its normal operation.
Recurrence of the same "virus" after the "computer system" has been restored shall constitute a separate "e-commerce incident".
- 8. "Extortion expenses" means:
 - a. Fees and costs of:
 - (1) A security firm; or
 - (2) A person or organization; hired with our consent to determine the validity and severity of an "extortion threat" made against you;

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- b.** Interest costs paid by you for any loan from a financial institution taken by you to pay a ransom demand;
 - c.** Reward money paid by you to an "informant" which leads to the arrest and conviction of parties responsible for "loss"; and
 - d.** Any other reasonable expenses incurred by you with our written consent, including:
 - (1)** Fees and costs of independent negotiators; and
 - (2)** Fees and costs of a company hired by you, upon the recommendation of the security firm, to protect your "electronic data" from further threats.
- 9.** "Extortion threat" means a threat or series of related threats:
 - a.** To perpetrate an "e-commerce incident";
 - b.** To disseminate, divulge or utilize:
 - (1)** Your proprietary information; or
 - (2)** Weaknesses in the source code; within the "computer system" by gaining unauthorized access to the "computer system";
 - c.** To destroy, corrupt or prevent normal access to the "computer system" by gaining unauthorized access to the "computer system";
 - d.** To inflict "ransomware" on the "computer system" or a network to which it is connected; or
 - e.** To publish your client's "personal information".
- 10.** "Extra expense" means necessary expenses you incur:
 - a.** During an "interruption" that you would not have incurred if there had been no "interruption"; or
 - b.** To avoid or minimize the suspension of your "e-commerce activities".

"Extra expense" does not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system".
- 11.** "Informant" means a person, other than an "employee", providing information not otherwise obtainable, solely in return for a reward offered by you.
- 12.** "Interrelated wrongful acts" means all "wrongful acts" that have as a common nexus any:
 - a.** Fact, circumstance, situation, event, transaction or cause; or

- b.** Series of causally connected facts, circumstances, situations, events, transactions or causes.
- 13.** "Interruption" means:
 - a.** With respect to an "e-commerce incident":
 - (1)** An unanticipated cessation or slowdown of your "e-commerce activities"; or
 - (2)** Your suspension of your "e-commerce activities" for the purpose of avoiding or mitigating the possibility of transmitting a "virus" or malicious code to another person or organization;and, with regard to Paragraphs **13.a.(1)** and **13.a.(2)**, shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:
 - (a)** 90 days after the "interruption" begins;
 - (b)** The time when your "e-commerce activities" are resumed; or
 - (c)** The time when service is restored to you.
 - b.** With respect to an "extortion threat", your voluntary suspension of your "e-commerce activities":
 - (1)** Based upon clear evidence of a credible threat; or
 - (2)** Based upon the recommendation of a security firm, if any;and, with regard to Paragraphs **13.b.(1)** and **13.b.(2)**, shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:
 - (a)** 14 days after the "interruption" begins;
 - (b)** The time when your "e-commerce activities" are resumed; or
 - (c)** The time when service is restored to you.
- 14.** "Loss" means:
 - a.** With respect to Insuring Agreement **a.** Replacement Or Restoration Of Electronic Data:

The cost to replace or restore "electronic data" or "computer programs" as well as the cost of data entry, reprogramming and computer consultation services.

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"Loss" does not include the cost to duplicate research that led to the development of your "electronic data" or "computer programs". To the extent that any "electronic data" cannot be replaced or restored, we will pay the cost to replace the media on which the "electronic data" was stored with blank media of substantially identical type.

- b.** With respect to Insuring Agreement **b.** Public Relations Expense:

"Public relations expenses".

- c.** With respect to Insuring Agreement **c.** Security Breach Expense:

"Security breach expenses".

- d.** With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

- (1)** Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements;
- (2)** Punitive and exemplary damages to the extent such damages are insurable by law; or
- (3)** Under Paragraph **(2)** of Insuring Agreement **d.** Security Breach Liability, fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law.

With regard to Paragraphs **d.(1)** through **d.(3)**, "loss" does not include:

- (a)** Civil or criminal fines or penalties imposed by law, except civil fines or penalties as provided under Paragraph **d.(3)**;
 - (b)** The multiplied portion of multiplied damages;
 - (c)** Taxes;
 - (d)** Royalties;
 - (e)** The amount of any disgorged profits; or
 - (f)** Matters that are uninsurable pursuant to law.
- e.** With respect to Insuring Agreement **e.** Extortion Threats:
"Extortion expenses" and "ransom payments".
- f.** With respect to Insuring Agreement **f.** Business Income And Extra Expense:
The actual loss of "business income" you sustain and/or "extra expense" you incur.

- 15.** "Negative publicity" means information which has been made public that has caused, or is reasonably likely to cause, a decline or deterioration in the reputation of the Named Insured or of one or more of its products or services.

- 16.** "Personal information" means any information not available to the general public for any reason through which an individual may be identified, including, but not limited to, an individual's:

- a.** Social security number, driver's license number or state identification number;
- b.** Protected health Information;
- c.** Financial account numbers;
- d.** Security codes, passwords, PIN numbers associated with credit, debit or charge card numbers which would permit access to financial accounts; or
- e.** Any other nonpublic information as defined in "privacy regulations".

- 17.** "Policy period" means the period of time from the inception date of this Policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.

- 18.** "Privacy regulations" means any of the following statutes and regulations, and their amendments, associated with the control and use of personally identifiable financial, health or other sensitive information including, but not limited to:

- a.** The Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191);
- b.** The Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
- c.** Gramm-Leach-Bliley Act of 1999;
- d.** Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), but solely for alleged unfair or deceptive acts or practices in or affecting commerce;
- e.** Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003; or
- f.** Any other similar state, federal or foreign identity theft or privacy protection statute or regulation.

- 19.** "Public relations expenses" means:

- a.** Fees and costs of a public relations firm; and

- b. Any other reasonable expenses incurred by you with our written consent;
- to protect or restore your reputation solely in response to "negative publicity".
- 20. "Ransom payment" means a payment made in the form of cash.
- 21. "Ransomware" means any software that encrypts "electronic data" held within the "computer system" and demands a "ransom payment" in order to decrypt and restore such "electronic data".
- 22. "Regulatory proceeding" means an investigation, demand or proceeding brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.
- 23. "Security breach" means the acquisition of "personal information" held within the "computer system" or in non-electronic format while in the care, custody or control of the insured or authorized "third party" by a person:
 - a. Who is not authorized to have access to such information; or
 - b. Who is authorized to have access to such information but whose access results in the unauthorized disclosure of such information.
- 24. "Security breach expenses" means:
 - a. Costs to establish whether a "security breach" has occurred or is occurring;
 - b. Costs to investigate the cause, scope and extent of a "security breach" and to identify any affected parties;
 - c. Costs to determine any action necessary to correct or remediate the conditions that led to or resulted from a "security breach", including, but not limited to, fees paid for legal and other professional advice on how to respond to the "security breach";
 - d. Costs to notify all parties affected by a "security breach", including, but not limited to, notice to be transmitted through media required by "privacy regulations";
 - e. Overtime salaries paid to "employees" assigned to handle inquiries from the parties affected by a "security breach";

- f. Fees and costs of a company hired by you for the purpose of operating a call center to handle inquiries from the parties affected by a "security breach";
 - g. Post-event monitoring costs for the parties affected by a "security breach" for up to one year from the date of notification to those affected parties of such "security breach"; and
 - h. Any other reasonable expenses incurred by you with our written consent.
- "Security breach expenses" do not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system" as a result of a "security breach".
- 25. "Third party" means any entity that you engage under the terms of a written contract to perform services for you.
- 26. "Virus" means any kind of malicious code designed to damage or destroy any part of the "computer system" (including "electronic data") or disrupt its normal functioning.
- 27. "Wrongful act" means:
 - a. With respect to Insuring Agreement d. Security Breach Liability:
 - Any actual or alleged neglect, breach of duty or omission by an insured that results in:
 - (1) A "security breach"; or
 - (2) A "computer system" transmitting, by e-mail or other means, a "virus" to another person or organization.
 - b. With respect to Insuring Agreement g. Web Site Publishing Liability:
 - Any actual or alleged error, misstatement or misleading statement posted or published by an insured on its web site that results in an infringement of another's copyright, trademark, trade name, trade dress, title, slogan, service name or service mark. This does not include infringing upon another's copyright, trade dress or slogan in your "advertisement".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROVIDE COVERAGE FOR DISHONEST, MALICIOUS OR
FRAUDULENT ACTS COMMITTED BY EMPLOYEES**

This endorsement modifies insurance provided under the following:

INFORMATION SECURITY PROTECTION ENDORSEMENT

Exclusion r. is replaced by the following:

- r. Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Endorsement.

With the exception of "claims" excluded under Exclusion I., we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any insured intends to so plead.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Named Association:	
Directors And Officers Liability Annual Aggregate Limit Of Insurance:	\$
Deductible:	\$
Pending Or Prior Litigation Date:	Retroactive Date:
<input type="checkbox"/> Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

For the purposes of the coverage provided by this endorsement, **Section II – Liability** is amended as follows:

A. The following are added to Paragraph A. Coverages:

1. Insuring Agreement – Management Liability

- a.** We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph G., except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

- b.** If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1)** Such spousal status; or
- (2)** Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

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However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

- c.** This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1) The estate, heirs or legal representatives of a deceased "insured person"; and
- (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

- B.** For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions**, Subparagraph **1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.
- b.** For "bodily injury".
- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".
- d.** For "property damage".
- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.
- f.** Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.
- g.** Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1) During a prior policy period of this policy; or
 - (2) Under any insurance policy of which this policy is a replacement.

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- h. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
- i. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
- j. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
- k. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
 - (1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2) A "claim" arising out of a "wrongful employment practices act".
- l. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
- m. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:
 - (1) The "association" would have been liable in the absence of such contract or agreement; or
 - (2) Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";
- n. Arising out of "personal and advertising injury".
- o. Arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;

(2) Any 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

(3) A "claim" made or "suit" brought by or on behalf of any 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";

including without limitation any "claim" by or on behalf of the "association".

p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph B.

C. For the purposes of the coverage provided by this endorsement, Paragraph C. **Who Is An Insured** is replaced by the following:

1. The "association" is an insured.

2. "Insured persons" are insureds.

D. For the purposes of the coverage provided by this endorsement, Paragraph D. **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs A.1., A.2. and A.3. is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

a. Insureds;

b. "Claims" made or "suits" brought; or

c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

- E. For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

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 person involved in the specific "wrongful act", including names and addresses of the potential claimants;
 - c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
 - d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and
 - e. The circumstances by which the insureds first became aware of the specific "wrongful act".
2. If a "claim" is received by any insured, you must:
 - a. Immediately record the specifics of the "claim" 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" 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";
- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation or settlement of the "claim"; 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 "wrongful acts" to which this insurance may also apply.

4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

- F. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to "wrongful acts" on a claims-made basis.
2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.

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3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.
 4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
 5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
 6. 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. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.

The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.
 7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.
- H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph F. **Liability And Medical Expenses Definitions of Section II** ³ **Liability**:
1. "Association" means the entity named in the Schedule as the named association.
 2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;

for a "wrongful act", including any appeal therefrom.
 3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
 4. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
 5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
 6. "Interrelated wrongful act" means all causally connected "wrongful acts".
 7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.

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8. "Wrongful act" includes a "wrongful employment practices act" and means:

- a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
- b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".

9. "Wrongful employment practices act" means any actual or alleged:

- a. Wrongful dismissal, discharge or termination of employment;
- b. Breach of any implied employment contract;
- c. Employment-related misrepresentation;
- d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;

e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;

f. Wrongful failure to employ or promote;

g. Wrongful reference, discipline or deprivation of a career opportunity;

h. Failure to adopt adequate workplace or employment policies and procedures; or

i. Illegal retaliatory treatment.

I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" 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.

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POLICY NUMBER:

BUSINESSOWNERS
BP DS 02 08 06

APARTMENT BUILDINGS SUPPLEMENTAL SCHEDULE

POLICY NUMBER:	COMPANY:
NAMED INSURED:	

This Schedule may be used in conjunction with the Businessowners Policy Declarations when it is used to insure Apartment Buildings and modified by the Apartment Buildings Endorsement.

ENDORSEMENT BP 07 75: Applicable only to premises for which entries are shown below:

Premises Information			
Prem. No.	Bldg. No.	Premises Address	Premium
			\$
			\$
			\$

FINE ARTS COVERAGE: Applicable only to premises for which entries are shown below:

Premises Number	Premium
	\$
	\$
	\$

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LOSS OR DAMAGE TO TENANTS' AUTOS (LEGAL LIABILITY COVERAGE): Applicable only to premises for which entries are shown below:

Prem. No.	Limit Of Liability (Per Event)	Deductible Other Than Collision		Collision Deductible
		For Each Tenant's Auto	Maximum Deductible In Any One Event	
	\$	\$	\$	\$
	\$			
	\$			
Premium \$ for all premises:				

FORMS APPLICABLE TO SPECIFIC PREMISES/COVERAGES:

Prem. No.	Bldg. No.	Coverage	Form Number

POLICY NUMBER:

COMMERCIAL AUTO
CA 25 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Coverage	Limits Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ Each Employee	\$	\$
	\$ Employee Benefits Aggregate		
Retroactive Date			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Employee Benefits Liability Coverage

1. Coverage

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of any act, error or omission, of the "insured", or of any other person for whose acts the "insured" is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. Limits Of Insurance; and
- (2) Our right to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

- b. This insurance applies to damages only if:

- (1) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any "insured", in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph G. Extended Reporting Period of this endorsement.

- c. A "claim" 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.

A "claim" received and recorded by the "insured" within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any "insured", including the willful or reckless violation of any statute.

- b. **Bodily Injury, Property Damage Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

- c. **Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

- d. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

- e. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any "insured" is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the "insured", from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. Supplementary Payments

We will pay for the "insured":

1. All expenses we incur.
2. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
4. All costs taxed against the "insured" in any "suit" against the "insured" we defend.
5. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

C. Who Is An Insured

The following are "insureds" for Employee Benefits Liability Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the "administration" of your "employee benefit program".
3. Your members, if you are a limited liability company, but only with respect to the "administration" of your "employee benefit program". Your managers are also "insureds", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insureds" but only with respect to their liability as stockholders.
5. Each of your "employees" who is or was authorized to administer your "employee benefit program".
6. Any "auto" dealership that is acquired or formed by you, other than a partnership or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that "auto" dealership. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier.
 - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the "auto" dealership.

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

D. Limits Of Insurance

1. The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits";
 - d. Acts, errors or omissions; or

e. Benefits included in your "employee benefit program".

2. The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

3. Subject to the Employee Benefit Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

a. An act, error or omission; or

b. A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

E. Deductible

1. Our obligation to pay damages on behalf of the "insured" applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

2. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

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, and the duties of any other involved "insured", in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

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 as we have paid.

F. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

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

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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

(1) Immediately record the specifics of the "claim" or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

(2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply.
 - d. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

If other valid and collectible insurance is available to the "insured" for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
 - (a) No Retroactive Date is shown in the Schedule of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the "insured" against any "suit" if any other insurer has a duty to defend the "insured" against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the "insured's" rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-"insured" amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits Of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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 limits of insurance to the total applicable limits of insurance of all insurers.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

- 1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
- 2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be cancelled.

3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" "insured";
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for "claims" first received and recorded during the Extended Reporting Period.

The extended reporting period employee benefit aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits Of Insurance.

Paragraph **D.2.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.3.**

H. Definitions

For the purposes of the coverage provided by this endorsement, **Section V – Definitions** is amended as follows:

1. The "Employee" definition is replaced by the following:

"Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

2. The "Suit" definition is replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

3. The following definitions are added:

- a. "Administration" means:

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

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

- b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

- c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
- d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
 - (1) Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- (4) Vacation plans, including buy-and-sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and
- (5) Any other similar benefits designated in the Schedule or added thereto by endorsement.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CUSTOMER COMPLAINT LEGAL DEFENSE COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE FOR DEFENSE EXPENSES ONLY.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limit Of Insurance		Premium
\$	Per Customer Complaint Legal Defense Limit	\$
\$	Customer Complaint Legal Defense Aggregate Limit	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay for "defense expenses" incurred to defend an "insured" against a "customer complaint" to which this insurance applies. We will have the duty to defend any "insured" against a "customer complaint". However, we will have no duty to defend an "insured" against any "customer complaint" to which this insurance does not apply. We may investigate and, with your written consent, settle any "customer complaint" as we consider appropriate. However:
 - a. The amount we will pay for "defense expenses" is limited as described in Paragraph **D.** Limit Of Insurance; and
 - b. Coverage for "defense expenses" ends when the applicable Limit Of Insurance shown in the Schedule has been exhausted.
2. No other obligation to pay sums such as:
 - a. Prejudgment or postjudgment interest;
 - b. Punitive damages;

c. Civil or criminal fines; or

d. Penalties imposed by law

imposed on the "insured" is covered unless explicitly provided for in the definition of "defense expenses" contained in Paragraph **F.2.b.** of this endorsement.

3. This insurance applies only if the "customer complaint" is made within the coverage territory and during the policy period in accordance with Paragraph **A.4.**

4. A "customer complaint" will be deemed to have been made when notice of such "customer complaint" is received and recorded by any "insured" or by us, whichever comes first.

A "customer complaint" received and recorded by the "insured" within 30 days after the end of the policy period will be considered to have been made within the policy period, if no subsequent insurance is available to cover "defense expenses" associated with such "customer complaint".

5. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be deemed to have been made at the time the first of those "customer complaints" is made against any "insured".

B. Exclusions

1. This insurance does not apply to "defense expenses" incurred as a result of "customer complaints" arising out of:

a. Accidents, Personal And Advertising Injury, Acts, Errors Or Omissions And Loss

- (1) An "accident";
- (2) "Personal and advertising injury";
- (3) "Acts, errors or omissions"; or
- (4) "Loss" to an "auto" while the "insured" is attending, servicing, repairing, parking or storing it in your "auto dealer operations".

b. Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Any criminal, fraudulent, malicious, dishonest or intentional act, error or omission by an "insured", including the willful or reckless violation of any law or regulation. However, this exclusion does not apply to any "insured" who did not:

- (1) Personally commit;
 - (2) Personally participate in;
 - (3) Personally acquiesce to; or
 - (4) Remain passive after having knowledge of;
- any such act, error or omission.

c. Product Recall

The loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, 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.

d. Mechanical Breakdown Or Warranty Agreements

Any obligation under a warranty or mechanical breakdown agreement.

2. This insurance does not apply to the payment of judgments or settlements.

C. Who Is An Insured

The following are "insured's" for Customer Complaint Legal Defense Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
3. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insured's", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insured's", but only with respect to their liability as stockholders.
5. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "auto dealer operations".
6. Any "auto" dealership that is acquired or formed by you, other than a partnership 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 "auto" dealership. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier; and
 - b. Coverage does not apply to "consumer complaints" that were first made before you acquired or formed the "auto" dealership.

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

D. Limit Of Insurance

1. Regardless of the number of:
 - a. "Insureds";
 - b. "Customer complaints"; or
 - c. Persons or organizations bringing "customer complaints";

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the Customer Complaint Legal Defense Aggregate Limit shown in the Schedule is the most we will pay for all "defense expenses" because of "customer complaints" covered under this endorsement.

2. Subject to the Customer Complaint Legal Defense Aggregate Limit described in Paragraph D.1., the Per Customer Complaint Legal Defense Limit shown in the Schedule is the most we will pay for the sum of all "defense expenses" because of any one "customer complaint".
3. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be considered one "customer complaint" for the purposes of determining the "Per Customer Complaint" Legal Defense Limit.
4. The Customer Complaint Legal Defense Aggregate Limit applies 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 Customer Complaint Legal Defense Aggregate Limit.

E. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of Customer Complaint

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of a "customer complaint", you must:
 - (1) Immediately record the specifics of the "customer complaint" and the date received; and
 - (2) Notify us, in writing, as soon as practicable.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the "customer complaint";

- (3) Cooperate with us in the investigation or settlement of the "customer complaint" or defense against the "customer complaint".

- (4) Authorize us to obtain records and other pertinent information.

2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

This insurance is excess over any other collectible insurance providing "defense expenses" for "customer complaints".

3. The **Policy Period, Coverage Territory** Condition is replaced by the following:

Policy Period, Coverage Territory

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

4. The following condition is added:

Transfer Of Duties When The Limit Of Insurance Is Exhausted

- a. If we defend the "insured" against a "customer complaint" and we conclude that, based on "customer complaints" which have been reported to us and to which this insurance may apply, the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit is likely to be exhausted by the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.

- b. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted in the payment of "defense expenses", we will:

- (1) Notify the first Named Insured in writing, as soon as practicable, that the applicable Limit of Insurance has actually been exhausted, and that our duty to defend the "insured" against any "customer complaint" has ended;

- (2) Initiate, and cooperate in, the transfer of control to any appropriate "insured", of all "customer complaints" for which the duty to defend has ended for the reason described in Paragraph **E.4.b.** and which are reported to us before that duty to defend ended; and
- (3) Take such steps, as we deem appropriate, to continue the defense of such "customer complaints" until such transfer is completed, provided the appropriate "insured" is cooperating in completing such transfer.
- c. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted by the payment of "defense expenses", the first Named Insured, and any other "insured" involved in a "customer complaint" subject to these limits, must:
 - (1) Cooperate in the transfer of control of "customer complaints"; and
 - (2) Arrange for the defense of such "customer complaint" within such time period as agreed to between the appropriate "insured" and us. Absent any such agreement, arrangements for the defense of such "customer complaint" must be made as soon as practicable.
- d. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **E.4.b.**

The duty of the first Named Insured to reimburse us will begin on:

 - (1) The date on which the Limit of Insurance is used up, if we sent notice in accordance with Paragraph **E.4.a.**; or
 - (2) The date on which we sent notice in accordance with Paragraph **E.4.b.**, if we did not send notice in accordance with Paragraph **E.4.a.**
- e. The exhaustion of the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit by the payment of "defense expenses" and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this condition.

F. Definitions

For the purposes of the coverage provided by this endorsement:

1. The definition of "suit" contained in **Section V – Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "customer complaint" to which this insurance applies are claimed.

"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;
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

2. The following definitions are added:

a. "Customer complaint" means a claim or "suit" made by or on behalf of your customer for damages as the result of the sale, service or repair of an "auto" in your "auto dealer operations".

b. "Defense expenses" means payments allocated to a specific "customer complaint" we investigate or defend, including:

(1) All expenses we incur.

(2) All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the "customer complaint", including actual loss of earnings up to \$250 a day because of time off from work.

(3) All court costs taxed against the "insured" in any "customer complaint" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD ENDORSEMENT FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE

SCHEDULE

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

A. An Extended Reporting Period Endorsement is provided, as described in Paragraph **G.** of the Employee Benefits Liability Coverage endorsement.

B. An Employee Benefits Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to "claims" first received and recorded during the Extended Reporting Period. This limit is equal to the Employee Benefits Aggregate Limit, if any, entered in the Schedule of **CA 25 48** in effect at the end of the policy period.

C. Paragraph **D.2.** of the Employee Benefits Liability Coverage endorsement is replaced by the following:

2. The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Employee Benefits Aggregate Limit does not apply to "claims" first received and recorded during the extended reporting period.

The Employee Benefits Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for "claims" first received and recorded during the Extended Reporting Period.

D. The following is added to Subparagraph **2.b.(1)** of the **Other Insurance** Condition of Paragraph **F.** of the Employee Benefits Liability Coverage endorsement:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **G.** of the Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ each employee	\$	\$
	\$ aggregate		
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. The following is added to Section I – Coverages:

COVERAGE – EMPLOYEE BENEFITS LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** (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.

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

b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

c. A "claim" 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.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs **2. and **3.** of **Section II – Who Is An Insured** are replaced by the following:**

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

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- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 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 no other similar insurance applies 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 under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
 - b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
 - c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"apply irrespective of the application of the deductible amount.
 - d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV – Commercial General Liability Conditions** are replaced by the following:
- #### 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

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

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

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

c. You and any other involved insured must:

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

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

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

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

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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 limits of insurance to the total applicable limits of insurance of all insurers.

