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Loss Assistance Hotline

PHLY provides our Management & Professional Liability policyholders with 2 FREE HOURS of legal consultation with knowledgeable attorneys on any matter that could potentially result in a claim under a PHLY policy.



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Payment is easy!



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Philadelphia Insurance Companies
 P.O. Box 70251
 Philadelphia, PA 19176-02051

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Claims

- First party automobile losses settled in ten days or less
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- National claims representation with Commercial Liability Claims Examiner niche expertise
- Subrogation and Recovery Examiners are exclusively dedicated to recovering policyholder paid losses
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Risk Management Services

- Product specific web-based Risk Management Services solutions through PHLY.com
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- Regular e-flyer communications on current Risk Management Services issues and Large Loss Lessons Learned
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Contact PHLY Customer Service Available Monday – Friday from 8:30 a.m. to 8:00 p.m.



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One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
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PROPOSAL FOR INSURANCE

Quotation Number: 12502228

Proposal Date: 03/12/2019

Named Insured and Mailing Address:

Garden Oaks Court
Homeowners Association, Inc.
810 W 34th St
C/O John Krug, Property Manager
Houston, TX 77018-6317

Producer: 123025

FladGroup, LLC
2500 E TC Jester Blvd
Houston, TX 77008

Contact: Antone Fotsue

Phone: (713)528-3523

Fax: (999)999-9999

Insurer: Philadelphia Indemnity Insurance Company

Policy Period From: 04/01/2019

To: 04/01/2020

Proposal Valid Until: 04/01/2019

at 12:01 A.M. Standard Time at your mailing address shown above.

Product: Home Owners Association

Submission Type: New Business

PHLY Representative: Michaud, Richard J. Jr.

PHLY Representative Phone: (713) 300-9248

Email: richard.michaud@phly.com

Underwriter: Harrison, Erin

Underwriter Phone: (610) 227-1414

Email: erin.harrison@phly.com

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

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

	PREMIUM
Commercial Property Coverage Part	\$ 109.00
Commercial General Liability Coverage Part	\$ 378.00
Commercial Auto Coverage Part	\$ 428.00
Directors and Officers FlexiPlus	\$ 617.00

The Total Premium includes Federal Terrorism Risk Insurance Act Premium in the amount of:

TOTAL	\$ 1,532.00
	\$ 10.00

- Bill Plan Options:**
- 25% Down and 11 Consecutive Monthly Installments - Combined minimum premium must be \$7,350
 - 25% Down and 9 Consecutive Monthly Installments - Combined minimum premium must be \$6,000
 - 25% Down and 5 Consecutive Monthly Installments - Combined minimum premium must be \$3,333
 - 25% Down and 3 Consecutive Monthly Installments - Combined minimum premium must be \$2,000
 - 50% Down and 2 Consecutive Monthly Installments - Combined minimum premium must be \$2,000
 - 30% Down and 3 Quarterly Installments - Combined minimum premium must be \$2,150
 - Premiums under \$2,000 are Fixed Annual billing

The premium shown is subject to the following terms and conditions:

A signed UM/UIM Selection/Rejection form is required upon binding. (If applicable.)

Any taxes, fees or surcharges included in the total premium shown on the proposal are not subject to installment billing.



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Named Insured: Garden Oaks Court

The premium shown is subject to the following terms and conditions:

A maximum per installment fee of \$5.00 may be included (some states may vary). Please review this proposal carefully. Certain coverages, limits and deductibles may not match what was requested on your application.

****THIS PROPOSAL IS CONTINGENT UPON RECEIVING/APPROVAL PRIOR TO BINDING COVERAGE:**

1. Completed and Signed Application

AUTO NOTES:

Covered Auto Liability symbols 8 & 9 apply.

GL NOTES:

CG2101 Athletics Participants Exclusion
Other coverages/conditions are per the proposal

PROPERTY NOTES:

Property Enhancement Endorsement is included in the proposal.

MISC.NOTES:

*SEE SCHEDULE OF FORMS AND ENDORSEMENTS.

Binding is contingent upon receipt of Currently Valued (within last 90 days) company loss runs for the current term and 3 years prior. Quote is subject to change or declination once loss runs are received and reviewed.

