**ENDORSEMENT**

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

# This endorsement, effective 12:01 a.m. forms a part of Policy

# No. issued to by

Montana CHANGES

This endorsement modifies insurance provided under the following:

COUNTRY CLUB PREMIER PROPERTY COVERAGE FORM

COMMERCIAL PROPERTY CONDITIONS

A.  **The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is deleted in its entirety and replaced by the following:**

CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

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

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

1. Concealment or misrepresentation of a material fact; or

2. Fraud;

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

B. The following Condition is added:

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

Any provision of this policy or Coverage Part (including endorsements which modify the policy or Coverage Part) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.

**C.** The **Additional Coverage** for **Club Professional Replacement Expense Coverage** is deleted in its entirety and replaced by the following:

**n. Club Professional Replacement Expense Coverage**

**(1)** We will pay the actual and necessary Club Professional Replacement Expense you incur due to your permanent loss of the services of a Club Professional named in the Schedule kept on file with us or our authorized representative caused by a Covered Accident.

**(a)** Club Professional Replacement Expense, as used in this Additional Coverage means the necessary expenses you incur that you would not have incurred if you had not lost the services of the Club Professional:

**(i)** To continue the performance of the Club Professional's normal job responsibilities, with comparable quality, while a permanent replacement for the Club Professional is being sought, appointed or hired and trained.

Insurance under this Additional Coverage for these expenses will apply for the period of time beginning on the date of your permanent loss of services of the Club Professional caused by a Covered Accident, and ending 60 days after the date a permanent replacement for the Club Professional is appointed or hired, subject to a maximum period of 180 days.

**(ii)** To find a qualified permanent replacement to fill the Club Professional's position described in the Schedule kept on file with us or our authorized representative, meaning the normal and reasonable:

- Costs of advertising the professional position opening;

- Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the professional position opening; and

- Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the job applicants and legal expenses incurred to draw up employment contracts.

Insurance under this Additional Coverage for these expenses will apply for the period of time beginning on the date of your permanent loss of the services of the Club Professional caused by a Covered Accident, and ending on the date a permanent replacement for the Club Professional is appointed or hired, subject to a maximum period of 180 days.

**(iii)** To appoint or hire and to train a permanent replacement for the Club Professional meaning the normal and reasonable:

- Expenses you incur to relocate the replacement professional to an area within a reasonable commute from the applicable Club Location described in the Schedule kept on file with us or our authorized representative;

- First year amounts of the replacement Club Professional's:

- Annual base starting salary;

- Perquisite costs; and

- Employee benefit costs;

in excess of the amounts which would have been incurred for the Club Professional if you had not lost the services of the Club Professional. But we will not pay more for these expenses than 10% of the amounts, which would have been incurred for the Club Professional.

- First year costs of the replacement Club Professional's training and education if the training and education is necessary for the replacement professional to perform the duties of the applicable position described in the Schedule kept on file with us or our authorized representative with the same quality of service as the Club Professional.

- Promotional, marketing and other advertising costs announcing the employment and availability of the Club Professional and any expenses to modify any current materials that referred to the Club Professional.

**(b)** Insurance under thisAdditional Coverage includes the reasonable “extra expense” you incur to minimize the amount of Club Professional Replacement Expense, but only to the extent the amount of Club Professional Replacement Expense otherwise payable under this Additional Coverage is reduced.

Insurance under this Additional Coverage for these expenses will apply only if the permanent replacement for the Club Professional is appointed or hired within 180 days after the date of your permanent loss of the services of the Club Professional caused by a Covered Accident.

**(c)** Covered Accident, as used in this Additional Coverage, means an accident, not otherwise excluded in this Additional Coverage, which solely and independently of any other cause results in the Club Professional's:

**(i)** Death; or

**(ii)** Permanent disability, meaning the permanent physical inability, medically determined by a licensed physician, of the Club Professional to perform the normal duties of the applicable position described in the Schedule kept on file with us or our authorized representative.

A medical determination must be performed within one year after the date of the accident that confirms that the accident is the direct cause of the death or permanent physical inability with no other contributing causes.

**(2)** Insurance under this Additional Coverage applies only if the Covered Accident occurs while your policy is in effect. But the period of time for which we will pay expenses covered under this Additional Coverage will not be limited by the expiration of your policy.

**(3)** Insurance under this Additional Coverage does not apply to:

**(a)** The death or permanent disability of a Club Professional caused by or resulting from:

**(i)** War and Military Action, meaning:

- War, including undeclared or civil war;

- 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

- Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in defending against any of these;

**(ii)** Nuclear reaction or radiation or radioactive contamination, however caused;

**(iii)** Sickness or disease;

**(iv)** Suicide, attempted suicide or self-inflicted bodily injury, while sane or insane.

**(v)** Voluntary self-administration of any drug or chemical substance not prescribed by or taken according to the directions of a physician. However, this does not apply to the accidental ingestion of a poisonous substance.

**(b)** Any expenses you incur which you would not have incurred if you had used all reasonable means to:

**(i)** Find a permanent replacement for the Club Professional; and

**(ii)** Reduce or discontinue the Club Professional Replacement Expense;

as soon as possible after your permanent loss of the services of the Club Professional caused by a Covered Accident.

Insurance under this Additional Coverage includes the reasonable “extra expense” you incur to minimize the amount of Club Professional Replacement Expense, but only to the extent the amount of Club Professional Replacement Expense otherwise payable under this Additional Coverage is reduced.

1. Any additional expenses incurred due to your loss of the services of a permanent replacement employee appointed or hired to replace a Club Professional, however caused. But this exclusion does not apply if the replacement employee is added to the Schedule kept on file with us or our authorized representative as a Club Professional and your loss of the services of the replacement employee is caused by a Covered Accident, during the policy period.

**(4)** The amount of Club Professional Replacement Expense will be determined based on

the actual and necessary expenses covered under this Additional Coverage which you incur to find, to appoint or hire and to train a permanent replacement for the Club Professional and to continue the performance of the Club Professional's normal job responsibilities while a permanent replacement is being sought, appointed or hired and trained. We will deduct from the total of such expenses:

**(a)** Any expenses which would have been incurred by you for the Club Professional if you had not lost the services of the Club Professional; and

**(b)** Any Club Professional Replacement Expense that is paid for by any other insurance; and

**(c)** All necessary expenses that reduce the Club Professional Replacement Expense, but otherwise would have been incurred.

**(5)** The most we will pay for Club Professional Replacement Expense due to your loss of the services of any Club Professional is the limit as shown on the **Country Club Premier Property Coverage Supplemental Declarations** .

No deductible applies to this Additional Coverage.

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

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Authorized Representative