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- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

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

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

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

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4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and

e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:

5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTENDED REPORTING PERIOD ENDORSEMENT FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT SCHEDULE

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

- A.** An Extended Reporting Period Endorsement is provided, as described in Paragraph **F.** of the Employee Benefits Liability Coverage Endorsement.
- B.** An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Aggregate Limit, if any, entered in the Schedule of **CG 04 35** in effect at the end of the policy period.
- C.** Paragraph **D.1.b.** of the Employee Benefits Liability Coverage Endorsement is replaced by the following:

1. Limits Of Insurance

- b.** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Aggregate Limit does not apply to claims first received and recorded during the extended reporting period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for claims first received and recorded during the Extended Reporting Period.

- D.** The following is added to Subparagraph **4.b.(1)** of the Other Insurance Condition of Paragraph **E.** of the Employee Benefits Liability Coverage Endorsement:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Extended Reporting Period Endorsement takes effect.

- E.** This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **F.** of the Employee Benefits Liability Coverage Endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDERS RISK – THEFT OF BUILDING MATERIALS, FIXTURES, MACHINERY, EQUIPMENT

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Theft Limit Of Insurance	Theft Deductible
		\$	\$
		\$	\$
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Subject to the provisions of Paragraphs **B.** through **E.** below and all other provisions of this policy, we will pay for loss or damage by theft or attempted theft of the following property if such property is intended to be permanently located in or on the building or structure described in the Schedule or within 100 feet of its premises:

1. Fixtures and machinery;
2. Equipment used to service the building; and
3. Building materials and supplies used for construction.

B. We will not pay for loss or damage by theft or attempted theft which occurs during the hours or days while construction is not in progress, unless a watchman is on duty at the described premises during such time.

C. The most we will pay for loss or damage in any occurrence of theft or attempted theft is the Theft Limit Of Insurance shown in the Schedule.

D. The Theft Deductible shown in the Schedule is the only deductible that applies to the coverage provided under this endorsement.

E. Theft or attempted theft as covered under this endorsement does not include:

1. Dishonest or criminal acts by:

- a. You, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;
- b. Any contractors or subcontractors or their respective employees (including temporary employees and leased workers); or
- c. Any person to whom the property is entrusted for any purpose.

This exclusion applies:

- a. Whether the dishonest or criminal act is committed by someone acting alone or in collusion with any other party; or
- b. Whether or not the dishonest or criminal act occurs during your normal hours of operation.

2. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROVIDE COVERAGE FOR DISHONEST, MALICIOUS OR FRAUDULENT ACTS COMMITTED BY EMPLOYEES

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA INFORMATION SECURITY PROTECTION CYBER POLICY

A. Under the Commercial Cyber Insurance Policy, Exclusion **19.** of **Section V – Exclusions** is replaced by the following:

- 19.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.

With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

B. Under the Information Security Protection Cyber Policy, the Financial Institutions Information Security Protection Cyber Policy, and the Media And Information Security Protection Cyber Policy, Exclusion **20.** of **Section V – Exclusions** is replaced by the following:

- 20.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.

With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".

We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

SCHEDULE

Unit Number	Description
Coverage A Limit Of Insurance:	\$
Coverage C Limit Of Insurance:	\$
Coverage D Limit Of Insurance:	\$
Loss Assessment Limit Of Insurance – Property:	\$
Loss Assessment Limit Of Insurance – Liability:	\$
Covered Causes Of Loss – Basic Or Broad:	
Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing (Paragraph B.1.b.(2)(a)) Applies:	<input type="checkbox"/>
Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail (Paragraph B.1.b.(2)(b)) Applies:	<input type="checkbox"/>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Definitions

1. With respect solely to the coverage provided by this endorsement, Paragraph **C. Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is revised as follows:

- a. Definition 4. "Dwelling" is replaced by the following:

4. "Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- a. Owned and occupied by you; or

- b. Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

- b. Definition 7. "Insured location" is replaced by the following:

7. "Insured location" means the location of the "dwelling".

2. With respect solely to the coverage provided by this endorsement, **Section IV – Definitions** of the Farm Liability Coverage Form is revised as follows:

a. Definition **14.** "Insured location" is replaced by the following:

14. "Insured location" means the location of the "dwelling".

b. The following definition is added:

"Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- a. Owned and occupied by you; or
- b. Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

B. Section I – Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Section I – Coverages, Coverage A – Dwellings, Paragraphs A. Coverage, A.1. Covered Property, A.2. Property Not Covered and B.1. Coverage A Conditions, the Property Valuation, Loss Condition are replaced by the following:

a. Coverage A

We will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **A** of this endorsement caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

(1) Covered Property

The following are Covered Property under Coverage **A** of this endorsement:

- (a) The alterations, appliances, fixtures and improvements which are part of the building contained within the "dwelling";

(b) Items of real property which pertain exclusively to the "dwelling";

(c) Property that is your insurance responsibility under a corporation or association of property owners agreement; or

(d) Structures owned solely by you, other than the "dwelling", at the "insured location".

(2) Property Not Covered

The following are not Covered Property under Coverage **A** of this endorsement:

(a) Land, including land on which the "dwelling", real property or structures are located;

(b) Structures rented or held for rental to any person who does not reside in the "dwelling", unless used solely as a private garage;

(c) Structures used to store "business property";

(d) Water; or

(e) Trees, shrubs, plants or lawns, except to the extent provided for in Paragraph **C.1.** of this endorsement.

b. Coverage A Conditions

Loss Condition – Valuation

(1) Covered Property

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

(a) If the loss or damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace.

(b) If the loss or damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) Roof Surfacing

(a) Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(a)**:

In the event of loss or damage to roof surfacing caused by windstorm or hail, we will settle such loss or damage to roof surfacing at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(b) Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(b)**:

We will not pay for cosmetic damage to roof surfacing caused by windstorm or hail. For the purpose of this provision, cosmetic damage means that the windstorm or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- (c)** For the purpose of the provisions in this Paragraph **B.1.b.(2)**, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

2. Section I – Coverages, Coverage B – Other Private Structures Appurtenant To Dwellings is deleted.

- 3.** Under Section I – Coverage **C** – Household Personal Property, we will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **C** of this Policy caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

4. Section I – Coverage D – Loss Of Use is replaced by the following:

a. Coverage

We cover the following, up to the Limit Of Insurance shown in the Schedule for each unit for Coverage **D**. This limit is the total Limit of Insurance for the coverages in Paragraph **(1)** Your Additional Living Expense, Paragraph **(2)** Fair Rental Value and Paragraph **(3)** Expense Due To Emergency Prohibition Against Occupancy:

(1) Your Additional Living Expense

If a loss by a Covered Cause of Loss to Covered Property or the building containing the Covered Property renders the "dwelling" uninhabitable, we will pay any necessary increase in living expense you incur so that your household can maintain its normal standard of living.

Payment under your Additional Living Expense will be for the shortest time required for repair or replacement of the damaged property, or, if you relocate, the shortest time for your household to settle elsewhere.

(2) Fair Rental Value

If a Covered Cause of Loss renders unusable a private garage that you, as the owner, rent or hold for rental, we will pay for the Fair Rental value loss you sustain.

But we will exclude from our payment any expenses that do not continue while the rental garage is unusable.

Payment under this Fair Rental Value Coverage will be for the shortest time required to repair or replace the damaged garage.

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**(3) Expense Due To Emergency
Prohibition Against Occupancy**

We will pay for the Additional Living Expense you sustain if a civil authority prevents use of the "dwelling" because of direct damage to neighboring premises by a Covered Cause of Loss.

But we will not pay parts of such expense that are incurred after a period of three weeks has elapsed.

The period of our liability under Coverage D – Loss Of Use is not limited by the expiration of the Policy to which this endorsement is attached.

No Deductible applies to Coverage D.

b. Coverage D Conditions

Coverage D is subject to the Farm Property Conditions (see Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions) and the Common Policy Conditions.

C. Section II – Coverage Extensions

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph A. Trees, Shrubs, Plants And Lawns is replaced by the following:

A. Trees, Shrubs, Plants And Lawns

This Coverage Extension applies to Coverages A and C.

Trees, shrubs, plants and lawns you solely own at the location of the "dwelling" are Covered Property but only if loss or damage is caused by or results from any of the following Covered Causes of Loss:

1. Fire or lightning;
2. Explosion;
3. Riot Or Civil Commotion;
4. Aircraft;
5. Vehicles not owned or operated by a resident of the covered "dwelling";
6. Vandalism; or
7. Theft.

However, this Coverage Extension does not apply to trees, shrubs, plants or lawns that are contraband, or trees, shrubs, plants or lawns in the course of illegal transportation or trade.

For all damaged or destroyed trees, shrubs, plants or lawns at the location of the "dwelling", the most we will pay under this Extension is 10% of the Coverage C Limit Of Insurance shown in the Declarations.

However, we will not pay more than \$500 for any one damaged or destroyed tree, shrub, plant or lawn.

This Extension is additional insurance.

We will not pay for loss of or damage to trees, shrubs, plants or lawns grown for business or farming purposes.

2. Under Paragraph B. Household Personal Property Of "Insureds" Away From The "Insured Location", the first paragraph is replaced by the following:

This Coverage Extension applies to Coverage C and is part of (not in addition to) the applicable Limit of Insurance.

3. Under Paragraph C. Refrigerated Products – Not "Farm Personal Property", the first two paragraphs are replaced by the following:

This Coverage Extension applies to Coverage C and is part of (not in addition to) the applicable Limit of Insurance.

We will pay up to \$1,000 for loss of or damage to contents of a freezer or refrigerated unit, in the "dwelling" you occupy, caused by a change in temperature due to:

- a. Interruption of electrical service to refrigeration equipment, caused by damage to generating or transmission equipment; or
- b. Mechanical or electrical breakdown of a refrigeration system.

4. Paragraph D. Building Additions And Alterations is deleted.

D. Section III – Additional Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph A. Removal Of Fallen Trees is deleted.

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2. The following is added:

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Property Loss Assessment for your share of loss assessment charged during the policy period against you, as owner of the "dwelling", by a corporation or association of property owners. The assessment must be made as a result of direct loss or damage to property owned by all members collectively and of a type that would be covered by this endorsement if owned by you and caused by a Covered Cause of Loss under Coverage A, other than:

- (1) Earthquake; or
(2) Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

The Limit Of Insurance shown in the Schedule is the most we will pay for any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

This Additional Coverage is additional insurance.

E. Covered Causes Of Loss

When Basic or Broad is shown in the Schedule, and with respect solely to the coverage provided by this endorsement, Covered Causes Of Loss means the Covered Causes of Loss in the Causes Of Loss Form – Farm Property revised as follows:

1. Under B. Covered Causes Of Loss – Basic

- a. Paragraph 1. **Fire Or Lightning** is replaced by the following:

1. Fire Or Lightning

- b. Item c.(1) of Paragraph 2. **Windstorm Or Hail** is replaced by the following and Item c.(3) is deleted:

- (1) Covered Property under Coverage A, or the property inside the "dwelling" or a covered structure, caused by rain, snow, sleet, sand or dust, whether driven by wind or not, unless the "dwelling" or covered structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters; or

- c. Paragraph 3. **Explosion** is replaced by the following:

3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.

- d. Item a. of Paragraph 8. **Vandalism** is replaced by the following:

- a. The "dwelling" or property which pertains to the "dwelling", or its contents, if the building containing the "dwelling" has been "vacant" for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant.

- e. Paragraph 9. **Theft** is replaced by the following:

9. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This Cause of Loss does not include loss caused by or resulting from:

- a. Theft in or from a "dwelling" under construction, or of materials and supplies for use in such construction, until the "dwelling" is completed and is being lived in;

- b. With respect to household personal property away from the "insured location", theft of:

- (1) Property at any residence owned by, rented to, or occupied by, an "insured", except while an "insured" is temporarily residing there.

But property of a student who is an "insured" is covered at a residence away from home provided the student has been there at any time during the 90 days immediately preceding the loss;

- (2) Any watercraft, its furnishings, equipment or outboard engines or motors; or
- (3) Trailers, semitrailers or campers;
- c. Unauthorized instructions to transfer property to any person or to any place;
- d. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense; or
- e. Dishonest or criminal acts (including theft) by you or any "insured", any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- f. Paragraphs **12. Collision – Coverages E And F Only**, **13. Earthquake Loss To "Livestock"** and **14. Flood Loss To "Livestock"** are deleted.

2. Under **C. Covered Causes Of Loss – Broad**

- a. Paragraphs **15. Electrocution Of Covered "Livestock"**, **16. Attacks On Covered "Livestock" By Dogs Or Wild Animals**, **17. Accidental Shooting Of Covered "Livestock"**, **18. Drowning Of Covered "Livestock" From External Causes** and **19. Loading/Unloading Accidents** are deleted.

- b. Paragraph **23. Accidental Discharge Or Leakage Of Water Or Steam** is replaced by the following:

- 23. Accidental Discharge Or Leakage Of Water Or Steam** from within a plumbing, heating, air conditioning or other system or appliance that is located on the "insured location" and contains water or steam.

Under this Cause of Loss, we will pay for loss of or damage to covered household personal property provided that Broad is shown in the Declarations for the coverage applicable to that household personal property.

We will also pay to tear out and replace any part of a building or other structure owned solely by you which is Covered Property under Coverage **A** but only so that repairs can be made to the damaged system or appliance provided that Broad is shown in the Schedule for the coverage applying to that building or structure covered under Coverage **A**.

We will not pay:

- a. For loss or damage caused by discharge or leakage from a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water;
- b. The cost to repair any defect that caused the loss or damage;
- c. For loss or damage caused by discharge or leakage within the "dwelling", if the building containing the "dwelling" has been "vacant" for 60 consecutive days immediately before the loss;

- d. For loss or damage to or within the "dwelling" caused by accidental discharge or leakage which occurs away from the building where the "dwelling" is located;
- e. For loss or damage caused by or resulting from freezing; or
- f. For loss or damage caused by or resulting from discharge or leakage from roof drains, gutters, downspouts or similar fixtures or equipment.

c. Paragraph **24. Freezing** is replaced by the following:

24. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the systems or appliance of water.

However, if the "dwelling" or a covered structure is protected by an automatic fire protective system, you must use reasonable care to continue the water supply and maintain heat in the "dwelling" or covered structure for coverage to apply.

A plumbing system does not include a roof drain, gutter, downspout or similar fixtures or equipment.

d. Paragraph **25. Sudden And Accidental Damage** from artificially generated electrical current is replaced by the following:

25. Sudden And Accidental Damage from artificially generated electrical equipment – Applicable Only to Coverages **A** and **C**.

This cause of loss does not include loss of or damage to:

- a. Tubes, transistors or integrated circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus. Integrated circuitry includes, but is not limited to, chips, transformers, resistors, diodes, wafers and rectifiers; or

- b. Laser or infrared devices used to operate or assist in the operation of any appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

3. D. Covered Causes Of Loss – Special does not apply.

F. Additional Exclusion

With respect solely to the coverage provided by this endorsement, the following is added:

Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties)

1. We will not pay for loss or damage to structures used as a private garage and that are rented or held for rental to any person who does not reside in the "dwelling", including loss or damage to contents of such structures, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at that structure. This exclusion applies regardless of whether such operations are:

- a. Legally permitted or prohibited;
- b. Permitted or prohibited under the terms of any rental agreement; or
- c. Usual to the intended occupancy of the structure.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

2. We do not provide coverage for the Fair Rental Value loss, as provided under Coverage **D** – Loss Of Use, that you, as owner, sustain as a result of loss or damage described in Paragraph **F.1**.

3. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the structure regardless of whether such operations are:

- a. Legally permitted or prohibited;
- b. Permitted or prohibited under the terms of any rental agreement; or
- c. Usual to the intended occupancy of the structure.

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- G. With respect solely to the coverage provided by this endorsement, under the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Paragraph **B.8. Farm Property Conditions – Loss Conditions – Other Insurance And Service Agreement** is replaced by the following:

8. Other Insurance And Service Agreement

- a. You may have insurance subject to the same plan, terms, conditions and provisions as the insurance under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form. If you do have such Other Insurance, except insurance in the name of a corporation or association of property owners, we will pay only our share of the covered loss or damage. Our share is the proportion that the applicable Limit Of Insurance shown in the Schedule bears to the limits of insurance of all insurance covering on the same basis.

If there is other insurance in the name of a corporation or association of property owners covering the same loss or damage, the amount we will pay for loss or damage is:

- (1) Excess over the amount due under such other insurance, whether the corporation or association of property owners has collected that amount or not; and
- (2) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such other insurance because of the application of a deductible.

But we will not pay more than the applicable Limit Of Insurance shown in the Schedule.

- b. If at the time of loss or damage:

- (1) There is a service agreement, except a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be excess over any amounts payable under any such service agreement.

- (2) There is a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be:

- (a) Excess over the amount due under such service agreement, whether the corporation or association of property owners has collected that amount or not; and

- (b) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such service agreement because of the application of a deductible.

Service agreement means a service plan, property restoration plan, home warranty or other similar service or warranty agreement, even if it is characterized as insurance.

- H. With respect solely to the coverage provided by this endorsement, under the Farm Liability Coverage Form:

1. Under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** and under **Coverage I – Personal And Advertising Injury Liability**, the following exclusion is added:

Loss Assessment

This insurance does not apply to liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided under Paragraph **H.2.** of this endorsement; or
- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

- (1) That directly relate to the ownership, maintenance or use of an "insured location" as defined in this endorsement; or

- (2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in the Exclusions of the Policy to which this endorsement is attached.

2. With respect solely to the coverage provided in this endorsement, under the Farm Liability Coverage Form, the following is added to **Section I – Coverages, Additional Coverages:**

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Liability Loss Assessment for your share of loss assessment charged against you, as owner of the "dwelling", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
- (1) "Bodily injury", "property damage", "personal injury" or "advertising injury" not excluded from coverage under this endorsement or elsewhere in the Policy to which this endorsement is attached; or
 - (2) Liability for an act of a director, officer or trustee in the capacity of director, officer or trustee, provided such person:
 - (a) Is elected by the members of a corporation or association of property owners; and

- (b) Serves without deriving any income from the exercise of duties which are solely on behalf of the corporation or association of property owners.

- b. Paragraph 1.b.(2) under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** does not apply to this Loss Assessment Coverage.
- c. Regardless of the number of assessments, the Limit Of Insurance shown in the Schedule for Liability Loss Assessment is the most we will pay for loss arising out of:
- (1) One "occurrence"; or
 - (2) A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
- d. This Additional Coverage does not apply to assessments charged against you or a corporation or association of property owners by any governmental body.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided by the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

The following is added to **Section III – Additional Coverages** in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

IDENTITY FRAUD EXPENSE

1. Coverage

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to this coverage:

We will not pay for "expenses" incurred by an "insured" as the result of any "identity fraud":

- a. Arising out of or in connection with:
 - (1) An "insured's" farming operations; or
 - (2) A business;
- b. Due to any fraudulent, dishonest or criminal act of:
 - (1) An "insured";
 - (2) Any person aiding or abetting an "insured"; or
 - (3) Any authorized representative of an "insured";whether acting alone or in collusion with others.

In the event of any such act, no "insured" is entitled to "expenses", even "insureds" who did not commit or conspire to commit the act causing the "identity fraud".

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph a. of Loss Condition 3. **Duties In the Event Of Loss Or Damage** under B. **Farm Property Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph C. **Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

- a. "Expenses" means:
 - (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
 - (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.

- (3) Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against an "insured"; and

- (c) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
- b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAREHOUSE OPERATORS LEGAL
LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

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We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages 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:

- a. The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance**; and
- b. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

B. For the purpose of this endorsement, Paragraph **A.1. Covered Property** is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

C. For the purpose of this endorsement, **Property Not Covered** is revised as follows:

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Property for which you have been released of liability;
3. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
4. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages** and will not reduce the Limit of Insurance:

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.

c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

d. 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.

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions** is replaced by the following:

Exclusions

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

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c. War And Military Action

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

Exclusions E.1.a. through E.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e. Breakdown of refrigeration equipment.
- f. Forged bills of lading, loading, shipping or warehouse receipts.
- g. Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.
- h. Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".

i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

l. Unauthorized instructions to transfer property to any person or to any place.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Wear and tear, depreciation.

b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.

c. Mechanical breakdown.

d. Insects, vermin, rodents.

e. Corrosion, rust, dampness, extremes of temperature.

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- F. The **Limits Of Insurance** provision is replaced by the following:

Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Schedule.

- G. The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- H. For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

Duties In The Event Of Loss

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:
 - a. How, when and where the accident took place; and
 - b. The names and addresses of any witnesses.Notice of an accident is not a notice of a claim.
2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".

3. You 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, settlement or defense of the claim or "suit"; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.

4. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- I. The following Definition is added:

"Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Loss Payment and Mortgageholders Conditions:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- a. The municipality;

- b. You and the mortgageholder, if any; or

- c. With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

C. The following is added to the Legal Action Against Us Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

D. The Appraisal Loss Condition is replaced by the following:

Appraisal

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

- a. Pay its chosen appraiser; and

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

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

E. Paragraph A.6.a.(6) Employee Theft of Additional Crime Coverages is replaced by the following:

- (6) This coverage is cancelled as to any "employee" immediately upon discovery by:

- (a) You; or

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

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

However, with respect to discovery of prior criminal acts, this Paragraph **A.6.a.(6)** only applies to the extent that the "employee":

- (a) Admits, under oath; or

- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this cancellation of coverage, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. Exclusion C.2.h. Dishonesty is replaced by the following:

h. Dishonesty

Dishonest or criminal act (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with anyone.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your "employees" or authorized representatives; but theft by your "employees" or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1) Admits, under oath; or

- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

This exclusion applies except to the extent coverage is provided within the Employee Theft Coverage.

This exclusion does not apply to carriers for hire.

G. The following definition is added to Paragraph L. Definitions:

"Perpetrator" means:

- a. You; or

- b. Any of your partners, "members", officers, "managers", "employees", directors, trustees or authorized representatives;

whether acting alone or in collusion with anyone who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN – WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Warehouse Location:			
Assumed Contractual Liability Option	Livestock And Poultry Option	Deductible	Limit Of Insurance
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages 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 Paragraph **F. Limits Of Insurance**; and
2. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

B. For the purpose of this endorsement, Paragraph **A.1. Covered Property** is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

C. For the purpose of this endorsement, **Property Not Covered** is revised as follows:

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Paragraph **A.2.c.** is replaced by the following:
"Livestock" and "poultry", unless the "livestock" and "poultry" option is indicated by an "X" in the Schedule for that location.
3. Property for which you have been released of liability;
4. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
5. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages** and will not reduce the Limit of Insurance:

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
- d. 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.

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions** is replaced by the following:

Exclusions

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. War And Military Action

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

Exclusions **E.1.a.** through **E.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by a "perpetrator".

This exclusion applies whether or not such acts occur during your normal hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

However, with respect to your liability for loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- e.** Breakdown of refrigeration equipment.
- f.** Forged bills of lading, loading, shipping or warehouse receipts.
- g.** Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.
- h.** Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".

i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

l. Unauthorized instructions to transfer property to any person or to any place.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Wear and tear, depreciation.

b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.

c. Mechanical breakdown.

d. Insects, vermin, rodents.

e. Corrosion, rust, dampness, extremes of temperature.

F. The **Limits Of Insurance provision is replaced by the following:**

Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Schedule.

- G.** The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- H.** For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

Duties In The Event Of Loss

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:
 - a. How, when and where the accident took place; and
 - b. The names and addresses of any witnesses.Notice of an accident is not a notice of a claim.
2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".
3. You 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, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.
4. Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify you, shall be considered notice to us.
5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

6. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- I.** The following Definitions are added:

"Perpetrator" means:

- a. You, any of your partners, employees, directors, trustees or authorized representatives;
- b. A manager or a member if you are a limited liability company;
- c. Anyone else with an interest in the property, or their employees or authorized representatives; or
- d. Anyone else to whom the property is entrusted for any purpose;

whether or not such persons are acting alone or in collusion with other persons who commits the dishonest or criminal act.

"Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN – IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided by the following:

AGRICULTURAL CAPITAL ASSETS (OUTPUT POLICY) COVERAGE PART

The following is added to the **Additional Coverages** Section:

Identity Fraud Expense

1. Coverage

If you are an individual, we will pay up to \$25,000 for "expenses" incurred by you or any "family member" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you or any "family member", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to the coverage provided by this endorsement:

We will not pay for "expenses" incurred by an insured as the result of any "identity fraud":

a. Arising out of or in connection with:

- (1)** An insured's agricultural operations; or
- (2)** A business;

b. Due to any fraudulent, dishonest or criminal act of a "perpetrator".

In the event of any such act, no insured is entitled to "expenses", even insureds who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" incurred by an insured as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- (1)** Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph **a. of Loss Condition 3. Duties In The Event Of Loss Or Damage:**

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph **L. Definitions:**

a. "Expenses" means:

- (1)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3)** Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.

- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against an insured by merchants, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against an insured; and
 - (c) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
 - b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an insured with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
 - c. "Perpetrator" means an insured or any person aiding or abetting an insured, or any authorized representative of an insured, whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – Property is amended as follows:

1. Paragraph B.2.f. is replaced by the following:

f. Dishonesty

Dishonest or criminal acts (including theft) by a "perpetrator"; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from criminal acts, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1)** Admits, under oath; or
- (2)** Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

2. Paragraph E.2. Appraisal Property Loss Condition is replaced by the following:

2. Appraisal

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

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

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

3. The following is added to Paragraph E.4. Legal Action Against Us Property Loss Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

4. The following is added to Paragraph **E.5. Loss Payment** Property Loss Condition and Paragraph **F.2. Mortgageholders** Property General Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- (a) The municipality;
- (b) You and the mortgageholder, if any; or
- (c) With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

5. Paragraph **G.3.b.(1)** of the **Employee Dishonesty** Optional Coverage is replaced by the following:

- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that a "perpetrator" commits.
However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:
 - (1) Admits, under oath; or
 - (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

6. The following is added to Paragraph **H. Property Definitions**:

- a. With respect to Paragraph **B.2.f. Dishonesty**, "perpetrator" means:

- (1) You or anyone else with an interest in the property; or
- (2) Any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

- b. With respect to Paragraph **G.3.b.(1)** of the **Employee Dishonesty** Optional Coverage, "perpetrator" means:

- (1) You; or
- (2) Any of your partners or "members";
whether acting alone or in collusion with other persons who commit the dishonest or criminal act.

B. Section II – Liability is amended as follows:

1. Paragraph **A.1.f.(1)(f) Coverage Extension – Supplementary Payments** is replaced by the following:

- (f) Prejudgment interest awarded against the insured on the part of the judgment we pay.

2. The **Criminal Acts** Exclusion of Paragraph **B.1.** is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

3. Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Condition is amended as follows:

a. Paragraph **b.** is replaced by the following:

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

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

b. Paragraph **d.** is replaced by the following:

d. Failure to:

(1) Give us notice of an "occurrence", offense, claim or "suit" as soon as practicable; or

(2) Immediately send us copies of demands, notices, summonses or legal papers received in connection with the claim or "suit";

shall not invalidate the claim made by you if it shall be shown that it was not reasonably possible to give us notice as soon as practicable or to immediately send us copies, and that you gave us notice and sent us copies as soon as was reasonably possible.

c. The following paragraph is added:

e. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

C. Section III – Common Policy Conditions is amended as follows:

1. Paragraphs **A.1., A.2., A.3. and A.5. Cancellation** are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.

5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – SELF-STORAGE FACILITIES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form are amended as follows:

A. The following is added to Paragraph A.5.f. Additional Coverages Business Income of Section I – Property:

(5) Accrued Rental Charges

We will pay for the loss of accrued rental or lease charges for storage spaces rendered unrentable because of a covered loss.

B. If the Employee Dishonesty Optional Coverage is shown as applicable in the Declarations, the following is added to Paragraph 3. Employee Dishonesty of Paragraph G. Optional Coverages of Section I – Property and is subject to the provisions of that paragraph:

We will also pay for direct loss of or damage to "money", "securities" and "other property" sustained by your "customers" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner).

The property covered under this coverage is limited to property:

- (1)** That your "customer" owns or leases; or
- (2)** That your "customer" holds for others.

Coverage applies only while the property is in your self-storage facility at the premises described in the Declarations.

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

C. Customers' Goods Legal Liability

1. The following are added to Paragraph A. Coverages of Section II – Liability:

- a.** We will pay for those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this Customers' Goods Legal Liability Coverage applies to a "customer's" property (or the property of others for which such "customer" is liable) only while the property is at the insured's self-storage facilities. 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 "property damage" to which this Customers' Goods Legal Liability Coverage 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 Paragraph 5.;
- (2)** We will not pay for loss or damage in any one "occurrence" until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance; and
- (3)** 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 the Customers' Goods Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

- b. This Customers' Goods Legal Liability Coverage applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "property damage" occurs during the policy period.

2. Paragraph **B. Exclusions of Section II – Liability** is amended as follows:

- a. The following exclusions are added:

This Customers' Goods Legal Liability Coverage does not apply to:

- (1) Liability arising out of your "sale and disposal operations".
- (2) "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 that the insured would have in the absence of the contract or agreement.
- (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (4) Any loss covered under **Section I – Property**.

- b. The following is added to Paragraph **B.1.f.(1) of Section II – Liability**:

- (f) Which were brought to the location by any of the "customers" of your self-storage operations.

- c. Exclusion **B.1.k.(4) of Section II – Liability** does not apply to this Customers' Goods Legal Liability Coverage.

- 3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Customers' Goods Legal Liability Coverage.

- 4. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability** applies to this Customers' Goods Legal Liability Coverage.

- 5. The following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability**:

The most we will pay for the sum of all damages because of "property damage" to "customers'" goods in any one "occurrence" under the Customers' Goods Legal Liability Coverage is \$50,000 unless a higher amount is shown in the Declarations. This limit applies separately to each premises described in the Declarations.

D. Lock-out Or Sale, Removal And Disposal Liability Coverage

- 1. The following are added to Paragraph **A. Coverages of Section II – Liability**:

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out" or the sale, removal or disposal of "customers'" property in the course of "sale and disposal operations". 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 acts or omissions to which this Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **4.**; 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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the Supplementary Payments provision.

- b. This Lock-out Or Sale, Removal And Disposal Liability Coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

2. Paragraph B. Exclusions of Section II – Liability is amended as follows:

The following exclusions are added:

This Lock-out Or Sale, Removal And Disposal Liability Coverage does not apply to:

- a. Liability for damages which the insured is obligated to pay by reason of the assumption of 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.
- b. Liability arising out of dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- 3. The Supplementary Payments provision applicable to the Bodily Injury And Property Damage Liability and Personal And Advertising Injury Liability coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

4. The following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance of Section II – Liability:

The most we will pay for the sum of all damages because of all acts or omissions arising out of all "lock-outs" and all sale, removal or disposal of "customers" property in the course of "sale and disposal operations" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$25,000. This limit applies 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. This limit applies separately to each premises described in the Declarations.

E. The following condition replaces the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition under Paragraph E. Liability And Medical Expenses General Conditions of Section II – Liability for the Lock-out Or Sale, Removal And Disposal Liability Coverage:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Customers' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out" or sale, removal or disposal of "customers" property which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "customers" property took place.

- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "customers" property, you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in our 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 an action to which this insurance may apply.
- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
- f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

F. For coverage provided under this endorsement, the following definitions are added to **Section I – Property** and **Section II – Liability**:

1. "Customer" means any person or organization which is renting, leasing or otherwise is occupying space with your permission at your self-storage facility.
2. "Lock-out" means denying a "customer" access to the "customer's" property or the occupancy of the space the "customer" is renting, leasing or otherwise occupying.
3. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property specifically excluded under this policy.
4. "Perpetrator" means:
 - a. You;
 - b. Your "employees"; or
 - c. Any other person to whom you may entrust such property;who commits the intentional "property damage" or the dishonest or criminal act.
5. "Sale and disposal operations" means all activities you conduct to reclaim rented storage space when "customers" accounts are delinquent or unpaid.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – APARTMENT BUILDINGS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.5. Additional Coverages of Section I – Property is amended as follows:

The Pollutant Clean Up And Removal Limit of Insurance under Subparagraph h. is increased to \$25,000.

B. The following coverages are added to Paragraph A.5. Additional Coverages of Section I – Property:

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee (including a temporary or leased employee) or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Ordinance Or Law – Equipment Coverage

- (1)** Subject to Paragraph **(2)**, if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.
- (2)** If a Covered Cause of Loss occurs to refrigeration equipment that is Covered Property, we will pay:
 - (a)** The cost to reclaim the refrigerant as required by law;
 - (b)** The cost to retrofit the equipment to use a non-CFC refrigerant as required by the Clean Air Act of 1990, and any amendments thereto or any other similar laws; and
 - (c)** The increased cost to recharge the system with a non-CFC refrigerant.
- (3)** The terms of this coverage apply separately to each piece of covered equipment.
- (4)** We will not pay under this endorsement for the costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- (5)** Loss to the equipment will be determined as follows:
 - (a)** If the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (i)** The amount you actually spend to repair the equipment, but not for more than the amount it would cost to replace the equipment with equipment of the same kind and quality; or
 - (ii)** The Limit Of Insurance shown in the Declarations as applicable to the covered Building or Business Personal Property.
 - (b)** If the equipment is not repaired or replaced, we will not pay more than the lesser of:
 - (i)** The actual cash value of the equipment at the time of loss; or

(ii) The Limit Of Insurance shown in the Declarations as applicable to the Building or Business Personal Property.

(c) We will not pay for loss due to any ordinance or law that:

(i) You were required to comply with before the loss, even if the equipment was undamaged; and

(ii) You failed to comply with.

c. Lock Replacement

- (1)** We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.
- (2)** The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.
- (3)** A per occurrence deductible of \$100 will apply.

d. Tenant Move-back Expenses

- (1)** We will pay for expenses that you incur to move your tenants back to the described premises from a temporary location in the event that your tenants must temporarily vacate a Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.
- (2)** We will only pay for the following expenses:
 - (a)** Packing, transporting and unpacking of tenants' property; and
 - (b)** The net cost to reestablish the tenants' utility and telephone services, after any refunds due the tenants.
- (3)** We will only pay for expenses listed in Paragraphs **(2)(a)** and **(2)(b)** above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.
- (4)** The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$15,000.

- C. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Paragraph **3. Employee Dishonesty** of Paragraph **G. Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

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

The property covered under this coverage is limited to property:

- a. That your tenant owns or leases;
- b. That your tenant holds for others; or
- c. For which your tenant is legally liable;

while the property is in a covered Building at the premises described in the Declarations.

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

With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, other property means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.

- D. The following are added to Paragraph **A. Coverages of Section II – Liability**:

1. Tenants' Property Legal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to which this insurance applies to a "tenant's property" (or the property of others for which the tenant is legally liable) only while the property is in your care, custody or control inside your leased unit, apartment or storage at the premises described in the Declarations. 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 "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 Paragraph **e.**;
- (2) We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250 up to the applicable Limit of Insurance for this coverage; and
- (3) 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 the Tenants' Property Legal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies to "property damage" only if:

- (1) The "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "property damage" occurs during the policy period.

- c. This coverage does not apply to:

- (1) "Property damage" to any land motor vehicle, trailer or semitrailer stored by a tenant at the described premises.
- (2) "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 that the insured would have in the absence of the contract or agreement.
- (3) Liability arising out of intentional "property damage" or dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (4) Liability arising out of your "sale and disposal operations".
 - (5) Any loss covered under Section I – Property.
- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Tenants' Property Legal Liability Coverage.

- e. The most we will pay for the sum of all damages under Tenants' Property Legal Liability Coverage because of "property damage" to "tenants' property" in any one "occurrence" is \$10,000. This limit applies separately to each premises described in the Declarations.

- f. The **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions of Section II – Liability** applies to **Tenants' Property Legal Liability Coverage**.

2. Lock-out Or Sale, Removal And Disposal Liability Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" in the course of "sale and disposal operations". 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 acts or omissions to which this insurance does not apply. We may, at our discretion, investigate the circumstances of any act or omission and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph e.
- (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 this Lock-out Or Sale, Removal And Disposal Liability Coverage.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under that Supplementary Payments provision.

- b. This coverage applies only to an act or omission which takes place in the "coverage territory" and during the policy period.

- c. This coverage does not apply to:

- (1) Liability for damages which the insured is obligated to pay by reason of the assumption of 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.

- (2) Liability arising out of dishonest or criminal acts by a "perpetrator".

However, with respect to liability arising out of criminal acts, this exclusion only applies to the extent that the "perpetrator":

(a) Admits, under oath; or

(b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- d. The Supplementary Payments provision applicable to the Bodily Injury, Property Damage and Personal And Advertising Injury Liability Coverages also applies to this Lock-out Or Sale, Removal And Disposal Liability Coverage.

- e. The most we will pay for the sum of all damages because of all acts or omissions arising out of a "lock-out", or the sale, removal or disposal of "tenants' property" under the Lock-out Or Sale, Removal And Disposal Liability Coverage is \$5,000 in any annual period starting with the beginning of the policy period shown in the Declarations. This limit applies separately to each premises described in the Declarations.

- f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of Section II – **Liability** for the **Lock-out Or Sale, Removal And Disposal Liability Coverage**:

Duties In The Event Of Claim Or Suit As A Result Of A Lock-out Or Sale, Removal Or Disposal Of Tenants' Property

- a. You must see to it that we are notified as soon as possible of a "lock-out", or the sale, removal or disposal of "tenants' property" which may result in a claim. To the extent possible, notice should include how, when and where the "lock-out" or sale, removal or disposal of "tenants' property" took place.

- b. If a claim is made or "suit" is brought against any insured as a result of a "lock-out" or sale, removal or disposal of "tenants' property", you must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in our 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 an action to which this insurance may apply.

- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

3. Heating Or Air Conditioning Loss Reimbursement Coverage

- a. We will reimburse you for payments you make voluntarily or because of a demand for a per diem remuneration of rent from a tenant as a result of the complete loss of heat or air conditioning to a tenant's leased unit or apartment due to mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises.

The amount of such reimbursement is limited as described in Paragraph e. below. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This coverage applies only if:

- (1) The mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises occurred during the policy period; and
- (2) You have received a notarized notification of a demand for a per diem remuneration of rent from a tenant within 90 days after the mechanical breakdown or electrical failure of the heating or air conditioning system at the described premises; or
- (3) You reasonably determine that a voluntary payment to the tenant is necessary to prevent "bodily injury" or "property damage".

- c. We shall have no duty or obligation to defend the insured or perform acts or services.

- d. This coverage does not apply to:

- (1) Expenses incurred by you to repair or replace the heating or air conditioning system at the described premises.
- (2) "Bodily injury", "property damage" and "personal and advertising injury".

- e. The most we will reimburse you for the sum of all voluntary payments and demands for per diem reimbursement by tenants under the Heating Or Air Conditioning Loss Reimbursement Coverage is \$5,000 as the result of any one mechanical breakdown or electrical failure of the heating or air conditioning system at a described premises and \$10,000 in any annual period starting with the beginning of the policy period shown in the Declarations.

- f. The following replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions** of Section II – **Liability** for the **Heating Or Air Conditioning Loss Reimbursement Coverage**:

Duties In The Event Of A Heating Or Air Conditioning System Failure

- a. You must notify us as soon as possible of a demand for remuneration from a tenant or of a payment you make voluntarily. The notice should include:

- (1) A notarized letter from the tenant of the demand for remuneration;
- (2) A written description by you of how, when and where the mechanical breakdown or electrical failure of the heating or air conditioning system occurred;
- (3) The name and address of the affected tenant; and
- (4) A cancelled check or money order written to the tenant.

- b. At our request, give us complete information as to:

- (1) The cause of the mechanical breakdown or electrical failure of the heating or air conditioning system; and
- (2) The actions you took to have the heating or air conditioning system repaired or replaced by a competent technician as soon as possible.

- c. Cooperate with us in the review of the reimbursement.

- d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

E. For coverage provided under this endorsement, the following are added to Paragraph **F. Liability And Medical Expenses Definitions** under **Section II – Liability**:

1. "Lock-out" means denying a tenant access to the "tenants' property" or the occupancy of an apartment the tenant is renting, leasing or otherwise occupying.
2. "Perpetrator" means:
 - a. You; or
 - b. Your "employees"; or
 - c. Any other person to whom you may entrust such property;
who commits the intentional "property damage" or the dishonest or criminal act.

3. "Sale and disposal operations" means all activities you conduct to reclaim an apartment or storage space when a tenant's rent is delinquent or unpaid.

4. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your tenants.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – RESIDENTIAL CLEANING SERVICES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**A. The following are added to Paragraph A.5.
Additional Coverages of Section I – Property:**

a. Reward Payment

(1) We will reimburse you for rewards paid as follows:

(a) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss of or damage to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Property Loss Condition.

(b) Up to \$5,000 to an eligible person for the return of stolen Covered Property when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(i) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(ii) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Property Loss Condition.

(2) This Additional Coverage applies subject to the following conditions:

(a) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

(i) You or any family member;

(ii) Your employee (including a temporary or leased employee) or any of his or her family members;

(iii) An employee of a law enforcement agency;

(iv) An employee of a business engaged in property protection;

(v) Any person who had custody of the Covered Property at the time the theft was committed; or

(vi) Any person involved in the crime.

(b) No reward will be reimbursed unless and until the person(s) committing the crime is(are) convicted or the Covered Property is returned.

(c) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

b. Key And Lock Replacement

(1) We will pay for the cost to replace keys and locks at the client's residence due to theft or other loss to keys entrusted to you by your client.

- (2) We will not pay for loss or damage resulting from theft or any other dishonest or criminal act that a "perpetrator" commits.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

(a) Admits, under oath; or

(b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (3) The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$1,000.

- (4) A per occurrence deductible of \$100 will apply.

B. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the following is added to Subparagraph a. of Paragraph 3. **Employee Dishonesty** of Paragraph G. **Optional Coverages of Section I – Property** and is subject to the provisions of that paragraph:

We will also 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.

The property covered under this coverage is limited to property:

(1) That your client owns or leases; or

(2) That your client holds for others;

while the property is inside your client's residence.

However, this coverage 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 coverage must be presented by you.

C. The following is added to Paragraph A. **Coverages of Section II – Liability:**

Your Work Coverage

1. We will reimburse you for "property damage" claims directly arising from "your work" for a client.

The amount of such reimbursement is limited as described in Paragraph 5. below. No other obligation or liability to pay sums or perform acts or services is covered.

2. This coverage applies only if:

a. "Your work" was performed by you or an "employee" and was done with the express knowledge of the insured;

b. "Your work" was performed during the policy period;

c. You reasonably determine that payment in the amount of the "property damage" to the client for "your work" is necessary; and

d. You have received a notarized notification of a demand for remuneration from the client by mail within 90 days after the work was performed.

3. We shall have no duty nor obligation to defend the insured or perform acts or services.

4. This coverage does not apply to:

a. "Your work" performed at any location owned by, rented or leased to the insured.

b. Work performed by a subcontractor.

c. "Property damage" excluded under Paragraph B. **Exclusions of Section II – Liability.**

5. The most we will reimburse you for the sum of all damages covered under Your Work Coverage is \$5,000 in any one occurrence and \$10,000 in any annual period starting with the beginning of the policy period in the Declarations.

D. The following condition replaces the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition under Paragraph E. **Liability And Medical Expenses General Conditions of Section II – Liability** for Your Work Coverage:

Duties In The Event Of A Claim

1. You must notify us as soon as possible of the notification from your client of a demand for remuneration for "property damage" resulting from "your work". The notice should include:

a. A notarized letter from the client describing the "property damage";

- b. The names and addresses of the affected clients;
 - c. A written description of how, when and where the "property damage" occurred; and
 - d. A cancelled check or money order written to the client.
- 2. At our request, give us complete inventories of the damaged property. Include quantities, costs, values and amount of the loss claimed.
- 3. Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- 4. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

E. For coverage provided by this endorsement, the following definitions are added to Paragraph H. Property Definitions under Section I – Property:

- 1. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include property described under Subparagraphs **a.**, **c.**, **d.**, **f.** and **h.** of Paragraph **A.2. Property Not Covered.**
- 2. "Perpetrator" means:
 - a. You; or
 - b. Any of your business partners, "members", officers, employees (including temporary or leased employees), "managers", directors, trustees authorized representatives or anyone to whom you entrust the keys of a client for any purpose;

whether acting alone or in collusion with other persons who commits the theft or dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – FUNERAL DIRECTORS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.
- B.** Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's business as a funeral director.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
 - 1.** Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

 - b.** "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.
 - 2.** The following Exclusions do not apply:
 - a.** Paragraph **1.j. Professional Services**;
 - b.** Paragraph **1.k.(4) Damage To Property** to "property damage" to dead bodies, any casket, urn or other container for a dead body or its cremated remains or the personal effects of a deceased person while in the care, custody or control of the insured, unless such "property damage" is caused by theft or "hostile fire";

- c.** Paragraph **1.k.(6) Damage To Property**; and

- d.** Paragraph **1.m. Damage To Your Work**.

3. The following Exclusion is added:

This insurance does not apply to:

"Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

- a.** Admits, under oath; or

- b.** Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

(1) "Bodily injury", "personal and advertising injury" or other 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional services. However, your "employees" are insureds with respect to their providing or failing to provide professional services in connection with your business.

(3) "Property damage" to property:

(a) Owned, occupied or used by; or

(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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

b. "Personal and advertising injury" sustained by any one person or organization; and

c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional services as a funeral director.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PRINTERS ERRORS AND OMISSIONS LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

- A.** For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to damages resulting from the insured's negligent act, error or omission in providing printing services.
- B.** Under Paragraph **A.** Coverages we will also pay those sums that the insured becomes legally obligated to pay as damages resulting from the insured's negligent act, error or omission in providing printing services.
- C.** With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:
 - 1. Paragraphs **1.k.(6) Damage To Property** and **1.m. Damage To Your Work** do not apply.
 - 2. The following Exclusions are added:

This insurance does not apply to any claim:

 - a.** Resulting from a criminal act, including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

 - (1)** Admits, under oath; or
 - (2)** Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
- b.** Resulting from infringement of copyright, trademark, service mark or trade name (other than titles or slogans) by use of such marks or names with goods, products or services sold, offered for sale or advertised.
 - c.** For reimbursement of costs of printing or printing materials.
 - d.** Resulting from insolvency or bankruptcy of the insured.
 - e.** Resulting from any publishing function of the insured.
 - f.** Resulting from the writing of materials for customers.
- D.** Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:
 - 2. The most we will pay for the sum of all damages because of all:
 - a.** "Bodily injury", "property damage", and medical expenses arising out of any one "occurrence";
 - b.** "Personal and advertising injury" sustained by any one person or organization; and
 - c.** Printing acts, errors and omissions;is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.
- E.** For the purpose of determining the limits for the insurance provided by this endorsement, any act, error or omission together with all related acts, errors or omissions in the providing of these services will be considered one act, error or omission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – VETERINARIANS PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section II – Liability is amended as follows:

A. For the insurance provided by this endorsement, all provisions under Paragraph **A.1. Business Liability** also apply to other injury.

B. Paragraph **A. Coverages** also applies to "bodily injury", "property damage", "personal and advertising injury" or other injury arising out of the rendering of or failure to render professional services in connection with the insured's practice as a veterinarian, including serving as a member of a formal accreditation, standards review or equivalent professional board or committee.

C. With respect to the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **1.b. Contractual Liability** is replaced by the following:

This insurance does not apply to:

b. "Bodily injury", "property damage", "personal and advertising injury" or other injury 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 that the insured would have in the absence of the contract or agreement.