****QUOTE SUBJECT TO FAVORABLE LOSS**

***IF TERRORISM COVERAGE IS REJECTED, PLEASE HAVE THE INSURED SIGN AND RETURN THE ATTACHED TERRORISM REJECTION FORM WHEN BINDING. IF TERRORISM COVERAGE IS ACCEPTED, THE FORM DOES NOT NEED TO BE RETURNED AT ALL.**

-Coverages outlined in this proposal are extent of coverages offered. Request for additional coverages must be reviewed and approved



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The producer placing this policy may receive commission and additional underwriting profit share incentives. These incentives are based on the underwriting performance of this producer's book of business. Any questions about the nature of this compensation should be directed to the producer.

In order to complete the underwriting process, we require that you send us the additional information requested in the "conditions" section of this proposal. We are not required to bind coverage prior to our receipt, review and underwriting approval, of said additional information. However, if we do bind coverage, it shall be for a temporary period of not more than 30 days. Such temporary binding of coverage shall be void ab initio ("from the beginning") if we have not received, reviewed and approved in writing such materials within 15 days from the effective date of the temporary binder. This 30 day temporary conditional binder may be extended only in writing signed by the Insurer. Payment of premium shall not operate to extend the binding period or nullify the automatic voiding as described above.

This quotation is strictly conditioned upon no material change in the risk occurring between the date of this proposal and the inception date of the proposed policy (including any claim or notice of circumstances that which may reasonably expected to give rise to a claim under any policy of which the policy being proposed by this letter is a renewal or replacement). In the event of such change in risk, the Insurer may in its sole discretion, whether or not this quotation has been already accepted by the Insured, modify and/or withdraw this quotation.

Subject to the terms and conditions outlined above and prior to the quote expiration date, this quote may be bound by signing and dating below and by initialing, on the previous page, the option to be bound. This form will then act as the binder of coverage for 30 days from the date signed and may be distinguished by the Quotation number on page 1. This binder is only valid for 30 days.

No coverage is afforded or implied unless shown in this proposal.

This proposal does not constitute a binder of insurance.

This proposal is strictly limited to the terms and conditions herein. Any other coverage extensions, deletions or changes requested in the submission are hereby rejected.

Signature of Authorized Insurance Representative

Date

Policy Number: 12502228Named Insured: Garden Oaks Court

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PHILADELPHIA INSURANCE COMPANIES DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE REJECTION OPTION

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Your attached proposal (or policy) includes a charge for terrorism. We will issue (or have issued) your policy with terrorism coverage unless you decline by placing an “X” in the box below.

NOTE 1: If “included” is shown on your proposal (or policy) for terrorism you WILL NOT have the option to reject the coverage.

NOTE 2: You will want to check with entities that have an interest in your organization as they may require that you maintain terrorism coverage (e.g. mortgagees).

EXCEPTION: If you have property coverage on your policy, the following Standard Fire Policy states do not permit an Insured to reject fire ensuing from terrorism: CA, CT, GA, HI, IA, IL, MA, ME, MO, NJ, NY, NC, OR, RI, VA, WA, WV, WI. Therefore, if you are domiciled in the above states and reject terrorism coverage, you will still be charged for fire ensuing from terrorism as separately designated on your proposal.

	I decline to purchase terrorism coverage. I understand that I will have no coverage for losses arising from “certified” acts of terrorism, EXCEPT as noted above.
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You, as the Insured, have 30 days after receipt of this notice to consider the selection/rejection of “terrorism” coverage. After this 30 day period, any request for selection or rejection of terrorism coverage WILL NOT be honored.

REQUIRED IN GA – LIMITATION ON PAYMENT OF TERRORISM LOSSES (applies to policies which cover terrorism losses insured under the federal program, including those which only cover fire losses)
The provisions of the Terrorism Risk Insurance Act, as amended, can limit our maximum liability for payment of losses from certified acts of terrorism. That determination will be based on a formula set forth in the law involving the national total of federally insured terrorism losses in an annual period and individual insurer participation in payment of such losses. If one or more certified acts of terrorism in an annual period causes the maximum liability for payment of losses from certified acts of terrorism to be reached, and we have satisfied our required level of payments under the law, then we will not pay for the portion of such losses above that maximum. However, that is subject to possible change at that time, as Congress may, under the Act, determine that payments above the cap will be made.