2. The following exclusions do not apply:

a. Paragraph **1.j. Professional Services**;

b. Paragraphs **1.k.(4)** and **1.k.(6) Damage To Property**; and

c. Paragraph **1.m. Damage To Your Work**;

with respect to animals treated in connection with the insured's practice as a veterinarian.

3. The following exclusions are added:

This insurance does not apply to:

a. "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of a criminal act including but not limited to fraud committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

b. Liability resulting from the theft of any animal.

c. "Bodily injury", "property damage" or other injury due to fire, however caused.

D. Paragraph **C.2.a. Who Is An Insured** is replaced by the following:

2. Each of the following is also an insured:

a. 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" is an insured for:

(1) "Bodily injury", "personal and advertising injury" or other 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), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in Paragraph (1)(a) or (1)(b); or

(2) "Bodily injury", "property damage", "personal and advertising injury" or other injury arising out of his or her providing or failing to provide professional veterinary services. However, if you have "employees" who are veterinarians, they are insureds with respect to their providing or failing to provide professional veterinary services in connection with your practice.

(3) "Property damage" to property:

(a) Owned, occupied or used by; or

(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", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

E. Paragraph **D.2. of Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence";

b. "Personal and advertising injury" sustained by any one person or organization; and

c. Other injury arising out of any one "occurrence";

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

F. For the coverage provided by this endorsement, the definition of "occurrence" in Paragraph **F. Liability And Medical Expenses Definitions** is amended to include any act or omission arising out of the rendering of or failure to render professional veterinary services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – NAMED PERILS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property in the Businessowners Coverage Form is amended as follows:

A. Paragraph b. under A.2. Property Not Covered is replaced by the following:

b. Bullion, except as provided in the Burglary And Robbery Optional Coverage, and "money" or "securities" except as provided in the:

(1) Burglary And Robbery Optional Coverage; or

(2) Employee Dishonesty Optional Coverage.

B. Paragraph A.3. Covered Causes Of Loss is replaced by the following:

3. Covered Causes Of Loss

a. Fire.

b. Lightning.

c. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:

(1) Rupture, bursting or operation of pressure relief devices; or

(2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

d. Windstorm or Hail, but not including:

(1) Frost or cold weather;

(2) Ice (other than hail), snow or sleet, whether driven by wind or not;

(3) Loss of or damage to awnings or canopies of fabric or slat construction, including their supports, outside of buildings;

(4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters; or

(5) Loss or damage by hail to lawns, trees, shrubs or plants which are part of a vegetated roof.

e. Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

f. Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

g. Riot or Civil Commotion, including:

(1) Acts of striking employees (including temporary or leased employees) while occupying the described premises; and

(2) Looting occurring at the time and place of a riot or civil commotion.

h. Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

- i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:

- (a) Results in sprinkler leakage; or
- (b) Is directly caused by freezing.

- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.

- (3) Automatic Sprinkler System means:

- (a) Any automatic fire protective or extinguishing system, including connected:

- (i) Sprinklers and discharge nozzles;
- (ii) Ducts, pipes, valves and fittings;
- (iii) Tanks, their component parts and supports; and
- (iv) Pumps and private fire protection mains.

- (b) When supplied from an automatic fire protective system:

- (i) Nonautomatic fire protective systems; and
- (ii) Hydrants, standpipes and outlets.

- j. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

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

- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or

- (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

- l. Transportation, meaning loss or damage caused by:

- (1) Collision, derailment or overturn of a vehicle;
- (2) Stranding or sinking of vessels; and
- (3) Collapse of bridges, culverts, piers, wharves or docks.

This cause of loss applies only to Covered Property in the course of transit.

- C. Paragraph **A.4. Limitations** does not apply.

- D. Paragraph **A.5. Additional Coverages** is amended as follows:

- 1. Paragraph **d. Collapse** does not apply.
- 2. Paragraph **e. Water Damage, Other Liquids, Powder Or Molten Material Damage** does not apply.

- E. Paragraph **B. Exclusions** is amended as follows:

- 1. Paragraph **2.** is replaced by the following:
- 2. We will not pay for loss or damage caused by or resulting from:

a. Electrical Apparatus

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

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

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1)** An occurrence that took place within 100 feet of the described premises; or
- (2)** Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Burst Piping

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

c. Water Discharge

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

d. Steam Apparatus

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

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

e. Mechanical Breakdown

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

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply with respect to the breakdown of "computers".

f. Errors Or Omissions

Errors or omissions in programming, processing or storing data, as described under "electronic data" or in any "computer" operations.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

g. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

h. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

i. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

2. Paragraph 6. is replaced by the following:

6. Accounts Receivable And Valuable Papers And Records Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

- (1) Dishonest or criminal acts (including theft) by a "perpetrator"; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
- (b) Does not apply to a carrier for hire and acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (2) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (3) Unauthorized instructions to transfer property to any person or to any place.

b. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- (1) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1.c., B.1.d. or B.1.f. above to produce the loss or damage.

- (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- (3) Faulty, inadequate or defective:

- (a) Planning, zoning, development, surveying, siting;

- (b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (c) Materials used in repair, construction, renovation or remodeling; or

- (d) Maintenance;

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

c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. Paragraph D.2. Deductibles is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Burglary and Robbery;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

G. Paragraph E.8.b. Vacancy Property Loss Condition is replaced by the following:

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism; or
 - (b) Sprinkler leakage, unless you have protected the system against freezing; and

- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** and **b.(1)(b)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

H. Paragraph G. Optional Coverages is amended as follows:

1. Paragraph **2. Money And Securities** does not apply.

2. The following is added:

5. Burglary And Robbery

- a. We will pay for direct physical loss of or damage to:

- (1) Business Personal Property, if a Limit Of Insurance is shown in the Declarations; and

- (2) "Money" and "securities";

at the described premises resulting directly from actual or attempted:

- (a) Burglary, meaning the taking of property from inside the described premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit; or

- (b) Robbery, meaning the taking of property from the care and custody of a person by one who has:

- (i) Caused or threatened to cause that person bodily harm; or

- (ii) Committed an obviously unlawful act witnessed by the person from whom the property was taken.

- b. Coverage for "money" and "securities" extends to that property while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having care and custody of the property, at the described premises, or in transit between any of these places.

- c. We will not pay for loss or damage:

- (1) To household and personal effects in living quarters occupied by you, your partner, officer, director or stockholder or any relative of any of these.

- (2) To accounts, deeds or manuscripts.
- (3) To evidences of debt other than "securities".
- (4) Of property that is missing when there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
- (5) Resulting from any dishonest or criminal act:

- (a) That you or any of your partners commit whether acting alone or in collusion with other persons.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that you or your partners:

- (i) Admit, under oath; or
- (ii) Are determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency; or

- (b) Committed by any of your employees (including temporary or leased employees), directors, trustees or authorized representatives:

- (i) Acting alone or in collusion with other persons; or
- (ii) While performing services for you or otherwise.

However, with respect to loss or damage resulting from a criminal act, this exclusion only applies to the extent that your employees (including temporary or leased employees), directors, trustees or authorized representatives:

- (i) Admit, under oath; or
- (ii) Are determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- (6) Resulting from voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- (7) Of property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.

- (8) Resulting from delay, loss of use or loss of market.

- (9) Occurring during a fire at the described premises.

- d. The most we will pay for loss or damage in any one occurrence is:

- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:

- (a) In or on the described premises; or

- (b) Within a bank or savings institution;

- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else; and

- (3) 25% of the Business Personal Property Limit of Insurance for all other property. But each of the following types of property are covered only up to \$2,500:

- (a) Furs, fur garments and garments trimmed with fur;

- (b) Jewelry, watches, watch movements, jewels, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and

- (c) Patterns, dies, molds and forms.
 - e. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.

- I. Paragraph **H.12. Definitions** does not apply.
- J. The following is added to **Paragraph H. Definitions**:

"Perpetrator" means:

- 1. You or anyone else with an interest in the property; or

- 2. Any of your or their partners, employees (including temporary or leased employees), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – INFORMATION SECURITY PROTECTION ENDORSEMENT

INSURING AGREEMENTS d. AND g. OF THIS ENDORSEMENT PROVIDE CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES UNDER THIS ENDORSEMENT WILL REDUCE THE LIMIT OF INSURANCE.

PLEASE READ THE ENTIRE FORM CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage Tier 1 (Provided automatically if this Endorsement is attached to the Policy)	
Insuring Agreement a. Replacement Or Restoration Of Electronic Data Insuring Agreement b. Public Relations Expense Insuring Agreement c. Security Breach Expense	
Coverage Tier 2 (Applicable only if an "X" is shown in the box below)	
<input type="checkbox"/>	Insuring Agreement d. Security Breach Liability (claims-made coverage)
Coverage Tier 3 (Applicable only if an "X" is shown in the box above for Tier 2 and in the box below)	
<input type="checkbox"/>	Insuring Agreement e. Extortion Threats Insuring Agreement f. Business Income And Extra Expense Insuring Agreement g. Web Site Publishing Liability (claims-made coverage)
Claims-made Coverage	Retroactive Date (Enter date or "none" if no Retroactive Date applies.):
Insuring Agreement d. Security Breach Liability	
Insuring Agreement g. Web Site Publishing Liability	
Aggregate Limit Of Insurance And Deductibles	
Information Security Protection Aggregate Limit Of Insurance:	\$
Information Security Protection Deductible:	\$
Business Income And Extra Expense Waiting Period Hours:	24 hours (unless a different waiting period is indicated below)
	<input type="checkbox"/> hours

Contracted Security Breach Services	
Pre-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
Post-security Breach Services:	<input type="checkbox"/> IDT911 (a/k/a IDentity Theft 911) <input type="checkbox"/> Other: <input type="checkbox"/> Other:
<input type="checkbox"/> Supplemental Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Tier 1 First-party Expense Coverages

For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph

A.5. Additional Coverages of Section I – Property:

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

a. Replacement Or Restoration Of Electronic Data

We will pay for "loss" of "electronic data" (as defined in Paragraph **R.** of this Endorsement) or "computer programs" stored within the "computer system" resulting directly from an "e-commerce incident" sustained during the "policy period".

b. Public Relations Expense

We will pay for "loss" due to "negative publicity" resulting directly from an "e-commerce incident" or a "security breach" sustained during the "policy period".

c. Security Breach Expense

We will pay for "loss" resulting directly from a "security breach" sustained during the "policy period".

B. Tier 2 Liability Coverage

If Tier 2 is shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

d. Security Breach Liability

- (1) We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- (2) We will pay for both "loss" and "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1)**.

C. Tier 3 Coverages

1. Tier 3 First-party Expense Coverages

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A.5. Additional Coverages of Section I – Property:**

Insuring Agreements

Coverage is provided under the following Insuring Agreements:

e. Extortion Threats

We will pay for "loss" resulting directly from an "extortion threat" communicated to you during the "policy period".

However, we will not pay for "extortion expenses" or "ransom payments" which are part of a series of related threats that began prior to the "policy period".

f. Business Income And Extra Expense

We will pay for "loss" due to an "interruption" resulting directly from an "e-commerce incident" sustained during the "policy period" or an "extortion threat" communicated to you during the "policy period".

2. Tier 3 Liability Coverage

If Tiers 2 and 3 are shown as applicable in the Schedule above, for the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Insuring Agreement

Coverage is provided under the following Insuring Agreement:

g. Web Site Publishing Liability

We will pay for both "loss" that the insured becomes legally obligated to pay and "defense expenses" as a result of a "claim" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, for a "wrongful act" or a series of "interrelated wrongful acts" taking place on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

D. Additional Coverages A.5.p. And A.5.q.

1. Additional Coverage p. Electronic Data

Additional Coverage **p. Electronic Data of Section I – Property** does not apply to destruction or corruption of "electronic data" resulting directly from an "e-commerce incident".

2. Additional Coverage q. Interruption Of Computer Operations

If Tiers 2 and 3 are shown as applicable in the Schedule of this Endorsement, Additional Coverage **q. Interruption Of Computer Operations of Section I – Property** does not apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to an "e-commerce incident".

E. For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, the following is added to Paragraph **A. Coverages of Section II – Liability:**

Defense And Settlement

1. We shall have the right and duty to select counsel and defend the insured against any "claim" covered under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, even if the allegations of such "claim" are groundless, false or fraudulent. However, we shall have the right but not the duty to defend the insured against a "claim" covered under Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability**, and we shall have no duty to defend the insured against any "claim" which is not covered under either of these Insuring Agreements.

2. We may, upon the written consent of the insured, make any settlement of a "claim" which we deem reasonable. If the insured withholds consent to such settlement, our liability for all "loss" resulting from such "claim" will not exceed the amount for which we could have settled such "claim", plus "defense expenses" incurred, as of the date we proposed such settlement in writing to the insured. Upon refusing to consent to a settlement we deem reasonable, the insured shall, at its sole expense, assume all further responsibility for its defense including all additional costs associated with the investigation, defense and/or settlement of such "claim".

- F. For the purposes of the coverage provided by this Endorsement, "electronic data" is deleted from Paragraph **A.2. Property Not Covered of Section I – Property**.
- G. For the purposes of the coverage provided by this Endorsement, the limitations in Paragraphs **A.4.a.(3) and (4) of Section I – Property**, which relate to missing property and property transferred outside the described premises on the basis of unauthorized instructions, do not apply.
- H. For the purposes of the coverage provided by this Endorsement, if any of the following endorsements, or any equivalent jurisdiction-specific endorsement, are attached to the Policy, the provisions of that endorsement do not apply:
1. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – With Limited Bodily Injury Exception Endorsement;
 2. Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability – Limited Bodily Injury Exception Not Included Endorsement;
 3. Exclusion – Access Or Disclosure Of Confidential Or Personal Information (Personal And Advertising Injury Only) Endorsement; or
 4. Electronic Data Liability – Limited Coverage Endorsement.
- I. For the purposes of the coverage provided by this Endorsement, Paragraph **B. Exclusions of Section I – Property** and Paragraph **B.1. Applicable To Business Liability Coverage of Section II – Liability** are replaced by the following:
- We will not be liable for "loss" or "defense expenses":
- a. Based upon, attributable to or arising out of lightning, earthquake, hail, volcanic action or any other act of nature.
 - b. Based upon, attributable to or arising out of:
 - (1) War, including undeclared or civil war or civil unrest;
 - (2) Warlike action by military force, including action 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 government authority in hindering or defending against any of these.
 - c. Based upon, attributable to or arising out of bodily injury or physical damage to or destruction of tangible property, including loss of use thereof.
Bodily injury means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
 - d. Based upon, attributable to or arising out of any unexplained or indeterminable failure, malfunction or slowdown of the "computer system", including "electronic data" and the inability to access or properly manipulate the "electronic data".
 - e. Based upon, attributable to or arising out of any "interruption" in normal computer function or network service or function due to insufficient capacity to process transactions or due to an overload of activity on the "computer system" or network. However, this exclusion shall not apply if such "interruption" is caused by an "e-commerce incident".
 - f. Based upon, attributable to or arising out of a complete or substantial failure, disablement or shutdown of the Internet or any communications and data network infrastructure, for any cause that is not an "e-commerce incident".
 - g. Based upon, attributable to or arising out of any failure of, reduction in or surge of power.
 - h. Based upon, attributable to or arising out of any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act (RICO) and its amendments, or similar provisions of any federal, state or local statutory or common law.
 - i. Based upon, attributable to or arising out of any malfunction or failure of any satellite.
 - j. Based upon, attributable to or arising out of any oral or written publication of material, if done by an insured or at an insured's direction with knowledge of its falsity.
 - k. Based upon, attributable to or arising out of an insured's assumption of liability by contract or agreement, whether oral or written. However, this exclusion shall not apply to any liability that an insured would have incurred in the absence of such contract or agreement.

- l.** Based upon, attributable to or arising out of any actual or alleged patent or trade secret violation, including any actual or alleged violation of the Patent Act, the Economic Espionage Act of 1996 or the Uniform Trade Secrets Act and their amendments.
- m.** Based upon, attributable to or arising out of:
 - (1)** The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2)** Any 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
 - (3)** Any "claim" or "suit" brought by, or on behalf of, any 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".
- n.** Based upon, attributable to or arising out of any "claim", "suit" or other proceeding against an insured which was pending or existed prior to the "policy period", or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim", "suit" or other proceeding.
- o.** Based upon, attributable to or arising out of your employment practices including, but not limited to, termination of employment, demotion, reassignment, discipline, harassment, coercion or refusal to employ regardless of whether you are liable as an employer or in any other capacity.
- p.** Based upon, attributable to or arising out of any "wrongful act" or "interrelated wrongful acts" that occurred before the Retroactive Date, if any, shown in the Schedule.
- q.** Based upon, attributable to or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this Policy is a renewal or replacement.
- r.** Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreement **d.** Security Breach Liability.

With the exception of "claims" excluded under Exclusion **l.**, we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

With respect to "claims" excluded under Exclusion **l.**, and based upon, attributable to or arising out of any criminal act, we will defend "claims" first made against an insured alleging such criminal act until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest, and we will not provide a defense from the time we become aware that any insured intends to so plead.
- s.** Based upon, attributable to or arising out of any action or proceeding brought by, or on behalf of, any governmental authority or regulatory agency including, but not limited to:
 - (1)** The seizure or destruction of property by order of a governmental authority; or
 - (2)** Regulatory actions or proceedings brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other regulatory agency, except when covered under Paragraph **(2)** of Insuring Agreement **d.** Security Breach Liability.

However, this exclusion shall not apply to actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as a customer of the Named Insured.

- t. Based upon, attributable to or arising out of costs associated with upgrading or improving the "computer system" regardless of the reason for the upgrade.
- u. Based upon, attributable to or arising out of any "claim" brought or alleged by one insured against another, except for a "claim" brought or alleged by an "employee" against an insured as a result of a "security breach".
- v. Based upon, attributable to or arising out of unintentional errors or omissions in the entry of "electronic data" into the "computer system".
- w. Based upon, attributable to or arising out of infringing upon another's copyright, trade dress or slogan in your "advertisement".
- x. Based upon, attributable to or arising out of fines, penalties or assessments imposed pursuant to contract or agreement, whether oral or written, including, but not limited to, Payment Card Industry (PCI) fines, penalties or assessments.

J. For the purposes of the coverage provided by this Endorsement, the following is added to Paragraph **B. Exclusions of Section I – Property:**

Nuclear Hazard

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

K. For the purposes of the coverage provided by this Endorsement, Paragraph **C. Limits Of Insurance** of **Section I – Property** and Paragraph **D. Liability And Medical Expenses Limits Of Insurance** of **Section II – Liability** are replaced by the following:

Limits Of Insurance

Information Security Protection Aggregate Limit Of Insurance

The most we will pay for all "loss" and "defense expenses", if covered, under this Endorsement is the Information Security Protection Aggregate Limit Of Insurance shown in the Schedule. The Information Security Protection Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Endorsement. Upon exhaustion of the Information Security Protection Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind under this Endorsement.

L. For the purposes of the coverage provided by this Endorsement, the following replaces Paragraph **D. Deductibles of Section I – Property** and is added to **Section II – Liability:**

Information Security Protection Deductible

1. Subject to **Limits Of Insurance** under Paragraph **K.** of this Endorsement:

a. Under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability:**

We will pay only the amount of "loss" and "defense expenses" which are in excess of the Deductible Amount shown in the Schedule resulting from the same "wrongful act" or "interrelated wrongful acts". Such Deductible Amount will be borne by you, self-insured, and at your own risk.

b. Under Insuring Agreements **a. Replacement Or Restoration Of Electronic Data**, **b. Public Relations Expense**, **c. Security Breach Expense** and **e. Extortion Threats:**

We will pay only the amount of "loss" which is in excess of the Deductible Amount shown in the Schedule.

c. Under Insuring Agreement **f. Business Income And Extra Expense:**

We will pay only the amount of "loss" which exceeds the greater of:

(1) The Deductible Amount shown in the Schedule; or

(2) The amount of "loss" incurred during:

(a) The first 24 hours from the beginning of the "interruption" if no other waiting period is designated in the Schedule; or

(b) The number of hours waiting period designated in the Schedule from the beginning of the "interruption".

2. In the event a "loss" is covered under more than one Insuring Agreement:

a. If Insuring Agreement **f. Business Income And Extra Expense** does not apply, the Information Security Protection Deductible shown in the Schedule will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts"; or

b. If Insuring Agreement **f. Business Income And Extra Expense** does apply, the larger of the:

(1) Information Security Protection Deductible shown in the Schedule; or

(2) Amount of loss incurred during the applicable waiting period;

will be applied only once per occurrence, "wrongful act" or "interrelated wrongful acts".

M. For the purposes of the coverage provided by this Endorsement, Paragraph **E.3. Duties In The Event Of Loss Or Damage of Section I – Property** and Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section II – Liability** are replaced by the following:

Duties In The Event Of Claim Or Loss

In the event of either an occurrence or offense that may result in a "claim" against an insured or a "loss" or situation that may result in a "loss" covered under this Endorsement, you must notify us in writing as soon as practicable, but not to exceed 30 days, and cooperate with us in the investigation and settlement of the "claim" or "loss". Additionally:

a. Under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, you must:

(1) Immediately record the specifics of the "claim" and the date received;

(2) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";

(3) Authorize us to obtain records and other information; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of an occurrence or offense to which this Endorsement may also apply.

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

Failure to give any notice required by this condition within the time period specified shall not invalidate any "claim" made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

A "claim" brought by a person or organization seeking damages will be deemed to have been made when the "claim" is received by an insured.

b. Under Insuring Agreement **a. Replacement Or Restoration Of Electronic Data** and Insuring Agreement **e. Extortion Threats**, you must:

(1) Notify local law enforcement officials;

(2) Submit to examination under oath at our request and give us a signed statement of your answers; and

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

(4) In addition, under Insuring Agreement **e. Extortion Threats**, you must:

(a) Determine that the "extortion threat" has actually occurred;

(b) Make every reasonable effort to immediately notify an associate and the security firm, if any, before making any "ransom payment" based upon the "extortion threat";

(c) With respect to "ransomware", make a reasonable effort to access your "electronic data" from backup; and

(d) Approve any "ransom payment" based upon the "extortion threat".

N. Extended Reporting Periods

For the purposes of the coverage provided by this Endorsement under Insuring Agreements **d. Security Breach Liability** and **g. Web Site Publishing Liability**, the following are added to Paragraph **E. Liability And Medical Expenses General Conditions of Section II – Liability**:

1. Basic Extended Reporting Period

- a.** A Basic Extended Reporting Period is automatically provided without additional charge if:
 - (1)** This Endorsement is cancelled or not renewed for any reason; or
 - (2)** We renew or replace this Endorsement with insurance that:
 - (a)** Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or
 - (b)** Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Basic Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.
- b.** The Basic Extended Reporting Period starts with the end of the "policy period" and lasts for 30 days. A "claim" first made and reported by the insured during this 30-day period will be considered to have been received within the "policy period". However, the 30-day Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Aggregate Limit of Insurance applicable to such "claims".

- c.** The Basic Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. It applies only to "claims" to which the following applies:

- (1)** The "claim" is first made and reported to us during the Basic Extended Reporting Period; and
- (2)** The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

2. Supplemental Extended Reporting Period

- a.** You will have the right to purchase a Supplemental Extended Reporting Period from us if:
 - (1)** This Endorsement is cancelled or not renewed; or
 - (2)** We renew or replace this Endorsement with insurance that:
 - (a)** Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or
 - (b)** Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d. Security Breach Liability** or **g. Web Site Publishing Liability**. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.
- b.** The Supplemental Extended Reporting Period will not be available if:
 - (1)** We cancel this Endorsement for nonpayment of premium; or
 - (2)** You fail to pay any amounts owed us.