INSURED'S SIGNATURE _____
DATE _____



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LOCATION SCHEDULE

Loc #	Bldg #	Address #1	Address #2	City	St	Zip
0001	0001	810 W 34th St		Houston	TX	77018-6317
0001	0002	810 W 34th St		Houston	TX	77018-6317
0001	0003	810 W 34th St		Houston	TX	77018-6317



Named Insured: Garden Oaks Court

FORM SCHEDULE

Form	Edition	Description
WHY MyPHLY	0000	WHY MyPHLY?
CSNotice-1	0818	Making Things Easier
BJP-190-1	1298	Commercial Lines Policy Jacket
LAH-Notice	0813	Policyholder Notice (Loss Assistance Hotline)
PI-Notice TX	0817	Important Notice
PI-REINS-NOTICE 1	0318	Notice Reinstatement Fee
PP2015	0615	Privacy Policy Notice
CPD-PIIC	0614	Common Policy Declarations
Location Schedule	0100	Location Schedule
PI-BELL-1 TX	1109	Bell Endorsement
PI-CME-1 TX	0616	Crisis Management Enhancement Endorsement
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement
IL0168	0312	Texas Changes - Duties
IL0275	1113	Texas Changes - Cancellation And Nonrenewal Provisions
IL0952	0115	Cap On Losses From Certified Acts Of Terrorism
PI-LCN-TX	0812	Texas Policyholder Notice
PI-TER-DN1	0115	Disclosure Notice Of Terrorism Ins Coverage Rejection
CADS03	1013	Business Auto Declarations
Hired Or Borrowed Auto	0706	Schedule Of Hired Or Borrowed Covered Auto
CA0001	1013	Business Auto Coverage Form
CA0196	1013	Texas Changes
CA0243	1113	Texas Changes - Cancellation And Nonrenewal
PI-DF-2	0995	Directors & Officers Protection FlexiPlus Declarations
PI-DF-1	0795	Directors & Officers Protection FlexiPlus Ins Policy
PI-DF-100	1202	Amendment of Definition of Policy Period
PI-DO-20	0995	Professional Services Exclusion
PI-DO-71	1203	Amendment of Exclusions
PI-DO-100	1207	Community Association Pro-Pak
PI-ARB-1	0403	Binding Arbitration
PI-DO-TX-1	0896	Texas Amendatory Endorsement
PI-SLD-001	0115	Cap On Losses From Certified Acts Of Terrorism
Gen Liab Dec	1004	Commercial General Liability Coverage Part Declaration
Gen Liab Schedule	0100	General Liability Schedule
CG0001	0413	Commercial General Liability Coverage Form
CG0103	0606	Texas Changes
CG0136	1008	Texas Changes-Your Right to Claim and Occurrence Info



Named Insured: Garden Oaks Court

FORM SCHEDULE

Form	Edition	Description
CG2017	1093	Additional Insured-Townhouse Associations
CG2101	1185	Exclusion - Athletic or Sports Participants
CG2106	0514	Excl-Access/Disclosure-With Ltd Bodily Injury Except
CG2150	0989	Amendment of Liquor Liability Exclusion
CG2167	1204	Fungi or Bacteria Exclusion
CG2170	0115	Cap On Losses From Certified Acts Of Terrorism
CG2639	1207	Texas Changes - Employment-Related Practices Exclusion
CG3208	1204	Texas Changes-Binding Arbitration
PI-DIS-TX-1	0704	Texas Disclosure Form
PI-GL-001	0917	Exclusion - Lead Liability
PI-GL-002	0917	Exclusion - Asbestos Liability
PI-PU-1	0595	Exclusion - Subsidence
PI-SAM-006 TX	0117	Abuse Or Molestation Exclusion - Texas
CP P 004	0706	Excl Of Loss Due To Virus Or Bacteria Advisory Notice
IL N 178	0313	Texas Period To File A Claim Or Bring Legal Action
Property Dec	0100	Property Declarations
Property Schedule	0100	Property Supplemental Schedule
Property Blanket Sched	0100	Property Blanket Schedule
CP0010	1012	Building And Personal Property Coverage Form
CP0030	1012	Business Income (And Extra Expense) Coverage Form
CP0090	0788	Commercial Property Conditions
CP0140	0706	Exclusion Of Loss Due To Virus Or Bacteria
CP0142	0312	Texas Changes
CP0163	1005	Texas-Modified Limitations On Fungus, Wet Rot, Dry Rot
CP1030	1012	Causes Of Loss - Special Form
PI-CP-002	0204	Changes - Electronic Data
PI-EPE-PU	0107	Elite Property Enhancement: Homeowners Assoc & Planned
PI-NP-007 TX	0601	Loss of Income Due to Workplace Violence
PI-PU-3	0198	Redefinition of Building Property