- c. A Supplemental Extended Reporting Period, as specified in Paragraph a., lasts one year and is available only for an additional premium.
- d. The Supplemental Extended Reporting Period starts with the end of the Basic Extended Reporting Period set forth in Paragraph 1. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us during the Supplemental Extended Reporting Period; and
 - (2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".
- e. You must give us a written request for the Supplemental Extended Reporting Period within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.
- f. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium in full along with any premium or deductible you owe us for coverage provided under this Endorsement within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first. Once in effect, the Supplemental Extended Reporting Period may not be cancelled.
- g. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - (1) The exposures insured;
 - (2) Previous types and amounts of insurance;
 - (3) Limit of Insurance available under this Endorsement for future payment of damages; and
 - (4) Other related factors.

The additional premium may not exceed 100% of the annual premium for this Endorsement. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.

3. Basic And Supplemental Extended Reporting Period Limits

a. Basic Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Basic Extended Reporting Period. The Limit of Insurance available during the Basic Extended Reporting Period shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the "policy period".

b. Supplemental Extended Reporting Period Limit

There is no separate or additional Aggregate Limit of Insurance for the Supplemental Extended Reporting Period. The Limit of Insurance available during the Supplemental Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the Information Security Protection Aggregate Limit of Insurance available at the end of the Basic Extended Reporting Period.

- O. For the purposes of the coverage provided by this Endorsement, Paragraph H. **Other Insurance of Section III – Common Policy Conditions** is replaced by the following:

H. Other Insurance

- 1. If any covered "claim" or "loss" is insured by any other valid policy, then this Endorsement shall apply only in excess of the amount of any deductible, retention and Limit of Insurance under such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise.
- 2. When this Endorsement is excess, we shall have no duty under Insuring Agreement d. Security Breach Liability or g. Web Site Publishing Liability 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.

P. For the purposes of the coverage provided by this Endorsement, the following is added to **Section III – Common Policy Conditions**:

A. Valuation – Settlement

1. All premiums, Aggregate Limits of Insurance, Deductible Amounts, "loss" and any other monetary amounts under this Endorsement are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is agreed to or another component of "loss" under this Endorsement is expressed in any currency other than United States of America dollars, payment under this Endorsement shall be made in United States dollars at the rate of exchange published in The Wall Street Journal on the date the final judgment is entered, settlement amount is agreed upon or the other component of "loss" is due, respectively.
2. With respect to "loss" covered under Insuring Agreement **f. Business Income And Extra Expense**:
 - a. The amount of "business income" will be determined based on consideration of:
 - (1) The net income generated from your "e-commerce activities" before the "interruption" occurred;
 - (2) The likely net income generated by your "e-commerce activities" if no "interruption" had occurred, but not including any net income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "e-commerce incident" on customers or on other businesses;
 - (3) The operating expenses, including payroll, necessary to resume your "e-commerce activities" with the same quality of service that existed before the "interruption"; and
 - (4) Other relevant sources of information, including your financial records and accounting procedures, bills, invoices and other vouchers, and debts, liens and contracts.

However, the amount of "business income" will be reduced to the extent that the reduction in the volume of business from the affected "e-commerce activities" is offset by an increase in the volume of business from other channels of commerce such as via telephone, mail or other sources.

b. The amount of "extra expense" will be determined based on:

- (1) Necessary expenses that exceed the normal operating expenses that would have been incurred in the course of your "e-commerce activities" during the period of coverage if no "interruption" had occurred. We will deduct from the total of such expenses the salvage value that remains of any property bought for temporary use during the period of coverage once your "e-commerce activities" are resumed; and
- (2) Necessary expenses that reduce the "business income" "loss" that otherwise would have been incurred during the period of coverage.

B. Confidentiality

Under Insuring Agreement **e. Extortion Threats**, the Named Insured and its "employees" must make every reasonable effort not to divulge the existence of this coverage.

Q. For the purposes of the coverage provided by this Endorsement, the definition of "computer" under Paragraph **H. Property Definitions** of **Section I – Property** does not apply.

- R. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "electronic data" under Paragraph **H. Property Definitions of Section I – Property** and is added to Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability**:

"Electronic data" means digital information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic storage devices including, but not limited to, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment. "Electronic data" is not tangible property.

"Electronic data" does not include your "electronic data" that is licensed, leased, rented or loaned to others.

- S. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "suit" under Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability** and is added to Paragraph **H. Property Definitions of Section I – Property**:

"Suit" means a civil proceeding in which damages to which this Endorsement applies are claimed against the insured. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured submits 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.

"Suit" does not include a civil proceeding seeking recognition and/or enforcement of a foreign money judgment.

- T. For the purposes of the coverage provided by this Endorsement, the definition of "coverage territory" under Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability** is replaced by the following:

"Coverage territory" means anywhere in the world. However, "suits" must be brought in the United States of America (including its territories and possessions), Puerto Rico or Canada.

- U. For the purposes of the coverage provided by this Endorsement, the following replaces the definition of "employee" under Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability** and is added to Paragraph **H. Property Definitions of Section I – Property**:

"Employee" means any natural person who was, now is or will be:

- a. Employed on a full- or part-time basis;
- b. Furnished temporarily to you to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions;
- c. 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, but does not mean a temporary employee as defined in Paragraph **b.**;
- d. An officer;
- e. A director, trustee or manager (if a limited liability company);
- f. A volunteer worker; or
- g. A partner or a member (if a limited liability company);

of the Named Insured, but only while acting within the scope of their duties as determined by the Named Insured.

- V. For the purposes of the coverage provided by this Endorsement, the following are added to Paragraph **H. Property Definitions of Section I – Property** and Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability**:

1. "Business income" means the:

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

2. "Claim" means:

- a. A written demand for monetary or nonmonetary damages, including injunctive relief;

b. A civil proceeding commenced by the service of a complaint or similar proceeding; or

c. Under Paragraph (2) of Insuring Agreement d. Security Breach Liability, a "regulatory proceeding" commenced by the filing of a notice of charges, formal investigative order, service of summons or similar document;

against any insured for a "wrongful act", including any appeal therefrom.

3. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store or send "electronic data".

4. "Computer system" means the following which are owned, leased or operated by you:

a. Computers, including Personal Digital Assistants (PDAs) and other transportable or hand-held devices, electronic storage devices and related peripheral components;

b. Systems and applications software; and

c. Related communications networks;

by which "electronic data" is collected, transmitted, processed, stored or retrieved.

5. "Defense expenses" means the reasonable and necessary fees (attorneys' and experts' fees) and expenses incurred in the defense or appeal of a "claim", including the cost of appeal, attachment or similar bonds (without any obligation on our part to obtain such bonds) but excluding wages, salaries, benefits or expenses of your "employees".

6. "E-commerce activities" means those activities conducted by you in the normal conduct of your business via the Internet or other computer-based interactive communications network.

7. "E-commerce incident" means a:

a. "Virus";

b. Malicious code; or

c. Denial of service attack;

introduced into or enacted upon the "computer system" (including "electronic data") or a network to which it is connected, that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the "computer system" or otherwise disrupt its normal operation.

Recurrence of the same "virus" after the "computer system" has been restored shall constitute a separate "e-commerce incident".

8. "Extortion expenses" means:

a. Fees and costs of:

(1) A security firm; or

(2) A person or organization;

hired with our consent to determine the validity and severity of an "extortion threat" made against you;

b. Interest costs paid by you for any loan from a financial institution taken by you to pay a ransom demand;

c. Reward money paid by you to an "informant" which leads to the arrest and conviction of parties responsible for "loss"; and

d. Any other reasonable expenses incurred by you with our written consent, including:

(1) Fees and costs of independent negotiators; and

(2) Fees and costs of a company hired by you, upon the recommendation of the security firm, to protect your "electronic data" from further threats.

9. "Extortion threat" means a threat or series of related threats:

a. To perpetrate an "e-commerce incident";

b. To disseminate, divulge or utilize:

(1) Your proprietary information; or

(2) Weaknesses in the source code;

within the "computer system" by gaining unauthorized access to the "computer system";

c. To destroy, corrupt or prevent normal access to the "computer system" by gaining unauthorized access to the "computer system";

d. To inflict "ransomware" on the "computer system" or a network to which it is connected; or

e. To publish your client's "personal information".

10. "Extra expense" means necessary expenses you incur:

- a.** During an "interruption" that you would not have incurred if there had been no "interruption"; or
- b.** To avoid or minimize the suspension of your "e-commerce activities".

"Extra expense" does not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system".

11. "Informant" means a person, other than an "employee", providing information not otherwise obtainable, solely in return for a reward offered by you.

12. "Interrelated wrongful acts" means all "wrongful acts" that have as a common nexus any:

- a.** Fact, circumstance, situation, event, transaction or cause; or
- b.** Series of causally connected facts, circumstances, situations, events, transactions or causes.

13. "Interruption" means:

a. With respect to an "e-commerce incident":

- (1)** An unanticipated cessation or slowdown of your "e-commerce activities"; or
- (2)** Your suspension of your "e-commerce activities" for the purpose of avoiding or mitigating the possibility of transmitting a "virus" or malicious code to another person or organization;

and, with regard to Paragraphs **13.a.(1)** and **13.a.(2)**, shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:

- (a)** 90 days after the "interruption" begins;
- (b)** The time when your "e-commerce activities" are resumed; or
- (c)** The time when service is restored to you.

b. With respect to an "extortion threat", your voluntary suspension of your "e-commerce activities":

- (1)** Based upon clear evidence of a credible threat; or
- (2)** Based upon the recommendation of a security firm, if any;

and, with regard to Paragraphs **13.b.(1)** and **13.b.(2)**, shall be deemed to begin when your "e-commerce activities" are interrupted and ends at the earliest of:

- (a)** 14 days after the "interruption" begins;
- (b)** The time when your "e-commerce activities" are resumed; or
- (c)** The time when service is restored to you.

14. "Loss" means:

a. With respect to Insuring Agreement **a.** Replacement Or Restoration Of Electronic Data:

The cost to replace or restore "electronic data" or "computer programs" as well as the cost of data entry, reprogramming and computer consultation services.

"Loss" does not include the cost to duplicate research that led to the development of your "electronic data" or "computer programs". To the extent that any "electronic data" cannot be replaced or restored, we will pay the cost to replace the media on which the "electronic data" was stored with blank media of substantially identical type.

b. With respect to Insuring Agreement **b.** Public Relations Expense:

"Public relations expenses".

c. With respect to Insuring Agreement **c.** Security Breach Expense:

"Security breach expenses".

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

- (1)** Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements;
- (2)** Punitive and exemplary damages to the extent such damages are insurable by law; or
- (3)** Under Paragraph **(2)** of Insuring Agreement **d.** Security Breach Liability, fines or penalties assessed against the insured to the extent such fines or penalties are insurable by law.

With regard to Paragraphs **d.(1)** through **d.(3)**, "loss" does not include:

- (a)** Civil or criminal fines or penalties imposed by law, except civil fines or penalties as provided under Paragraph **d.(3)**;
 - (b)** The multiplied portion of multiplied damages;
 - (c)** Taxes;
 - (d)** Royalties;
 - (e)** The amount of any disgorged profits; or
 - (f)** Matters that are uninsurable pursuant to law.
 - e.** With respect to Insuring Agreement **e.** Extortion Threats:
"Extortion expenses" and "ransom payments".
 - f.** With respect to Insuring Agreement **f.** Business Income And Extra Expense:
The actual loss of "business income" you sustain and/or "extra expense" you incur.
- 15.** "Negative publicity" means information which has been made public that has caused, or is reasonably likely to cause, a decline or deterioration in the reputation of the Named Insured or of one or more of its products or services.
- 16.** "Personal information" means any information not available to the general public for any reason through which an individual may be identified, including, but not limited to, an individual's:
- a.** Social security number, driver's license number or state identification number;
 - b.** Protected health Information;
 - c.** Financial account numbers;
 - d.** Security codes, passwords, PIN numbers associated with credit, debit or charge card numbers which would permit access to financial accounts; or
 - e.** Any other nonpublic information as defined in "privacy regulations".
- 17.** "Policy period" means the period of time from the inception date of this Policy shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.

- 18.** "Privacy regulations" means any of the following statutes and regulations, and their amendments, associated with the control and use of personally identifiable financial, health or other sensitive information including, but not limited to:
- a.** The Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191);
 - b.** The Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
 - c.** Gramm-Leach-Bliley Act of 1999;
 - d.** Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), but solely for alleged unfair or deceptive acts or practices in or affecting commerce;
 - e.** Identity Theft Red Flags Rules under the Fair and Accurate Credit Transactions Act of 2003; or
 - f.** Any other similar state, federal or foreign identity theft or privacy protection statute or regulation.
- 19.** "Public relations expenses" means:
- a.** Fees and costs of a public relations firm; and
 - b.** Any other reasonable expenses incurred by you with our written consent; to protect or restore your reputation solely in response to "negative publicity".
- 20.** "Ransom payment" means a payment made in the form of cash.
- 21.** "Ransomware" means any software that encrypts "electronic data" held within the "computer system" and demands a "ransom payment" in order to decrypt and restore such "electronic data".
- 22.** "Regulatory proceeding" means an investigation, demand or proceeding brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission or other administrative or regulatory agency, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

23. "Security breach" means the acquisition of "personal information" held within the "computer system" or in non-electronic format while in the care, custody or control of the insured or authorized "third party" by a person:

- a.** Who is not authorized to have access to such information; or
- b.** Who is authorized to have access to such information but whose access results in the unauthorized disclosure of such information.

24. "Security breach expenses" means:

- a.** Costs to establish whether a "security breach" has occurred or is occurring;
- b.** Costs to investigate the cause, scope and extent of a "security breach" and to identify any affected parties;
- c.** Costs to determine any action necessary to correct or remediate the conditions that led to or resulted from a "security breach", including, but not limited to, fees paid for legal and other professional advice on how to respond to the "security breach";
- d.** Costs to notify all parties affected by a "security breach", including, but not limited to, notice to be transmitted through media required by "privacy regulations";
- e.** Overtime salaries paid to "employees" assigned to handle inquiries from the parties affected by a "security breach";
- f.** Fees and costs of a company hired by you for the purpose of operating a call center to handle inquiries from the parties affected by a "security breach";
- g.** Post-event monitoring costs for the parties affected by a "security breach" for up to one year from the date of notification to those affected parties of such "security breach"; and
- h.** Any other reasonable expenses incurred by you with our written consent.

"Security breach expenses" do not include any costs or expenses associated with upgrading, maintaining, improving, repairing or remediating any "computer system" as a result of a "security breach".

25. "Third party" means any entity that you engage under the terms of a written contract to perform services for you.

26. "Virus" means any kind of malicious code designed to damage or destroy any part of the "computer system" (including "electronic data") or disrupt its normal functioning.

27. "Wrongful act" means:

- a.** With respect to Insuring Agreement **d.** Security Breach Liability:

Any actual or alleged neglect, breach of duty or omission by an insured that results in:

- (1)** A "security breach"; or
- (2)** A "computer system" transmitting, by e-mail or other means, a "virus" to another person or organization.

- b.** With respect to Insuring Agreement **g.** Web Site Publishing Liability:

Any actual or alleged error, misstatement or misleading statement posted or published by an insured on its web site that results in an infringement of another's copyright, trademark, trade name, trade dress, title, slogan, service name or service mark. This does not include infringing upon another's copyright, trade dress or slogan in your "advertisement".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MICHIGAN CHANGES – PROVIDE COVERAGE FOR
DISHONEST, MALICIOUS OR
FRAUDULENT ACTS COMMITTED BY EMPLOYEES**

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – INFORMATION SECURITY PROTECTION ENDORSEMENT

Exclusion r. is replaced by the following:

- r. Based upon, attributable to or arising out of any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an insured, acting alone or in collusion with others. However, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Endorsement.

With the exception of "claims" excluded under Exclusion I., we will defend "claims" first made against an insured alleging such acts or violations until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

With respect to "claims" excluded under Exclusion I., and based upon, attributable to or arising out of any criminal act, we will defend "claims" first made against an insured alleging such criminal act until final adjudication is rendered against that insured. Final adjudication rendered against one insured shall not be imputed to any other insured.

We will not provide indemnification for any "claim" to which any insured enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any insured intends to so plead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Employee Benefits Program:			
Limit Of Insurance		Deductible (Each Employee)	Premium
Each Employee	Aggregate		
\$	\$	\$	\$
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Section II – Liability is amended as follows:

1. The following is added to Paragraph **A. Coverages:**

Coverage – Employee Benefits Liability

a. Insuring Agreement

- (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (a) The amount we will pay for damages is limited as described in Paragraph **4.** of this endorsement; and

- (b) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

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

- (2) This insurance applies to damages only if:
- (a) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
- (b) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and

(c) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **a.(3)** below, during the policy period or an Extended Reporting Period we provide under Paragraph **6.** of this endorsement.

(3) A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

(a) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

(b) When we make settlement in accordance with Paragraph **a.(1)** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the "claim".

(4) All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

b. Exclusions

This insurance does not apply to:

(1) Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission committed by any insured, including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the insured:

a. Admits, under oath; or

b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

(2) Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

(3) Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

(4) Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

(5) Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

(a) Failure of any investment to perform;

(b) Errors in providing information on past performance of investment vehicles; or

(c) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

(6) Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

(7) ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

(8) Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

(9) Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

(10) Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination or other employment-related practices.

2. For the purposes of the coverage provided by this endorsement:

- a.** All references to Supplementary Payments are replaced by Supplementary Payments and Employee Benefits Liability.
- b.** Paragraphs **f.(1)(b)**, **f.(2)** and **f.(3)** Coverage Extension – Supplementary Payments do not apply.

3. For the purposes of the coverage provided by this endorsement, Paragraph C.2. Who Is An Insured is replaced by the following:

2. Each of the following is also an insured:

- a.** Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b.** Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

4. For the purposes of the coverage provided by this endorsement, Paragraph D. Liability And Medical Expenses Limits Of Insurance is replaced by the following:

a. Limits Of Insurance

- (1)** The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

- (a)** Insureds;
- (b)** "Claims" made or "suits" brought;

- (c)** Persons or organizations making "claims" or bringing "suits";

- (d)** Acts, errors or omissions; or

- (e)** Benefits included in your "employee benefit program".

- (2)** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

- (3)** Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (a)** An act, error or omission; or

- (b)** A series of related acts, errors or omissions;

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the Policy to which this endorsement is attached, 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.

b. Deductible

- (1)** Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The Limits of Insurance shall not be reduced by the amount of this deductible.

- (2) The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
 - (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, and the duties of any other involved insured, in the event of an act, error or omission, or "claim";
 apply irrespective of the application of the deductible amount.
 - (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 as we have paid.
5. For the purposes of the coverage provided by this endorsement, Paragraph **E.2. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a "claim" is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 You must also see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
 - d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
 - e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
 - f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
6. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:
- Extended Reporting Period**
- a. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - (1) This endorsement is canceled or not renewed; or
 - (2) We renew or replace this endorsement with insurance that:
 - (a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

(b) Does not apply to an act, error or omission on a claims-made basis.

- b. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

- c. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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:

- (1) The "employee benefit programs" insured;
- (2) Previous types and amounts of insurance;
- (3) Limits of Insurance available under this endorsement for future payment of damages; and
- (4) Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period.

- d. If the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph 4.a.(2) of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph 4.a.(3).

7. For the purposes of the coverage provided by this endorsement, the following definitions are added to Paragraph F. **Liability And Medical Expenses Definitions:**

a. "Administration" means:

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

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

b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- (1) Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - (5) Any other similar benefits designated in the Schedule or added thereto by endorsement.
8. For the purposes of the coverage provided by this endorsement, Paragraphs **F.5.** and **F.18. Liability And Medical Expenses Definitions** are replaced by the following:
- 5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 - 18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

B. Section III – Common Policy Conditions is amended as follows:

For the purposes of the coverage provided by this endorsement, Paragraph **2.** under **H. Other Insurance** is replaced by the following:

- 2. This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations of the Policy to which this endorsement is attached and that applies to an act, error or omission on other than a claims-made basis, if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – ELECTRONIC DATA LIABILITY – BROAD COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Electronic Data Liability Annual Aggregate Limit Of Insurance: \$

Each Electronic Data Incident Limit: \$

Retroactive Date:

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

Section II – Liability is amended as follows:

A. The following is added to Paragraph **A.1.**

Business Liability:

Coverage – Damage To Electronic Data

Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss of electronic data" 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 to which this insurance does not apply. We may, at our discretion, investigate any "electronic data incident" and settle any claim or "suit" that may result. But:

- (1)** The amount we will pay for damages is limited as described in Paragraph **D.** Liability And Medical Expenses 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.

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

- b.** This insurance applies to "loss of electronic data" only if:

- (1)** The "loss of electronic data":

- (a)** Is caused by an "electronic data incident";
- (b)** Takes place in the "coverage territory"; and
- (c)** Did not occur before the Retroactive Date, if any, shown in the Schedule or after the end of the policy period; and

(2) A claim for damages because of the "loss of electronic data" is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** Extended Reporting Period.

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 a settlement in accordance with Paragraph **a.** above.

All claims for damages because of "loss of electronic data" arising out of an "electronic data incident" shall be deemed to have been made at the time the first of those claims is made against any insured.

A claim received and recorded by the insured within 30 days after the end of the policy period will be considered to have been received within the policy period. However, this 30-day period does not apply to claims that are covered under any subsequent insurance you may purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions** is amended by the addition of the following:

This insurance does not apply to:

1. Expected Or Intended Loss

"Loss of electronic data" expected or intended from the standpoint of the insured.

2. Bodily Injury, Property Damage Or Personal And Advertising Injury

Damages that are "bodily injury", "property damage" or "personal and advertising injury".

3. Contractual Liability – Electronic Data

"Loss of electronic data" 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 that the insured would have in the absence of the contract or agreement.

4. Computer Products Or Services Exclusion

"Loss of electronic data" arising out of a negligent act, error or omission, by or for you or anyone acting on your behalf in providing "computer products or services".

5. Damage To Your Data

"Loss of electronic data" that:

a. Is owned by you;

b. Was developed by or for you; or

c. Is "your work" or "your product".

6. Performance Of A Contract

"Loss of electronic data" arising out of a delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

7. Infringement Of Intellectual Property Rights

"Loss of electronic data" arising out of or resulting from the actual or alleged infringement of trademark, copyright, patent, trade secret or other intellectual property rights.

8. Access, Disclosure Or Unauthorized Use Of Electronic Data

Damages arising out of:

a. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

b. Theft or unauthorized viewing, copying, use, corruption, manipulation or deletion of "electronic data" by any Named Insured, past or present "employee", temporary worker or volunteer worker.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph **a.** or **b.** above.

9. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

10. Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

However, with respect to "loss of electronic data" arising out of a criminal act, this exclusion only applies to the extent that the insured:

- a. Admits, under oath; or
- b. Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

C. For the purposes of the coverage provided by this endorsement, Paragraph **B.1.q. Electronic Data Exclusion** does not apply.

D. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

C. 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.
- 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 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 Policy.

E. The following are added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:

5. The Electronic Data Liability Annual Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of "loss of electronic data".

6. Subject to Paragraph **E.5.**, the Each Electronic Data Incident Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of the "loss of electronic data" arising out of any one "electronic data incident".

F. For the purposes of the coverage provided by this endorsement, Paragraph **E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit** is replaced by the following:

- a. You must see to it that we are notified as soon as practicable once you, or any insured listed under Paragraph **C.1. Who Is An Insured**, know or suspect that an "electronic data incident" has occurred, which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the known or suspected "electronic data incident" took place;

(2) The name and address of any person or organization whose "electronic data" was lost or damaged; and

(3) The nature and location of any damage arising out of the known or suspected "electronic data incident".

Notice of a known or suspected "electronic data incident" is not notice of a claim.

G. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

Extended Reporting Period

1. You will have the right to purchase an Extended Reporting Period, as described below, if:

a. This endorsement is cancelled or not renewed for any reason; or

b. We renew or replace this endorsement with insurance that:

(1) Has a Retroactive Date later than the date shown in the Schedule of the endorsement; or

(2) Does not apply to "loss of electronic data" on a claims-made basis.