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Named Insured: Garden Oaks Court

Proposal Date: 03/12/2019
Quotation Number: 12502228

SPECIALTY LINES

Total: \$ 617.00

DIRECTORS AND OFFICERS FLEXIPLUS

PREMIUM

\$ 617.00

Liability Limit: \$ 1,000,000
D&O Retention: \$ 5,000

Retroactive Date: FULL PRIOR ACTS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism subject to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy.



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GENERAL LIABILITY

Total: \$ 378.00

Each Occurrence Limit	\$ 1,000,000	Liability Type: OCCURRENCE
Personal and Advertising Injury Limit	\$ 1,000,000	
General Aggregate Limit (Other Than Products – Completed operations)	\$ 2,000,000	
Products/Completed Operations Aggregate Limit	\$ 2,000,000	
Rented to You Limit	\$ 100,000	
Medical Expense Limit (Any One Person)	\$ 5,000	

.....ClassificationsClass Code	Premium Base	Prem/Op BI/PD Ded	Products BI/PD Ded	Exposure	Premium
TEXAS						
LOC 1 TOWNHOUSES	68500	UNIT	NONE		61	\$ 378.00



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PROPERTY

Total: \$ 109.00

Prem-Bldg	Coverage	Limit of Insurance	Cause of Loss Form	Coins	AV Wind/and Hail	Blkt No.	Ded	Premium
0001-001	Building	\$ 1,000	Special	100%	Y \$ 1,000	1	\$ 1,000	\$ 17.00
0001-002	Building	\$ 5,000	Special	100%	Y \$ 1,000	1	\$ 1,000	\$ 78.00
0001-003	Building	\$ 800	Special	100%	Y \$ 1,000	1	\$ 1,000	\$ 14.00
	Property Elite							Incl
	Building	\$ 6,800				1		

*(5) 10% or \$5,000 minimum deductible if Earthquake coverage is listed above



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AUTO COVERAGE

Total: \$ 428.00

Includes Terrorism of: \$ 1.00

Sub Total: \$ 427.00

Auto Common

Premium

HIRED CAR	TX		\$ 186.00
Liab Limit (per 1000)		\$ 1,000	
NON-OWNED	TX		\$ 241.00
Liab Limit (per 1000)		\$ 1,000	



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AUTO SYMBOLS – Summary of Coverages

Liability	<u>08, 09</u>
Personal Injury Prot	_____
Added Personal Injury Prot	_____
PPI	_____
Medical	_____
Medical Exp & Income Loss Ben (VA only)	_____
Uninsured Motorists	_____
Underinsured Motorists	_____
Garagekeepers Comprehensive	_____
Garagekeepers Specified Causes of Loss	_____
Garagekeepers Collision	_____
Comprehensive	_____
Specified Causes of Loss	_____
Collision	_____
Towing	_____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**ELITE PROPERTY ENHANCEMENT: HOMEOWNER ASSOCIATIONS & PLANNED UNIT DEVELOPMENTS**

This endorsement modifies insurance provided under the following:

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

I. Schedule of Additional Elite Enhancement Endorsement Coverages and Limits

The following is a summary of increased Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of your policy.