2. An Extended Reporting Period of three years is available, but only by an endorsement and for an extra charge.

3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to claims to which the following applies:

a. The claim is first made during the Extended Reporting Period;

b. The "loss of electronic data" occurs before the end of the policy period; and

c. The "loss of electronic data" did not commence before the Retroactive Date, if any.

4. You must give us a written request for the Extended Reporting Period endorsement within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.

5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this Policy. Once in effect, the Extended Reporting Period may not be cancelled.

6. 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. Limit of Insurance available under this Policy for future payment of damages; and

d. Other related factors.

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

7. When the Extended Reporting Period is in effect, we will provide an Extended Reporting Period Aggregate Limit of Insurance for any claim first made during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under the Electronic Data Liability Annual Aggregate Limit Of Insurance.

Paragraph E.5. of this endorsement will be amended accordingly.

H. For the purposes of the coverage provided by this endorsement, Paragraphs F.4. and F.18. **Liability And Medical Expenses Definitions** are replaced by the following:

4. "Coverage territory" means all parts of the world provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions), Puerto Rico or Canada, or in a settlement we agree to.

18. "Suit" means a civil proceeding in which damages because of "loss of electronic data" 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.

I. For the purposes of the coverage provided by this endorsement, the following are added to Paragraph F. **Liability And Medical Expenses Definitions:**

23. "Computer products or services" means:

- a. Manufacturing, developing, designing, creating, selling, handling, marketing, distributing, licensing, or disposing of computer or electronic goods, by you or on your behalf. Computer or electronic goods includes, but is not limited to:
 - (1) Computer software or computer programming;
 - (2) Electronic or computer equipment, components or peripherals;
 - (3) Communications or broadcasting equipment; or
 - (4) Industrial or robotic equipment; and any containers (other than vehicles), materials, parts or equipment furnished in connection with such computer or electronic goods, by you or on your behalf; or
- b. Computer-related services performed by you or on your behalf, including but not limited to:
 - (1) Installation, testing, service, maintenance, technical support, repair, integration, networking, consulting or analysis of or training for:
 - (a) Computer software or computer programming;
 - (b) Electronic or computer equipment, components or peripherals;
 - (c) Communications or broadcasting equipment; or
 - (d) Industrial or robotic equipment;
 - (2) Processing, storage, transmission or other handling of "electronic data" for others; or
 - (3) Provision of broadcasting or communication services for others, or consulting, evaluating or advising on such services, including but not limited to broadcasts or communications via television, cable, satellite, radio, Internet, wireless transmissions or cellular transmissions.

24. "Electronic data incident" means an accident, or a negligent act, error or omission, or a series of causally related accidents, negligent acts or errors or omissions, which results in "loss of electronic data".

25. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

26. "Loss of electronic data" means damage to, loss of, loss of use of, corruption of, inability to access, or inability to properly manipulate, "electronic data".

J. For the purposes of the coverage provided by this endorsement, Paragraph H.2. **Other Insurance** is replaced by the following:

2. This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

That is effective prior to the beginning of the policy period shown in the Declarations and that applies to loss of "electronic data" on other than a claims-made basis if:

- a. No Retroactive Date is shown in the Schedule of this endorsement; or
- b. The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – IDENTITY FRAUD EXPENSE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Identity Fraud Expense Aggregate Limit – \$25,000 unless otherwise indicated below:
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\$

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
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Section I – Property is amended as follows:

A. The following is added to Paragraph **A.5.**
Additional Coverages:

Identity Fraud Expense Coverage

1. We will pay up to \$25,000, unless a different Identity Fraud Expense Aggregate Limit is indicated in the Schedule, for the sum of all "expenses" incurred by you as the direct result of all acts of "identity fraud" first discovered or learned of during the policy period.
2. We will pay up to \$5,000 for the sum of all additional advertising expenses you incur to restore your reputation as the result of all acts of "identity fraud" first discovered or learned of during the policy period.
3. Regardless of the number of claims you make:
 - a. The Identity Fraud Expense Aggregate Limit shown in the Schedule is the most we will pay for the sum of all "expenses"; and
 - b. \$5,000 is the most we will pay for the sum of all additional advertising expenses.

These limits are the most we will pay as a result of all acts of "identity fraud" which are first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against you, is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Identity Fraud Expense Coverage is additional insurance.

B. With respect to the coverage provided by this endorsement, the following is added to Paragraph **B. Exclusions:**

We will not pay for:

1. "Expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any fraudulent, dishonest or criminal act by a "perpetrator".

In the event of any such act, no insured is entitled to "expenses" or additional advertising expenses, including insureds who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" or additional advertising expenses incurred by you as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- a. Admits, under oath; or
- b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

2. Loss other than "expenses" or additional advertising expenses.

- C. With respect to the coverage provided by this endorsement, Paragraph **D. Deductible** is replaced by the following:

D. Deductible

We will not pay for "expenses" or additional advertising expenses until the amount of "expenses" and advertising expenses exceeds \$250. We will then pay the amount of "expenses" and additional advertising expenses in excess of the deductible up to the applicable limit of insurance provided in this endorsement. No other deductible applies to Identity Fraud Expense Coverage.

- D. The following is added to Paragraph **E.3. Duties In The Event Of Loss Or Damage** Property Loss Conditions:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" or additional advertising expenses under Identity Fraud Expense Coverage.

- E. If the Employee Dishonesty Optional Coverage is shown as an applicable coverage in the Declarations, the coverage provided by this endorsement does not apply to any loss payable under that Employee Dishonesty Optional Coverage.

- F. The following definitions are added to Paragraph **H. Definitions**:

1. "Expenses" means:

- a. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- c. Costs for obtaining credit reports.
- d. Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$250 per day. Total payment for lost income is not to exceed \$10,000.
- e. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

- f. Reasonable attorney fees incurred as a result of "identity fraud" to:

- (1) Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
- (2) Remove any criminal or civil judgments wrongly entered against you; and
- (3) Challenge the accuracy or completeness of any information in a consumer credit report.

- g. Charges incurred for long distance telephone calls to merchants, vendors, suppliers, customers, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".

2. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of your business, as described in the Declarations, with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

3. "Perpetrator" means:

- a. You;
- b. Your partners, "members", officers, "managers", directors, trustees; or
- c. Any authorized representative of yours, but only if such act was committed with the knowledge or consent of any of the individuals listed in Paragraph **3.a.** or **3.b.** of this definition;

whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

- G. With respect to the coverage provided by this endorsement, the **Other Insurance** Condition under **Section III – Common Policy Conditions** is replaced by the following:

Other Insurance

The coverage provided under this endorsement will be excess over any other insurance or agreement covering the same loss or damage, whether you can collect on it or not. But we will not pay more than the applicable limit of insurance provided under this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

SCHEDULE

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

- A.** An Extended Reporting Period endorsement is provided, as described in Paragraph **A.6.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement.
- B.** An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to "claims" first received and recorded during the Extended Reporting Period. This limit is equal to the Aggregate Limit, if any, entered in the Schedule of the Michigan Changes – Employee Benefits Liability Coverage endorsement in effect at the end of the policy period.
- C.** Paragraph **A.4.a.(2)** of the Michigan Changes – Employee Benefits Liability Coverage endorsement is replaced by the following:
- (2)** The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- However, the Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.
- The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for "claims" first received and recorded during the Extended Reporting Period.
- D.** The following is added to Paragraph **2.** of the **Other Insurance** Condition of Paragraph **B.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement:
- This Employee Benefits Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.
- E.** This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **A.6.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be canceled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD FOR ELECTRONIC DATA LIABILITY – BROAD COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – ELECTRONIC DATA LIABILITY – BROAD COVERAGE ENDORSEMENT

SCHEDULE

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

- A.** An Extended Reporting Period endorsement is provided, as described in Paragraph **G.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement.
- B.** An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Electronic Data Liability Annual Aggregate Limit entered in the Schedule of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement or shown in the Declarations as applicable to this coverage in effect at the end of the policy period.
- C.** Paragraph **E.5.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement is replaced by the following:
- 5.** The Electronic Data Liability Annual Aggregate Limit is the most we will pay for the sum of all damages because of "loss of electronic data".
- However, the above Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.
- The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of "loss of electronic data" for claims first received and recorded during the Extended Reporting Period.
- D.** The following is added to the **Other Insurance** Condition of Paragraph **J.2.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement:
- This Electronic Data Liability insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis whose policy period begins or continues after the Extended Reporting Period endorsement takes effect.
- E.** This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **G.** of the Michigan Changes – Electronic Data Liability – Broad Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CONDOMINIUMS, CO-OPS, ASSOCIATIONS – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Named Association:	
Directors And Officers Liability Annual Aggregate Limit Of Insurance:	\$
Deductible:	\$
Pending Or Prior Litigation Date:	Retroactive Date:
<input type="checkbox"/> Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

For the purposes of the coverage provided by this endorsement, **Section II – Liability** is amended as follows:

A. The following are added to Paragraph A. Coverages:

1. Insuring Agreement – Management Liability

- a.** We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

- b.** If a "claim" against an "insured person" includes a "claim" against the "insured person's" spouse (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1)** Such spousal status; or
- (2)** Such spouse's ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such spouse becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the spouse will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" spouse.

- c.** This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1) The estate, heirs or legal representatives of a deceased "insured person"; and
- (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" spouse or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

- B.** For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions, Subparagraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" arising out of any deliberately criminal act, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or

- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- b.** For "bodily injury".

- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".

- d.** For "property damage".

- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.

- f. Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.
 - g. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1) During a prior policy period of this policy; or
 - (2) Under any insurance policy of which this policy is a replacement.
 - h. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
 - i. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance.
 - j. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
 - k. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
 - (1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2) A "claim" arising out of a "wrongful employment practices act".
 - l. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
 - m. For liability under or breach of any oral, written or implied contract or agreement, or for liability of others assumed by the "association" under any such contract or agreement, except if:
 - (1) The "association" would have been liable in the absence of such contract or agreement; or
 - (2) Allegations of liability or breach of such contract or agreement are made in a "claim" arising out of a "wrongful employment practices act";
 - n. Arising out of "personal and advertising injury".
 - o. Arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2) Any 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
 - (3) A "claim" made or "suit" brought by or on behalf of any 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";

including without limitation any "claim" by or on behalf of the "association".
 - p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this policy.
- A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph B.
- C.** For the purposes of the coverage provided by this endorsement, Paragraph C. **Who Is An Insured** is replaced by the following:
- 1. The "association" is an insured.
 - 2. "Insured persons" are insureds.

D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Annual Aggregate Limit Of Insurance

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit of Insurance shown in the Schedule. This limit applies regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit of Insurance shown in the Schedule, thereby reducing that Limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

E. For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- 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 person involved in the specific "wrongful act", including names and addresses of the potential claimants;

- c. Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";

- d. The nature of the alleged or potential damages arising from such specific "wrongful act"; and

- e. The circumstances by which the insureds first became aware of the specific "wrongful act".

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

- a. Immediately record the specifics of the "claim" 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" 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";

- b. Authorize us to obtain records and other information;

- c. Cooperate with us in the investigation or settlement of the "claim"; 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 "wrongful acts" to which this insurance may also apply.

- 4. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

- 5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- 6. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

- F. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period from us if:
 - a. This endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to "wrongful acts" on a claims-made basis.
 2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.
 3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.
 4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
 5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
 6. 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. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.
 7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this policy was cancelled or nonrenewed.
- H. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions of Section II – Liability:**
1. "Association" means the entity named in the Schedule as the named association.
 2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;for a "wrongful act", including any appeal therefrom.

3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".
4. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
5. "Insured person" means any former, present or future director, officer, trustee, employee or volunteer of the "association".
6. "Interrelated wrongful act" means all causally connected "wrongful acts".
7. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.
8. "Wrongful act" includes a "wrongful employment practices act" and means:
 - a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
 - b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
9. "Wrongful employment practices act" means any actual or alleged:
 - a. Wrongful dismissal, discharge or termination of employment;
 - b. Breach of any implied employment contract;
 - c. Employment-related misrepresentation;
 - d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
 - e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
 - f. Wrongful failure to employ or promote;
 - g. Wrongful reference, discipline or deprivation of a career opportunity;
 - h. Failure to adopt adequate workplace or employment policies and procedures; or
 - i. Illegal retaliatory treatment.
- I. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" 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.

MICHIGAN CHANGES – APARTMENT BUILDINGS SUPPLEMENTAL SCHEDULE

POLICY NUMBER:		COMPANY:	
NAMED INSURED:			

This Schedule may be used in conjunction with the Businessowners Policy Declarations when it is used to insure Apartment Buildings and modified by the Michigan Changes – Apartment Buildings endorsement.

ENDORSEMENT BP 07 97: Applicable only to premises for which entries are shown below:

Premises Information			
Premises Number	Building Number	Premises Address	Premium
			\$
			\$
			\$

FINE ARTS COVERAGE: Applicable only to premises for which entries are shown below:

Premises Number	Premium
	\$
	\$
	\$

LOSS OR DAMAGE TO TENANTS' AUTOS (LEGAL LIABILITY COVERAGE): Applicable only to premises for which entries are shown below:

Premises Number	Limit Of Liability (Per Event)	Deductible Other Than Collision		Collision Deductible
		For Each Tenant's Auto	Maximum Deductible In Any One Event	
	\$	\$	\$	\$
	\$			
	\$			
Premium For All Premises:	\$			

FORMS APPLICABLE TO SPECIFIC PREMISES/COVERAGES:

Premises Number	Building Number	Coverage	Form Number

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

For a covered "auto" licensed or principally garaged in Michigan, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, **Covered Autos Liability Coverage** does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.

2. The **Expected Or Intended Injury** Exclusion is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

3. The **Racing** Exclusion is replaced by the following:

Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

B. Changes In Physical Damage Coverage

Any **Physical Damage Coverage** and any **Rental Reimbursement Coverage** provided by the Policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes In Conditions

1. The **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is amended to:

- a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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

Concealment, Misrepresentation Or Fraud

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

a. This Coverage Form;

b. The covered "auto";

c. Your interest in the covered "auto"; or

d. A claim under this Coverage Form.

POLICY NUMBER:

COMMERCIAL AUTO
CA 27 01 11 20

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Coverage	Limits Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ Each Employee	\$	\$
	\$ Employee Benefits Aggregate		
Retroactive Date			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Employee Benefits Liability Coverage

1. Coverage

- a. We will pay those sums that the "insured" becomes legally obligated to pay as damages because of any act, error or omission, of the "insured", or of any other person for whose acts the "insured" is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D. Limits Of Insurance**; and
- (2) Our right to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph **B. Supplementary Payments**.

- b. This insurance applies to damages only if:

- (1) The act, error or omission is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any "insured", in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **G. Extended Reporting Period** of this endorsement.

- c. A "claim" 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.

A "claim" received and recorded by the "insured" within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any "insured", including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- (1) Admits, under oath; or

- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

b. Bodily Injury, Property Damage Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any "insured" is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the "insured", from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. Supplementary Payments

We will pay for the "insured":

1. All expenses we incur.
2. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
3. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
4. All costs taxed against the "insured" in any "suit" against the "insured" we defend.

5. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

C. Who Is An Insured

The following are "insureds" for Employee Benefits Liability Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the "administration" of your "employee benefit program".
3. Your members, if you are a limited liability company, but only with respect to the "administration" of your "employee benefit program". Your managers are also "insureds", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insureds" but only with respect to their liability as stockholders.
5. Each of your "employees" who is or was authorized to administer your "employee benefit program".
6. Any "auto" dealership that is acquired or formed by you, other than a partnership or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that "auto" dealership. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier.
- b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the "auto" dealership.

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

D. Limits Of Insurance

1. The Limits Of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - a. "Insureds";
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits";
 - d. Acts, errors or omissions; or
 - e. Benefits included in your "employee benefit program".
2. The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
3. Subject to the Employee Benefit Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - a. An act, error or omission; or
 - b. A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the Policy to which this endorsement is attached, 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.

E. Deductible

1. Our obligation to pay damages on behalf of the "insured" applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
2. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
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, and the duties of any other involved "insured", in the event of an act, error or omission, or "claim"apply irrespective of the application of the deductible amount.
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 as we have paid.

F. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of An Act, Error Or Omission, Or Claim Or Suit

 - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a "claim" is made or "suit" is brought against any "insured", you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and

(2) Notify us as soon as practicable.

c. You and any other involved "insured" must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of an act, error or omission to which this insurance may also apply.

d. Notice given by or on behalf of the "insured" to our authorized agent, with particulars sufficient to identify the "insured", shall be considered notice to us.

e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

f. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

If other valid and collectible insurance is available to the "insured" for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

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

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-"insured" amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits Of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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 limits of insurance to the total applicable limits of insurance of all insurers.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is cancelled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be cancelled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" "insured";
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for "claims" first received and recorded during the Extended Reporting Period.

The extended reporting period employee benefit aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits Of Insurance.

Paragraph **D.2.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.3.**

H. Definitions

For the purposes of the coverage provided by this endorsement, **Section V – Definitions** is amended as follows:

1. The "employee" definition is replaced by the following:

"Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
2. The "suit" definition is replaced by the following:

"Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

3. The following definitions are added:

a. "Administration" means:

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

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

b. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pretax dollars.

c. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

d. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- (1)** Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- (2)** Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- (3)** Unemployment insurance, social security benefits, workers' compensation and disability benefits;

- (4)** Vacation plans, including buy-and-sell programs; leave of absence programs, including military, maternity, family and civil leave; tuition assistance plans; transportation and health club subsidies; and

- (5)** Any other similar benefits designated in the Schedule or added thereto by endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CUSTOMER COMPLAINT LEGAL DEFENSE COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE FOR DEFENSE EXPENSES ONLY.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Limit Of Insurance		Premium
\$	Per Customer Complaint Legal Defense Limit	\$
\$	Customer Complaint Legal Defense Aggregate Limit	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay for "defense expenses" incurred to defend an "insured" against a "customer complaint" to which this insurance applies. We will have the duty to defend any "insured" against a "customer complaint". However, we will have no duty to defend an "insured" against any "customer complaint" to which this insurance does not apply. We may investigate and, with your written consent, settle any "customer complaint" as we consider appropriate. However:
 - a. The amount we will pay for "defense expenses" is limited as described in Paragraph **D. Limit Of Insurance**; and
 - b. Coverage for "defense expenses" ends when the applicable Limit Of Insurance shown in the Schedule has been exhausted.

2. No other obligation to pay sums such as:
 - a. Prejudgment or postjudgment interest;
 - b. Punitive damages;
 - c. Civil or criminal fines; or
 - d. Penalties imposed by law
 imposed on the "insured" is covered unless explicitly provided for in the definition of "defense expenses" contained in Paragraph **F.2.b.** of this endorsement.
3. This insurance applies only if the "customer complaint" is made within the coverage territory and during the policy period in accordance with Paragraph **A.4.**
4. A "customer complaint" will be deemed to have been made when notice of such "customer complaint" is received and recorded by any "insured" or by us, whichever comes first.

A "customer complaint" received and recorded by the "insured" within 30 days after the end of the policy period will be considered to have been made within the policy period, if no subsequent insurance is available to cover "defense expenses" associated with such "customer complaint".

5. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be deemed to have been made at the time the first of those "customer complaints" is made against any "insured".

B. Exclusions

1. This insurance does not apply to "defense expenses" incurred as a result of "customer complaints" arising out of:

a. Accidents, Personal And Advertising Injury, Acts, Errors Or Omissions And Loss

- (1) An "accident";
- (2) "Personal and advertising injury";
- (3) "Acts, errors or omissions"; or
- (4) "Loss" to an "auto" while the "insured" is attending, servicing, repairing, parking or storing it in your "auto dealer operations".

b. Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Any criminal, fraudulent, malicious, dishonest or intentional act, error or omission by an "insured", including the willful or reckless violation of any law or regulation.

However, this exclusion does not apply to any "insured" who did not:

- (1) Personally commit;
- (2) Personally participate in;
- (3) Personally acquiesce to; or
- (4) Remain passive after having knowledge of;

any such act, error or omission.

In addition, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

c. Product Recall

The loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of your "products" or "work you performed" or other property of which they form a part, 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.

d. Mechanical Breakdown Or Warranty Agreements

Any obligation under a warranty or mechanical breakdown agreement.

2. This insurance does not apply to the payment of judgments or settlements.

C. Who Is An Insured

The following are "insured's" for Customer Complaint Legal Defense Coverage:

1. You.
2. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
3. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insured's", but only with respect to their duties as your managers.
4. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, but only with respect to their duties as your officers or directors. Your stockholders are also "insured's", but only with respect to their liability as stockholders.
5. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of employment by you or while performing duties related to the conduct of your "auto dealer operations".

6. Any "auto" dealership that is acquired or formed by you, other than a partnership 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 "auto" dealership. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the "auto" dealership or the end of the policy period, whichever is earlier; and
- b. Coverage does not apply to "consumer complaints" that were first made before you acquired or formed the "auto" dealership.

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

D. Limit Of Insurance

1. Regardless of the number of:

- a. "Insureds";
- b. "Customer complaints"; or
- c. Persons or organizations bringing "customer complaints";

the Customer Complaint Legal Defense Aggregate Limit shown in the Schedule is the most we will pay for all "defense expenses" because of "customer complaints" covered under this endorsement.

2. Subject to the Customer Complaint Legal Defense Aggregate Limit described in Paragraph D.1., the Per Customer Complaint Legal Defense Limit shown in the Schedule is the most we will pay for the sum of all "defense expenses" because of any one "customer complaint".

3. All "customer complaints" arising out of the sale, service or repair of the same "auto" will be considered one "customer complaint" for the purposes of determining the "Per Customer Complaint" Legal Defense Limit.

4. The Customer Complaint Legal Defense Aggregate Limit applies 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 Customer Complaint Legal Defense Aggregate Limit.

E. Changes In Conditions

For the purposes of the coverage provided by this endorsement, **Section IV – Conditions** is amended as follows:

1. The **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** Condition is replaced by the following:

Duties In The Event Of Customer Complaint

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

a. In the event of a "customer complaint", you must:

- (1) Immediately record the specifics of the "customer complaint" and the date received; and
- (2) Notify us, in writing, as soon as practicable.

b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the "customer complaint".
- (3) Cooperate with us in the investigation or settlement of the "customer complaint" or defense against the "customer complaint".
- (4) Authorize us to obtain records and other pertinent information.

2. The **Other Insurance** Condition is replaced by the following:

Other Insurance

This insurance is excess over any other collectible insurance providing "defense expenses" for "customer complaints".

3. The **Policy Period, Coverage Territory** Condition is replaced by the following:

Policy Period, Coverage Territory

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

4. The following condition is added:

Transfer Of Duties When The Limit Of Insurance Is Exhausted

- a. If we defend the "insured" against a "customer complaint" and we conclude that, based on "customer complaints" which have been reported to us and to which this insurance may apply, the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit is likely to be exhausted by the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.
- b. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted in the payment of "defense expenses", we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that the applicable Limit of Insurance has actually been exhausted, and that our duty to defend the "insured" against any "customer complaint" has ended;
 - (2) Initiate, and cooperate in, the transfer of control to any appropriate "insured", of all "customer complaints" for which the duty to defend has ended for the reason described in Paragraph **E.4.b.** and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to continue the defense of such "customer complaints" until such transfer is completed, provided the appropriate "insured" is cooperating in completing such transfer.
- c. When the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit has actually been exhausted by the payment of "defense expenses", the first Named Insured, and any other "insured" involved in a "customer complaint" subject to these limits, must:
 - (1) Cooperate in the transfer of control of "customer complaints"; and
 - (2) Arrange for the defense of such "customer complaint" within such time period as agreed to between the appropriate "insured" and us. Absent any such agreement, arrangements for the defense of such "customer complaint" must be made as soon as practicable.

- d. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **E.4.b.**

The duty of the first Named Insured to reimburse us will begin on:

- (1) The date on which the Limit of Insurance is used up, if we sent notice in accordance with Paragraph **E.4.a.**; or
 - (2) The date on which we sent notice in accordance with Paragraph **E.4.b.**, if we did not send notice in accordance with Paragraph **E.4.a.**
- e. The exhaustion of the Per Customer Complaint Legal Defense Limit or Customer Complaint Legal Defense Aggregate Limit by the payment of "defense expenses" and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this condition.

F. Definitions

For the purposes of the coverage provided by this endorsement:

- 1. The definition of "suit" contained in **Section V – Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "customer complaint" to which this insurance applies are claimed.

"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;
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.
- 2. The following definitions are added:
 - a. "Customer complaint" means a claim or "suit" made by or on behalf of your customer for damages as the result of the sale, service or repair of an "auto" in your "auto dealer operations".

b. "Defense expenses" means payments allocated to a specific "customer complaint" we investigate or defend, including:

(1) All expenses we incur.

(2) All reasonable expenses incurred by the "insured" at our request to assist us in the investigation or defense of the "customer complaint", including actual loss of earnings up to \$250 a day because of time off from work.

(3) All court costs taxed against the "insured" in any "customer complaint" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – AUTO DEALERS COVERAGE FORM

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, **Covered Autos Liability Coverage** does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.

2. Paragraph **2.b.(4)** of the **Who Is An Insured** Provision is replaced by the following:

(4) Your customers. However, those customers are "insureds" up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

3. The **Expected Or Intended Injury** Exclusion is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

4. The **Racing** Exclusion is replaced by the following:

Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

B. Changes In Physical Damage Coverage

Any **Physical Damage Coverage** and any **Rental Reimbursement Coverage** provided by the Policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes In Personal And Advertising Injury Liability

The **Criminal Acts** Exclusion is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the "insured":

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

D. Changes In Acts, Errors Or Omissions Liability Coverage

The **Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts** Exclusion is replaced by the following:

This insurance does not apply to:

Criminal, Fraudulent, Malicious, Dishonest Or Intentional Acts

Damages arising out of any criminal, fraudulent, malicious, dishonest or intentional "act, error or omission" by an "insured", including the willful or reckless violation of any law or regulation.

However, this exclusion does not apply to any "insured" who did not:

- a. Personally commit;
- b. Personally participate in;
- c. Personally acquiesce to; or
- d. Remain passive after having knowledge of;

any such "act, error or omission".

In addition, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the "insured":

- a. Admits, under oath; or
- b. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

E. Changes In Conditions

1. The Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions Condition is amended to:

- a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this condition.

- b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

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

Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN EXTENDED REPORTING PERIOD ENDORSEMENT FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN EMPLOYEE BENEFITS LIABILITY COVERAGE

SCHEDULE

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

A. A Michigan Extended Reporting Period Endorsement is provided, as described in Paragraph **G.** of the Michigan Employee Benefits Liability Coverage endorsement.

B. A Michigan Employee Benefits Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to "claims" first received and recorded during the Extended Reporting Period. This limit is equal to the Employee Benefits Aggregate Limit, if any, entered in the Schedule of **CA 27 01** in effect at the end of the policy period.

C. Paragraph **D.2.** of the Michigan Employee Benefits Liability Coverage endorsement is replaced by the following:

- 2.** The Employee Benefits Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Employee Benefits Aggregate Limit does not apply to "claims" first received and recorded during the Extended Reporting Period.

The Employee Benefits Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for "claims" first received and recorded during the Extended Reporting Period.

- D.** The following is added to Subparagraph **2.b.(1)** of the **Other Insurance** Condition of Paragraph **F.** of the Michigan Employee Benefits Liability Coverage endorsement:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Michigan Extended Reporting Period Endorsement takes effect.

- E.** This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **G.** of the Michigan Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** The paragraph relating to prejudgment interest in **Supplementary Payments**, Section **I**, is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

- B.** With respect to the **Duties** Condition, Section **IV**:

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. The last sentence of Paragraph **2.b.** is deleted.
3. The reference to Paragraph **d.** is amended to read Paragraph **e.**
4. The following is added:
 - d.** Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- C.** The **Criminal Acts** Exclusion under **Coverage B – Personal And Advertising Injury Liability** of the Commercial General Liability Coverage Part is replaced by the following:

Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

1. Admits, under oath; or

2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- D.** The **Criminal Or Fraudulent Acts** Exclusion of the Electronic Data Liability Coverage Form is replaced by the following:

Criminal Or Fraudulent Acts

"Loss of electronic data" arising out of a criminal or fraudulent act committed by or at the direction of the insured.

However, with respect to "loss of electronic data" arising out of a criminal act, this exclusion only applies to the extent that the insured:

1. Admits, under oath; or
2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$ Each Employee	\$	\$
	\$ Aggregate		
Retroactive Date:			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. The following is added to Section I – Coverages:

Coverage – Employee Benefits Liability

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, 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 to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** (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.

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

b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph **c.** below, during the policy period or an Extended Reporting Period we provide under Paragraph **F.** of this endorsement.

c. A "claim" 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.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, 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. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

However, with respect to damages arising out of any criminal act, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and Employee Benefits Liability.
2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of **Section II – Who Is An Insured** are replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

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 no other similar insurance applies 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 under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

(1) An act, error or omission; or

(2) A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

2. Deductible

a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

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

(1) Our right and duty to defend any "suits" seeking those damages; and

(2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E.** For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV – Commercial General Liability Conditions** are replaced by the following:
- 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was and when it occurred; and
 - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
 - b. If a "claim" is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
 - d. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
- e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.
 - f. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.
- 4. Other Insurance**
- If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:
- a. **Primary Insurance**
This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.
 - b. **Excess Insurance**
 - (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
 - (a) No Retroactive Date is shown in the Schedule of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
 - (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all 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 limits of insurance to the total applicable limits of insurance of all insurers.

- F.** For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

Extended Reporting Period

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The 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 "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the 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 Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

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

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

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

- b.** Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- c.** Unemployment insurance, social security benefits, workers' compensation and disability benefits;

- d.** Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and

- e.** Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:

- 5.** "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

- 18.** "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – EXTENDED REPORTING PERIOD ENDORSEMENT FOR EMPLOYEE BENEFITS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

MICHIGAN CHANGES – EMPLOYEE BENEFITS LIABILITY COVERAGE ENDORSEMENT

SCHEDULE

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

A. An Extended Reporting Period Endorsement is provided, as described in Paragraph **F.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement.

B. An Extended Reporting Period Aggregate Limit applies, as set forth below in Paragraph **C.** of this endorsement, to claims first received and recorded during the Extended Reporting Period. This limit is equal to the Aggregate Limit, if any, entered in the Schedule of **CG 04 73** in effect at the end of the policy period.

C. Paragraph **D.1.b.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement is replaced by the following:

1. Limits Of Insurance

b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the Aggregate Limit does not apply to claims first received and recorded during the Extended Reporting Period.

The Extended Reporting Period Aggregate Limit is the most we will pay for damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program" for claims first received and recorded during the Extended Reporting Period.

D. The following is added to Subparagraph **4.b.(1)** of the Other Insurance Condition of Paragraph **E.** of the Michigan Changes – Employee Benefits Liability Coverage Endorsement:

4. Other Insurance

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis; whose policy period begins or continues after the Extended Reporting Period Endorsement takes effect.

E. This endorsement will not take effect unless the additional premium for it, as set forth in Paragraph **F.** of the Michigan Changes – Employee Benefits Liability Coverage endorsement, is paid when due. If that premium is paid when due, this endorsement may not be cancelled.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PERSONAL INJURY LIABILITY

This endorsement modifies insurance provided under the following:

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

- A. The heading for **Section I – Coverages – Bodily Injury And Property Damage Liability** is revised as follows:

Section I – Coverages

Coverage A – Bodily Injury And Property Damage Liability

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

2. Exclusions

This insurance does not apply to:

Personal Injury

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

- C. The following is added to **Section I – Coverages**:

Coverage B – Personal Injury Liability

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal 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 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.

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

- b. This insurance applies to "personal injury" caused by an offense arising out of operations performed for you by the "contractor" at the location specified in the Declarations, but only if the offense was committed during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal 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 injury".

b. Criminal Acts

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

However, this exclusion only applies to the extent that the insured:

(1) Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

c. Contractual Liability

"Personal 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.

d. Pollution

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

e. Pollution-related

Any loss, cost or expense arising out of any:

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

D. The paragraph relating to prejudgment interest in Section I – Supplementary Payments is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

E. Paragraphs 2. and 3. of Section III – Limits Of Insurance are replaced by the following:

2. The Aggregate Limit is the most we will pay for the sum of damages because of all "bodily injury", "property damage" and "personal injury".
3. Subject to 2. above, the Each Occurrence Limit is the most we will pay for the sum of damages because of all "bodily injury" and "property damage" arising out of any one "occurrence" and all "personal injury" sustained by any one person or organization.

F. Paragraph 4. of the Duties In The Event Of Occurrence, Claim Or Suit under Section IV – Conditions is replaced by the following:

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
- (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

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

c. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.

d. You and any other involved insured must:

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

e. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

f. No insured will, 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.

G. Paragraphs a., c., d. and e. of Cancellation under Section IV – Conditions are replaced by the following:

2. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

- c. We will mail or deliver our notices to the first Named Insured's and the "contractor's" last mailing addresses known to us or our authorized agent.
 - d. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.
 - e. If this Policy is cancelled, we will send the "contractor" any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- H. Paragraph **13. When We Do Not Renew** under **Section IV – Conditions** is replaced by the following:
- 13. When We Do Not Renew**
- If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.
- If notice is mailed, proof of mailing shall be sufficient proof of notice.
- I. The definition of "suit" in **Section V – Definitions** is replaced by the following:
- 18. "Suit"** means a civil proceeding, brought in the United States of America (including its territories and possessions), Puerto Rico or Canada, in which damages because of "bodily injury", "property damage" or "personal 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.
- J. The following is added to **Section V – Definitions**:
- "Personal injury" means injury, including consequential "bodily injury", arising out of the offenses of false arrest, detention or imprisonment.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

- A.** The Conditions of this Coverage Part that are in conflict with the statutes of the State of Michigan are amended to conform to such statutes.
- B. Loss Condition B. Appraisal** in the Commercial Inland Marine Conditions is replaced by the following:
- B. Appraisal**
- If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and independent appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the other expenses of the appraisal and umpire equally.
- If there is an appraisal, we will still retain our right to deny the claim.
- C. General Condition A. Concealment, Misrepresentation Or Fraud** in the Commercial Inland Marine Conditions is replaced by the following:
- A. Concealment, Misrepresentation Or Fraud**
- This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact by you concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. Your interest in the Covered Property; or
 4. A claim under this Coverage Part.
- D.** Wherever it appears, the phrase minimum annual premium is replaced by the phrase minimum written premium.
- E.** With respect to the:
- Commercial Articles Coverage Form
 - Camera And Musical Instrument Dealers Coverage Form
 - Equipment Dealers Coverage Form
 - Physicians And Surgeons Equipment Coverage Form
 - Signs Coverage Form
 - Theatrical Property Coverage Form
 - Film Coverage Form
 - Floor Plan Coverage Form
 - Jewelers Block Coverage Form
 - Accounts Receivable Coverage Form
 - Valuable Papers And Records Coverage Form
- The exclusion for dishonest or criminal act (including theft) under **B.2. Exclusions** is replaced by the following:
- Dishonest or criminal act (including theft) committed by a "perpetrator".
- This exclusion applies whether or not an act occurs during your normal hours of operation.
- This exclusion does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":
- (1) Admits, under oath; or
 - (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. The following **Definition** is added to the following:

- Commercial Articles Coverage Form
- Camera And Musical Instrument Dealers Coverage Form
- Equipment Dealers Coverage Form
- Physicians And Surgeons Equipment Coverage Form
- Signs Coverage Form
- Theatrical Property Coverage Form
- Film Coverage Form
- Floor Plan Coverage Form
- Jewelers Block Coverage Form
- Accounts Receivable Coverage Form
- Valuable Papers And Records Coverage Form

"Perpetrator" means:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;
- (2) A manager or a member if you are a limited liability company; or
- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDERS RISK – THEFT OF BUILDING MATERIALS, FIXTURES, MACHINERY, EQUIPMENT – MICHIGAN

This endorsement modifies insurance provided under the following:

BUILDERS RISK COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Theft Limit Of Insurance	Theft Deductible
		\$	\$
		\$	\$
		\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

- A.** Subject to the provisions of Paragraphs **B.** through **E.** below and all other provisions of this Policy, we will pay for loss or damage by theft or attempted theft of the following property if such property is intended to be permanently located in or on the building or structure described in the Schedule or within 100 feet of its premises:
1. Fixtures and machinery;
 2. Equipment used to service the building; and
 3. Building materials and supplies used for construction.
- B.** We will not pay for loss or damage by theft or attempted theft which occurs during the hours or days while construction is not in progress, unless a watchman is on duty at the described premises during such time.
- C.** The most we will pay for loss or damage in any occurrence of theft or attempted theft is the Theft Limit Of Insurance shown in the Schedule.
- D.** The Theft Deductible shown in the Schedule is the only deductible that applies to the coverage provided under this endorsement.
- E.** Theft or attempted theft as covered under this endorsement does not include:
1. Dishonest or criminal acts by a "perpetrator".
This exclusion applies whether or not the dishonest or criminal act occurs during your normal hours of operation.
However, with respect to criminal acts, this exclusion only applies to the extent that the "perpetrator":
 - (1) Admits, under oath; or
 - (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

2. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 3. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- F. For the purpose of the coverage provided by this endorsement, "perpetrator" means:
1. You, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;
 2. Any contractors or subcontractors or their respective employees (including temporary employees and leased workers); or
 3. Any person to whom the property is entrusted for any purpose;
- whether the dishonest or criminal act is committed by someone acting alone or in collusion with any other party who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA AND INFORMATION SECURITY PROTECTION CYBER POLICY

- A. Paragraph 20. in Section V – Exclusions** of the Financial Institutions Information Security Protection Cyber Policy, Information Security Protection Cyber Policy and Media And Information Security Protection Cyber Policy is replaced by the following:
- 20.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreements **2.** Security Breach Liability and **8.** Security Breach Expense.
- With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.
- B. Paragraph 19. in Section V – Exclusions** of the Commercial Cyber Insurance Policy is replaced by the following:
- 19.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under Insuring Agreements **1.** Security Breach Expense and **6.** Security Breach Liability.
- With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

C. The following is added to the Duties In The Event Of Claim Or Loss Condition in Section VI – Conditions:

- c. Notice given by or on behalf of the "named insured" to "our" authorized agent, with particulars sufficient to identify the "named insured", shall be considered notice to "us".

- d. Failure to give any notice required by this condition within the time period specified shall not invalidate any "claim" made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – PROVIDE COVERAGE FOR DISHONEST, MALICIOUS OR FRAUDULENT ACTS COMMITTED BY EMPLOYEES

This endorsement modifies insurance provided under the following:

COMMERCIAL CYBER INSURANCE POLICY
FINANCIAL INSTITUTIONS INFORMATION SECURITY PROTECTION CYBER POLICY
INFORMATION SECURITY PROTECTION CYBER POLICY
MEDIA INFORMATION SECURITY PROTECTION CYBER POLICY

- A.** Under the Commercial Cyber Insurance Policy, Exclusion **19.** of **Section V – Exclusions** is replaced by the following:
- 19.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.
- With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.
- B.** Under the Information Security Protection Cyber Policy, the Financial Institutions Information Security Protection Cyber Policy and the Media And Information Security Protection Cyber Policy, Exclusion **20.** of **Section V – Exclusions** is replaced by the following:
- 20.** Any criminal, dishonest, malicious or fraudulent act or any willful violation of any statute or regulation committed by an "insured", acting alone or in collusion with others. However, with the exception of "claims" excluded under Exclusion **13.**, this exclusion shall not apply to dishonest, malicious or fraudulent acts committed by an "employee" which give rise to a "claim" or "loss" covered under this Policy.
- With the exception of "claims" excluded under Exclusion **13.**, we will defend the "insured" against any "claim" alleging such acts or violations until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- With respect to "claims" excluded under Exclusion **13.**, and based upon, attributable to or arising out of any criminal act, we will defend the "insured" against any "claim" alleging such criminal act until final adjudication is rendered against that "insured". Final adjudication rendered against one "insured" shall not be imputed to any other "insured".
- We will not provide indemnification for any "claim" to which any "insured" enters a guilty plea or pleads no contest and we will not provide a defense from the time we become aware that any "insured" intends to so plead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided by the following:

CAUSES OF LOSS FORM – FARM PROPERTY
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS,
DEFINITIONS
LIVESTOCK COVERAGE FORM
MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

A. Under the Exclusions – Other Exclusions, Paragraph **B.2.a.(6)** in the Mobile Agricultural Machinery And Equipment Coverage Form, under **Covered Causes Of Loss – Basic – Theft,** Paragraph **B.9.a.(9)** and under **Covered Causes Of Loss – Special,** Paragraph **D.1.p.** in the Causes Of Loss Form – Farm Property are replaced by the following:

Dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a)** Applies whether or not an act occurs during your normal hours of operation;
- (b)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (a)** Admits, under oath; or

(b) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

B. Paragraph A.3.b.(2) under Covered Cause Of Loss – Theft of Paragraph A.3. Covered Causes Of Loss – in the Livestock Coverage Form is replaced by the following:

(2) Under this Cause of Loss, we will not pay for:

- (a)** Theft of Covered Property when the theft; or
- (b)** "Loss" caused by or resulting from or made necessary by attempted theft of Covered Property when the attempted theft is caused by or results from dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the Covered Property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (a) Applies whether or not an act occurs during your normal hours of operation;
- (b) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the Covered Property:

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- C. The following is added to Paragraph **F.** in the Livestock Coverage Form and the Mobile Agricultural Machinery And Equipment Coverage Form and Paragraph **C.** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions Form:

"Perpetrator" means:

- a. You;
- b. Any "insured"; or
- c. Any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNIT-OWNERS COVERAGE – MICHIGAN

This endorsement modifies insurance provided under the following:

FARM COVERAGE PART

SCHEDULE

Unit Number	Description
Coverage A Limit Of Insurance:	\$
Coverage C Limit Of Insurance:	\$
Coverage D Limit Of Insurance:	\$
Loss Assessment Limit Of Insurance – Property:	\$
Loss Assessment Limit Of Insurance – Liability:	\$
Covered Causes Of Loss – Basic Or Broad:	
Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing (Paragraph B.1.b.(2)(a)) Applies:	<input type="checkbox"/>
Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail (Paragraph B.1.b.(2)(b)) Applies:	<input type="checkbox"/>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Definitions

- With respect solely to the coverage provided by this endorsement, Paragraph **C. Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions is revised as follows:

- Definition 4. "Dwelling" is replaced by the following:

- "Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- Owned and occupied by you; or

- Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

- Definition 7. "Insured location" is replaced by the following:

- "Insured location" means the location of the "dwelling".

- c. The following definition is added:

"Perpetrator" means:

- a. You;
- b. Any "insured"; or
- c. Any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives;

whether acting alone or in collusion with each other or with any other party who commits the dishonest or criminal act.

2. With respect solely to the coverage provided by this endorsement, **Section IV – Definitions** of the Farm Liability Coverage Form is revised as follows:

- a. Definition **14.** "Insured location" is replaced by the following:

14. "Insured location" means the location of the "dwelling".

- b. The following definition is added:

"Dwelling" means the unit used principally for family residential purposes and described in the Schedule.

The "dwelling" must be either:

- a. Owned and occupied by you; or
- b. Owned by a partnership or a joint venture, or an organization other than a partnership or joint venture and occupied by a member or stockholder of the partnership or joint venture, or the organization other than the partnership or joint venture, and you have an ownership interest in the partnership, joint venture or organization.

B. Section I – Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. **Section I – Coverages, Coverage A – Dwellings, Paragraphs A. Coverage, A.1. Covered Property, A.2. Property Not Covered and B.1. Coverage A Conditions,** the Property Valuation, Loss Condition are replaced by the following:

a. Coverage A

We will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **A** of this endorsement caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

(1) Covered Property

The following are Covered Property under Coverage **A** of this endorsement:

- (a) The alterations, appliances, fixtures and improvements which are part of the building contained within the "dwelling";
- (b) Items of real property which pertain exclusively to the "dwelling";
- (c) Property that is your insurance responsibility under a corporation or association of property owners agreement; or
- (d) Structures owned solely by you, other than the "dwelling", at the "insured location".

(2) Property Not Covered

The following are not Covered Property under Coverage **A** of this endorsement:

- (a)** Land, including land on which the "dwelling", real property or structures are located;
- (b)** Structures rented or held for rental to any person who does not reside in the "dwelling", unless used solely as a private garage;
- (c)** Structures used to store "business property";
- (d)** Water; or
- (e)** Trees, shrubs, plants or lawns, except to the extent provided for in Paragraph **C.1.** of this endorsement.

b. Coverage A Conditions

Loss Condition – Valuation

(1) Covered Property

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

- (a)** If the loss or damage is repaired or replaced within a reasonable time, at the actual cost to repair or replace.
- (b)** If the loss or damage is not repaired or replaced within a reasonable time, at actual cash value but not more than the amount required to repair or replace.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(2) Roof Surfacing

(a) Actual Cash Value – Windstorm Or Hail Losses To Roof Surfacing

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(a)**:

In the event of loss or damage to roof surfacing caused by windstorm or hail, we will settle such loss or damage to roof surfacing at actual cash value as of time of loss, but we will not pay more than the amount necessary for repair or replacement.

The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

(b) Cosmetic Damage To Roof Surfacing Caused By Windstorm Or Hail

The following applies with respect to covered loss or damage caused by windstorm or hail to the unit described in the Schedule and identified as being subject to this Paragraph **B.1.b.(2)(b)**:

We will not pay for cosmetic damage to roof surfacing caused by windstorm or hail. For the purpose of this provision, cosmetic damage means that the windstorm or hail caused marring, pitting or other superficial damage that altered the appearance of the roof surfacing, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

- (c)** For the purpose of the provisions in this Paragraph **B.1.b.(2)**, roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

2. Section I – Coverages, Coverage B – Other Private Structures Appurtenant To Dwellings is deleted.

- 3.** Under Section **I** – Coverage **C** – Household Personal Property, we will pay, up to the Limit Of Insurance shown in the Schedule for that unit, for direct physical loss of or damage to Covered Property under Coverage **C** of this Policy caused by or resulting from any Basic or Broad Covered Causes Of Loss as described in the Schedule.

4. Section I – Coverage D – Loss Of Use is replaced by the following:

a. Coverage

We cover the following, up to the Limit Of Insurance shown in the Schedule for each unit for Coverage **D**. This limit is the total Limit of Insurance for the coverages in Paragraph **(1)** Your Additional Living Expense, Paragraph **(2)** Fair Rental Value and Paragraph **(3)** Expense Due To Emergency Prohibition Against Occupancy:

(1) Your Additional Living Expense

If a loss by a Covered Cause of Loss to Covered Property or the building containing the Covered Property renders the "dwelling" uninhabitable, we will pay any necessary increase in living expense you incur so that your household can maintain its normal standard of living.

Payment under your Additional Living Expense will be for the shortest time required for repair or replacement of the damaged property, or, if you relocate, the shortest time for your household to settle elsewhere.

(2) Fair Rental Value

If a Covered Cause of Loss renders unusable a private garage that you, as the owner, rent or hold for rental, we will pay for the Fair Rental value loss you sustain.

But we will exclude from our payment any expenses that do not continue while the rental garage is unusable.

Payment under this Fair Rental Value Coverage will be for the shortest time required to repair or replace the damaged garage.

(3) Expense Due To Emergency Prohibition Against Occupancy

We will pay for the Additional Living Expense you sustain if a civil authority prevents use of the "dwelling" because of direct damage to neighboring premises by a Covered Cause of Loss.

But we will not pay parts of such expense that are incurred after a period of three weeks has elapsed.

The period of our liability under Coverage **D** – Loss Of Use is not limited by the expiration of the Policy to which this endorsement is attached.

No Deductible applies to Coverage **D**.

b. Coverage D Conditions

Coverage **D** is subject to the Farm Property Conditions (see Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions) and the Common Policy Conditions.