Coverage Applicable	Limit of Insurance	Page #
Business Personal Property	Within 1250 feet	2
Pollutant Clean Up and Removal	\$25,000	2
Fire Department Service Charge	\$25,000	2
Newly Acquired or Constructed Property	90 days	3
Personal Effects	\$5,000/\$25,000	3
Property of Others	\$10,000	3
Valuable Papers and Records	\$50,000	3
Property Off-Premises, Including Stock	\$500,000	3
Property at Conventions, Fairs, Exhibitions or Special Events	\$25,000	3
Outdoor Property/Debris Removal	\$50,000	3
Emergency Vacating Expense	\$15,000	4
Automated External Defibrillators (AED's)	\$5,000	4
Lease Cancellation Moving Expenses	\$2,500	4
Foundations	Included	4
Retaining Walls	\$5,000	5
Accounts Receivable	\$100,000	5
Business Income and Extra Expense (including Contingent)	\$100,000	6
Fire Extinguisher Recharge	\$1,000	7
Lock Replacement	\$1,000	7
Reward Reimbursement	\$5,000	8
Inventory and Appraisals of Loss	\$5,000	8
Ordinance or Law-Undamaged Portion of the Building	Building Limit	8
Ordinance or Law-Demolition Cost	\$300,000	
Ordinance or Law-Increased Cost of Construction	\$300,000	
Spoilage	\$25,000	10
Pair, Sets or Parts	Adjustment Included	10
Fine Arts	\$25,000	11
EDP Equipment and Media	\$50,000	11
Water	\$30,000	14
Utility Services (Business Income (and extra expense) Coverage)	Extension	15
Furs	\$5,000	15
Precious Metals	\$5,000	15
Property in Transit	\$50,000	16
Off Premises Power Failure	\$25,000	16
Dampness/Extremes of Temperature	Deletions Excluded	16
Earthquake Sprinkler Leakage	\$10,000	16

II. Elite Enhancement Endorsement Conditions

A. Applicability of Coverage

Coverage provided in forms attached to your policy is amended by this endorsement where applicable.

B. Limits of Insurance

1. When coverage is provided by this form and another coverage form attached to this policy, the greater Limits of Insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy.
2. Limits of Insurance identified herein are not excess of, nor applicable in addition to, Limits of Insurance provided by the coverage or Cause of Loss forms applicable to this endorsement, unless otherwise stated.
3. Coverage is considered to be on an occurrence basis (not on a per location basis).

C. Adjusters' Fees

Coverages provided herein are not applicable to the generation of fees you may incur by retaining a public adjuster or appraiser.

D. Applicability of Exclusions

Specific exclusionary endorsements attached to the policy supercede coverage provisions contained in this coverage enhancement.

E. Requirement for Covered Cause of Loss

Except where a specific Covered Cause of Loss is identified in this coverage enhancement, coverage for the losses described herein are applicable only for Covered Causes of Loss as designated in the Cause of Loss form attached to the policy.

III. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

Coverage applies for your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1250 feet of the described premises.

IV. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows under ADDITIONAL COVERAGES:

A. Pollutant Clean Up and Removal

The Limit of Insurance for this Additional Coverage is increased to \$25,000.

B. Fire Department Service Charge

The Limit of Insurance for this Additional Coverage is increased to \$25,000.

V. The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows under Coverage Extensions:

A. Newly Acquired or Constructed Property

Period Of Coverage is amended as follows:

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

1. This policy expires;
2. 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
3. You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

B. Personal Effects and Property of Others

1. Coverage for personal effects owned by you, your officers, your partners or your employees is amended as follows: The most we will pay for loss or damage under this extension is \$5,000 per person. The amount we will pay for loss or damage under this Extension will also not exceed \$25,000 per occurrence.
2. Coverage for Personal Property of others in your care, custody or control is amended as follows: The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

C. Valuable Papers And Records

Coverage for Your Business Personal Property is extended to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$50,000 at each described premises.

D. Property Off-Premises, Including Stock

Coverage for Your Business Personal Property is extended to apply to your Covered Property that is temporarily at a location you do not own, lease, or operate. This Extension applies only if loss or damage is caused by a Covered Cause of Loss. This Extension does not apply to Covered Property:

1. in or on a vehicle; or
2. in the care, custody or control of your salespersons.