C. Section II – Coverage Extensions

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph A. Trees, Shrubs, Plants And Lawns is replaced by the following:

A. Trees, Shrubs, Plants And Lawns

This Coverage Extension applies to Coverages **A** and **C**.

Trees, shrubs, plants and lawns you solely own at the location of the "dwelling" are Covered Property but only if loss or damage is caused by or results from any of the following Covered Causes of Loss:

- 1.** Fire or lightning;
- 2.** Explosion;
- 3.** Riot Or Civil Commotion;
- 4.** Aircraft;
- 5.** Vehicles not owned or operated by a resident of the covered "dwelling";
- 6.** Vandalism; or
- 7.** Theft.

However, this Coverage Extension does not apply to trees, shrubs, plants or lawns that are contraband, or trees, shrubs, plants or lawns in the course of illegal transportation or trade.

For all damaged or destroyed trees, shrubs, plants or lawns at the location of the "dwelling", the most we will pay under this Extension is 10% of the Coverage **C** Limit Of Insurance shown in the Declarations.

However, we will not pay more than \$500 for any one damaged or destroyed tree, shrub, plant or lawn.

This Extension is additional insurance.

We will not pay for loss of or damage to trees, shrubs, plants or lawns grown for business or farming purposes.

2. Under Paragraph **B. Household Personal Property Of "Insureds" Away From The "Insured Location"**, the first paragraph is replaced by the following:

This Coverage Extension applies to Coverage **C** and is part of (not in addition to) the applicable Limit of Insurance.

3. Under Paragraph **C. Refrigerated Products – Not "Farm Personal Property"**, the first two paragraphs are replaced by the following:

This Coverage Extension applies to Coverage **C** and is part of (not in addition to) the applicable Limit of Insurance.

We will pay up to \$1,000 for loss of or damage to contents of a freezer or refrigerated unit, in the "dwelling" you occupy, caused by a change in temperature due to:

- a. Interruption of electrical service to refrigeration equipment, caused by damage to generating or transmission equipment; or
- b. Mechanical or electrical breakdown of a refrigeration system.

4. Paragraph **D. Building Additions And Alterations** is deleted.

D. Section III – Additional Coverages

With respect solely to the coverage provided by this endorsement, under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

1. Paragraph **A. Removal Of Fallen Trees** is deleted.

2. The following is added:

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Property Loss Assessment for your share of loss assessment charged during the policy period against you, as owner of the "dwelling", by a corporation or association of property owners. The assessment must be made as a result of direct loss or damage to property owned by all members collectively and of a type that would be covered by this endorsement if owned by you and caused by a Covered Cause of Loss under Coverage **A**, other than:

(1) Earthquake; or

(2) Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

The Limit Of Insurance shown in the Schedule is the most we will pay for any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

- b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

This Additional Coverage is additional insurance.

E. Covered Causes Of Loss

When Basic or Broad is shown in the Schedule, and with respect solely to the coverage provided by this endorsement, Covered Causes Of Loss means the Covered Causes of Loss in the Causes Of Loss Form – Farm Property revised as follows:

1. Under **B. Covered Causes Of Loss – Basic**

- a. Paragraph 1. **Fire Or Lightning** is replaced by the following:

1. **Fire Or Lightning**

- b. Item c.(1) of Paragraph 2. **Windstorm Or Hail** is replaced by the following and Item c.(3) is deleted:

- (1) Covered Property under Coverage **A**, or the property inside the "dwelling" or a covered structure, caused by rain, snow, sleet, sand or dust, whether driven by wind or not, unless the "dwelling" or covered structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sleet, sand or dust enters; or

- c. Paragraph 3. **Explosion** is replaced by the following:

- 3. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages of such a vessel from which the gases of combustion pass.

- d. Item a. of Paragraph 8. **Vandalism** is replaced by the following:

- a. The "dwelling" or property which pertains to the "dwelling", or its contents, if the building containing the "dwelling" has been "vacant" for more than 60 consecutive days immediately before the loss. A building being constructed is not considered vacant.

- e. Paragraph 9. **Theft** is replaced by the following:

- 9. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This Cause of Loss does not include loss caused by or resulting from:

- a. Theft in or from a "dwelling" under construction, or of materials and supplies for use in such construction, until the "dwelling" is completed and is being lived in;

- b. With respect to household personal property away from the "insured location", theft of:

- (1) Property at any residence owned by, rented to, or occupied by, an "insured", except while an "insured" is temporarily residing there.

But property of a student who is an "insured" is covered at a residence away from home provided the student has been there at any time during the 90 days immediately preceding the loss;

- (2) Any watercraft, its furnishings, equipment or outboard engines or motors; or

- (3) Trailers, semitrailers or campers;

- c. Unauthorized instructions to transfer property to any person or to any place;

- d. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense; or

- e. Dishonest or criminal acts (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;

- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

However, with respect to loss caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- f. Paragraphs **12. Collision – Coverages E And F Only**, **13. Earthquake Loss To "Livestock"** and **14. Flood Loss To "Livestock"** are deleted.

2. Under C. Covered Causes Of Loss – Broad

- a. Paragraphs **15. Electrocution Of Covered "Livestock"**, **16. Attacks On Covered "Livestock" By Dogs Or Wild Animals**, **17. Accidental Shooting Of Covered "Livestock"**, **18. Drowning Of Covered "Livestock" From External Causes** and **19. Loading/Unloading Accidents** are deleted.

- b. Paragraph **23. Accidental Discharge Or Leakage Of Water Or Steam** is replaced by the following:

- 23. Accidental Discharge Or Leakage Of Water Or Steam** from within a plumbing, heating, air conditioning or other system or appliance that is located on the "insured location" and contains water or steam.

Under this Cause of Loss, we will pay for loss of or damage to covered household personal property provided that Broad is shown in the Declarations for the coverage applicable to that household personal property.

We will also pay to tear out and replace any part of a building or other structure owned solely by you which is Covered Property under Coverage **A** but only so that repairs can be made to the damaged system or appliance provided that Broad is shown in the Schedule for the coverage applying to that building or structure covered under Coverage **A**.

We will not pay:

- a. For loss or damage caused by discharge or leakage from a sump or related equipment and parts, including overflow due to sump pump failure or excessive volume of water;
 - b. The cost to repair any defect that caused the loss or damage;
 - c. For loss or damage caused by discharge or leakage within the "dwelling", if the building containing the "dwelling" has been "vacant" for 60 consecutive days immediately before the loss;
 - d. For loss or damage to or within the "dwelling" caused by accidental discharge or leakage which occurs away from the building where the "dwelling" is located;
 - e. For loss or damage caused by or resulting from freezing; or
 - f. For loss or damage caused by or resulting from discharge or leakage from roof drains, gutters, downspouts or similar fixtures or equipment.
- c. Paragraph **24. Freezing** is replaced by the following:
 - 24. Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system or of a household appliance but only if you have used reasonable care to:
 - a. Maintain heat in the building; or
 - b. Shut off the water supply and drain the systems or appliance of water.

However, if the "dwelling" or a covered structure is protected by an automatic fire protective system, you must use reasonable care to continue the water supply and maintain heat in the "dwelling" or covered structure for coverage to apply.

A plumbing system does not include a roof drain, gutter, downspout or similar fixtures or equipment.

- d. Paragraph **25. Sudden And Accidental Damage** from artificially generated electrical current is replaced by the following:

- 25. Sudden And Accidental Damage** from artificially generated electrical equipment – Applicable Only to Coverages **A** and **C**.

This cause of loss does not include loss of or damage to:

- a. Tubes, transistors or integrated circuitry that is a part of appliances, fixtures, computers, home entertainment units or other types of electronic apparatus. Integrated circuitry includes, but is not limited to, chips, transformers, resistors, diodes, wafers and rectifiers; or
- b. Laser or infrared devices used to operate or assist in the operation of any appliances, fixtures, computers, home entertainment units or other types of electronic apparatus.

3. **D. Covered Causes Of Loss – Special** does not apply.

F. Additional Exclusion

With respect solely to the coverage provided by this endorsement, the following is added:

Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties)

1. We will not pay for loss or damage to structures used as a private garage and that are rented or held for rental to any person who does not reside in the "dwelling", including loss or damage to contents of such structures, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at that structure. This exclusion applies regardless of whether such operations are:
 - a. Legally permitted or prohibited;

- b. Permitted or prohibited under the terms of any rental agreement; or
- c. Usual to the intended occupancy of the structure.

This exclusion does not apply to loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation.

2. We do not provide coverage for the Fair Rental Value loss, as provided under Coverage **D** – Loss Of Use, that you, as owner, sustain as a result of loss or damage described in Paragraph **F.1**.
3. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the structure regardless of whether such operations are:
 - a. Legally permitted or prohibited;
 - b. Permitted or prohibited under the terms of any rental agreement; or
 - c. Usual to the intended occupancy of the structure.
- G. With respect solely to the coverage provided by this endorsement, under the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, Paragraph **B.8. Farm Property Conditions – Loss Conditions – Other Insurance And Service Agreement** is replaced by the following:
 8. **Other Insurance And Service Agreement**
 - a. You may have insurance subject to the same plan, terms, conditions and provisions as the insurance under the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form. If you do have such Other Insurance, except insurance in the name of a corporation or association of property owners, we will pay only our share of the covered loss or damage. Our share is the proportion that the applicable Limit Of Insurance shown in the Schedule bears to the limits of insurance of all insurance covering on the same basis.

If there is other insurance in the name of a corporation or association of property owners covering the same loss or damage, the amount we will pay for loss or damage is:

 - (1) Excess over the amount due under such other insurance, whether the corporation or association of property owners has collected that amount or not; and

- (2) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such other insurance because of the application of a deductible.

But we will not pay more than the applicable Limit Of Insurance shown in the Schedule.

b. If at the time of loss or damage:

- (1) There is a service agreement, except a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be excess over any amounts payable under any such service agreement.
- (2) There is a service agreement in the name of a corporation or association of property owners, any amounts payable for such loss or damage under this endorsement will be:
- (a) Excess over the amount due under such service agreement, whether the corporation or association of property owners has collected that amount or not; and
- (b) Primary with respect to any amount of the loss or damage payable under this endorsement and not due under such service agreement because of the application of a deductible.

Service agreement means a service plan, property restoration plan, home warranty or other similar service or warranty agreement, even if it is characterized as insurance.

H. With respect solely to the coverage provided by this endorsement, under the Farm Liability Coverage Form:

1. Under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** and under **Coverage I – Personal And Advertising Injury Liability**, the following exclusion is added:

Loss Assessment

This insurance does not apply to liability:

- a. For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided under Paragraph **H.2.** of this endorsement; or

- b. Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

- (1) That directly relate to the ownership, maintenance or use of an "insured location" as defined in this endorsement; or
- (2) Where the liability of others is assumed by you prior to an "occurrence"; unless excluded in **a.** above or elsewhere in the Exclusions of the Policy to which this endorsement is attached.

2. With respect solely to the coverage provided in this endorsement, under the Farm Liability Coverage Form, the following is added to **Section I – Coverages, Additional Coverages:**

Loss Assessment

- a. We will pay up to the Limit Of Insurance shown in the Schedule for Liability Loss Assessment for your share of loss assessment charged against you, as owner of the "dwelling", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
- (1) "Bodily injury", "property damage", "personal injury" or "advertising injury" not excluded from coverage under this endorsement or elsewhere in the Policy to which this endorsement is attached; or
- (2) Liability for an act of a director, officer or trustee in the capacity of director, officer or trustee, provided such person:
- (a) Is elected by the members of a corporation or association of property owners; and
- (b) Serves without deriving any income from the exercise of duties which are solely on behalf of the corporation or association of property owners.

- b. Paragraph **1.b.(2)** under **Section I – Coverages, Coverage H – Bodily Injury And Property Damage Liability** does not apply to this Loss Assessment Coverage.
- c. Regardless of the number of assessments, the Limit Of Insurance shown in the Schedule for Liability Loss Assessment is the most we will pay for loss arising out of:
 - (1) One "occurrence"; or
 - (2) A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
- d. This Additional Coverage does not apply to assessments charged against you or a corporation or association of property owners by any governmental body.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE – MICHIGAN

This endorsement modifies insurance provided by the following:

FARM PROPERTY – FARM DWELLINGS, APPURTENANT STRUCTURES AND HOUSEHOLD PERSONAL PROPERTY COVERAGE FORM
FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS

The following is added to **Section III – Additional Coverages** in the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form:

Identity Fraud Expense

1. Coverage

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This Additional Coverage is additional insurance.

2. Exclusions

The following additional exclusions apply to this coverage:

We will not pay for "expenses" incurred by an "insured" as the result of any "identity fraud":

a. Arising out of or in connection with:

- (1)** An "insured's" farming operations; or
- (2)** A business;

b. Due to any fraudulent, dishonest or criminal act of a "perpetrator":

In the event of any such act, no "insured" is entitled to "expenses", even "insureds" who did not commit or conspire to commit the act causing the "identity fraud".

However, with respect to "expenses" incurred by an "insured" as the result of any "identity fraud" due to any criminal act, this exclusion only applies to the extent that the "perpetrator":

- (1)** Admits, under oath; or

(2) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

3. Special Deductible

We will pay only that part of "expenses" that exceeds \$250. No other deductible applies to "identity fraud" expense coverage.

4. Additional Condition

With respect only to the coverage provided by this endorsement, the following is added to Paragraph **a. of Loss Condition 3. Duties In the Event Of Loss Or Damage** under **B. Farm Property Conditions** in the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

Send us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "identity fraud" coverage.

5. Definitions

With respect only to the coverage provided by this endorsement, the following definitions are added to Paragraph **C. Definitions** of the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions:

a. "Expenses" means:

- (1)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.

- (3) Lost income resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
 - (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (a) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
 - (b) Remove any criminal or civil judgments wrongly entered against an "insured"; and
 - (c) Challenge the accuracy or completeness of any information in a consumer credit report.
 - (6) Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
- b. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
 - c. "Perpetrator" means:
 - (1) An "insured";
 - (2) Any person aiding or abetting an "insured"; or
 - (3) Any authorized representative of an "insured";
 whether acting alone or in collusion with others who commits the fraudulent, dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

EXECUTIVE LIABILITY COVERAGE PART
FIDUCIARY LIABILITY COVERAGE PART
FINANCIAL INSTITUTIONS EXECUTIVE LIABILITY COVERAGE PART
NOT-FOR-PROFIT MANAGEMENT LIABILITY COVERAGE PART

A. Paragraph A. of Section III – Exclusions in Executive Liability Coverage Form **MP 00 01**, Executive Liability And Entity Securities Liability Coverage Form **MP 00 02**, Financial Institutions Executive Liability Coverage Form **MP 00 04**, Financial Institutions Executive Liability And Entity Securities Liability Coverage Form **MP 00 05**, Not-for-profit Management Liability Coverage Form **MP 00 06**, Executive Liability Side A Coverage Form **MP 00 08** and Financial Institutions Executive Liability Side A Coverage Form **MP 00 09** is replaced by the following:

A. Based upon, attributable to, or arising in fact out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" based upon, attributable to, or arising in fact out of any deliberately criminal act, this exclusion only applies to the extent that the "insured person":

1. Admits, under oath; or
2. Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency;

B. Paragraph A. of Section II – Exclusions in Fiduciary Liability Coverage Form **MP 00 07** is replaced by the following:

A. Based upon, attributable to, or arising in fact out of any dishonest, fraudulent, deliberately criminal or malicious act, or any willful violation of any statute or regulation.

However, with respect to "loss" resulting from any "claim" based upon, attributable to, or arising in fact out of any deliberately criminal act, this exclusion only applies to the extent that the "insured person":

1. Admits, under oath; or
2. Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency;

C. The Cancellation Common Policy Condition is amended as follows:

1. Paragraph 1. is replaced by the following:

1. The Named Organization shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.

2. Paragraph 3. is replaced by the following:

3. We will mail or deliver our notice to the Named Organization's last mailing address known to us or our authorized agent.

3. Paragraph 5. is replaced by the following:

5. If this Policy is cancelled, we will send the Named Organization any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

- D. The following condition is added and supersedes any other provision to the contrary:

Nonrenewal

If we decide not to renew this Policy, we will mail or deliver to the Named Organization's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured, with postage fully prepaid, 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 or our authorized agent.
5. If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the:

1. **Loss Payment** Condition; and
2. **Mortgageholders** Condition:

If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- a. The municipality;

- b. You and the mortgageholder, if any; or

- c. With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

C. The following is added to the Legal Action Against Us Capital Assets Program Coverage Form Condition:

The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.

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

Appraisal

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

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

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

E. Paragraph **a.(6)** of Paragraph **A.6. Additional Crime Coverages** is replaced by the following:

(6) This coverage is cancelled as to any "employee" immediately upon discovery by:

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

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

However, with respect to discovery of prior criminal acts, this Paragraph **A.6.a.(6)** only applies to the extent that the "employee":

- (a) Admits, under oath; or
- (b) Is determined in any legal proceeding;

to have committed or directed the criminal act. For purposes of this Paragraph **A.6.a.(6)**, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

F. Exclusion **C.2.h. Dishonesty** is replaced by the following:

h. Dishonesty

Dishonest or criminal act (including theft) by a "perpetrator", or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with anyone.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation.
- (2) Does not apply to acts of destruction by your "employees" or authorized representatives; but theft by your "employees" or authorized representatives is not covered.

However, with respect to loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator", or a person to whom you entrusted the property:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

This exclusion applies except to the extent coverage is provided within the Employee Theft Coverage.

This exclusion does not apply to carriers for hire.

G. The following definition is added to Paragraph **L. Definitions**:

33. "Perpetrator" means:

- a. You; or
- b. Any of your partners, "members", officers, "managers", "employees", directors, trustees or authorized representatives;

whether acting alone or in collusion with anyone who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE – MICHIGAN

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART

SCHEDULE

Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Warehouse Location:		
Assumed Contractual Liability Option (Enter "X" if option is applicable.)	Deductible	Limit Of Insurance
	\$	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

We will pay those sums that you become legally obligated to pay as damages as a warehouse operator or bailee because of direct physical loss or damage to Covered Property from any of the Covered Causes of Loss.

We have the right and duty to defend you against any "suit" seeking these damages. However, we have no duty to defend you against any "suit" seeking damages 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:

- a. The amount we will pay for damages is limited as described in Paragraph **F. Limits Of Insurance**; and
- b. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

B. For the purpose of this endorsement, Paragraph **A.1. Covered Property** is replaced by the following:

1. Covered Property

Covered Property, as used in this endorsement, means tangible property of others in your care, custody or control that is stored in your warehouse described in the Schedule.

C. For the purpose of this endorsement, **Property Not Covered** is revised as follows:

Covered Property does not include:

1. Property for which you have assumed liability under any contract or agreement in excess of liability imposed by law upon you as a warehouse operator or bailee, unless the assumed contractual liability option is indicated by an "X" in the Schedule;
2. Property for which you have been released of liability;
3. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, platinum, silver, or other precious metals and alloys or "fine arts"; or
4. Property held as storage-in-transit under an applicable bill of lading issued by you.

D. The following is added to **Additional Coverages** and will not reduce the Limit of Insurance:

1. Supplementary Payments

We will pay with respect to any claim we investigate or settle, or any "suit" against you we defend:

- a. All expenses we incur.
- b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the Limit of Insurance applicable to this insurance. We do not have to furnish these bonds.

c. All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.

d. 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.

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance applicable to this insurance, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance applicable to this insurance.

E. For the purpose of this endorsement, Paragraph **C. Exclusions** is replaced by the following:

Exclusions

This insurance does not apply to:

1. Your liability for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

b. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this endorsement.

c. War And Military Action

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

Exclusions **E.1.a.** through **E.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. Your liability for loss or damage caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by a "perpetrator".

This exclusion applies whether or not such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

However, with respect to your liability for loss or damage caused by or resulting from a criminal act, this exclusion only applies to the extent that a "perpetrator":

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.
- e.** Breakdown of refrigeration equipment.
- f.** Forged bills of lading, loading, shipping or warehouse receipts.
- g.** Strikers, locked-out workers or persons taking part in labor disturbances or riot or civil commotion.

h. Pollution.

Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss". But if loss or damage by the "Specified Causes of Loss" results, we will pay for the loss or damage caused by the "Specified Causes of Loss".

i. Processing or work upon the property.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

j. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this endorsement.

But we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered under this endorsement.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

k. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

l. Unauthorized instructions to transfer property to any person or to any place.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. Your liability for loss or damage caused by or resulting from the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a.** Wear and tear, depreciation.
- b.** Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
- c.** Mechanical breakdown.
- d.** Insects, vermin, rodents.
- e.** Corrosion, rust, dampness, extremes of temperature.

- F. The **Limits Of Insurance** provision is replaced by the following:

Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Schedule.

- G. The **Deductible** provision is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Schedule. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

- H. For the purpose of this endorsement, the **Duties In The Event Of Loss Or Damage** Loss Condition is replaced by the following:

Duties In The Event Of Loss

1. You must see to it that we are notified promptly of any accident that may result in a claim. Notice should include:
 - a. How, when and where the accident took place; and
 - b. The names and addresses of any witnesses.Notice of an accident is not a notice of a claim.
2. If a claim is made or "suit" is brought against you, you must see to it that we receive prompt notice of the claim or "suit".
3. You 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, settlement or defense of the claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of loss or damage to which this insurance may also apply.

4. Notice given by or on behalf of you to our authorized agent, with particulars sufficient to identify you, shall be considered notice to us.

5. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

6. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

- I. The following definitions are added:

1. "Suit" means a civil proceeding in which damages because of property damage to which this insurance applies are alleged. "Suit" includes:

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

2. "Perpetrator" means:

- a. You, any of your partners, employees, directors, trustees or authorized representatives;
- b. A manager or a member if you are a limited liability company;
- c. Anyone else with an interest in the property, or their employees or authorized representatives; or
- d. Anyone else to whom the property is entrusted for any purpose;

whether or not such persons are acting alone or in collusion with other persons who commits the dishonest or criminal act.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

MEDICAL PROFESSIONAL LIABILITY COVERAGE PART

A. The **Criminal Acts exclusions in Physicians, Surgeons And Dentists Professional Liability Coverage Forms **PR 00 01** and **PR 00 02**, Allied Healthcare Providers Professional Liability Coverage Forms **PR 00 05** and **PR 00 06**, and Optometrists Professional Liability Coverage Forms **PR 00 11** and **PR 00 12** are replaced by the following:**

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

B. The **Criminal Acts exclusions in Hospital Professional Liability Coverage Forms **PR 00 03** and **PR 00 04**, Blood Banks Professional Liability Coverage Forms **PR 00 07** and **PR 00 08**, and Diagnostic Testing Laboratories Professional Liability Coverage Forms **PR 00 09** and **PR 00 10** are replaced by the following:**

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by or at the direction of the insured.

However, this exclusion only applies to the extent that the insured:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

C. The **Criminal Acts exclusions in Veterinarians Professional Liability Coverage Forms **PR 00 13** and **PR 00 14** are replaced by the following:**

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to fraud, committed by the insured or any person for whom the insured is legally responsible.

However, this exclusion only applies to the extent that the insured or any person for whom the insured is legally responsible:

- (1) Admits, under oath; or
- (2) Is determined in any legal proceeding; to have committed or directed the criminal act. For purposes of this exclusion, a determination in any legal proceeding includes, but is not limited to, a criminal conviction, a judgment, decree, ruling or order pronounced by any court of competent jurisdiction or an order or ruling pronounced by any administrative agency.

- D. The paragraph relating to prejudgment interest in **Supplementary Payments** under **Section I** is replaced by the following:

Prejudgment interest awarded against the insured on that part of the judgment we pay.

- E. With respect to the Duties Condition in **Section IV**:

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. The last sentence of Paragraph **2.b.** is deleted.

3. The reference to Paragraph **d.** is amended to read Paragraph **e.**

4. The following is added:

- d. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.