The most we will pay for loss or damage under this Extension is \$500,000. The most we will pay for loss or damage under this Extension is \$25,000 for losses occurring at a convention, fair, exhibition or special event.

E. Outdoor Property/Debris Removal

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences and netting, outdoor lighting, outdoor pools, court surfaces, radio and television antennas (including satellite dishes), signs, trees, shrubs, plants, lawns, and playground equipment (greater than 1250 feet from the premises described in the Declarations) including the cost of debris removal, caused by or resulting from any of the following Causes of Loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion;
5. Aircraft or Vehicles;
6. Vandalism and Malicious Mischief; or
7. Theft.

The most we will pay for loss or damage under this Extension is \$50,000. The most we will pay for one tree, shrub, plant or acre of lawn, including the cost of debris removal, is \$2,500.

VI. The following is added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Additional Coverages:

A. Emergency Vacating Expense

1. The coverage provided by this policy is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility described in the Declarations, provided that vacating is necessary due to an "emergency" situation resulting from a Covered Cause of Loss.

2. "Emergency" will mean imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to occupants.

3. We will not pay for any expenses under this Extension arising out of:

- a. a strike, bomb threat or false fire alarm, unless vacating is ordered by a civil authority; or
- b. a planned vacating drill.

4. The most we will pay for Emergency Vacating Expenses in any one occurrence under this Extension is \$15,000. The deductible for Emergency Vacating Expenses is \$250 per occurrence.

No other exclusions in your policy apply to this Extension. However, specific exclusionary endorsements attached to the policy supercede coverage provisions contained in this coverage enhancement.

B. Automated External Defibrillators

Automated External Defibrillators (AED's) are considered Covered Property. Coverage for Automated External Defibrillators is limited to \$5,000 per occurrence, which is in addition to the Business Personal Property Limit stated on the Declarations.

C. Lease Cancellation Moving Expenses

The Company will reimburse the Insured any moving expenses necessitated by the Insured's need to relocate due to the cancellation of the lease at the insured's premises listed on the Declarations page during the policy period, provided that the lease cancellation occurs as a result of a Covered Cause of Loss. The limit for this coverage will be \$2,500 per policy period for all Insureds combined. No deductible applies to this coverage.

D. Foundations

Covered Property includes foundations of buildings, structures, machinery or boilers if their foundations are below the lowest basement floor or the surface of the ground, if there is no

basement.

VII. The following is added to the BUILDING AND PERSONAL PROPERTY COVERAGE FORM under Section A. Coverage, Subsection 5. Coverage Extensions:

A. Retaining Walls

Coverage for your building is extended to apply to any retaining walls, which are not part of the Building, located at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss. Coverage for all retaining walls is subject to a \$5,000 Limit of Insurance per location.

B. Accounts Receivable

1. Coverage for Your Business Personal Property is extended to apply to your records of accounts receivable:
 - a. At a described premises or in or on a vehicle in transit between described premises; or
 - b. If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss. We will pay for a loss while they are:
 - (1) At a safe place away from your described premises; or
 - (2) Being taken to and returned from that place.

2. Coverage for Your Business Personal Property is extended to apply to the amounts due from your customers that you are unable to collect due to a Covered Cause of Loss, including:
 - a. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - b. Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and
 - c. Other reasonable expenses that you incur to reestablish your records of accounts receivable that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable, including credit or charge card slips.

3. Accounts receivable loss payment will be determined as follows:
 - a. Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

The total above will be adjusted for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - b. The following will be deducted from the total amount of accounts receivable:
 - (1) The amount of the accounts for which there is no loss; and
 - (2) The amount of the accounts that you are able to reestablish or collect; and
 - (3) An amount to allow for probable bad debts that you are normally unable to collect; and

- c. You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

4. Exclusions

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

- (1) 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) Bookkeeping, accounting or billing errors or omissions.

- b. We will not pay for loss that requires any audit of records or any inventory computation to prove its factual existence.

The most we will pay under this Coverage Extension is \$100,000.

C. Business Income and Extra Expense

- 1. Coverage is extended to cover "Business Income"/"Extra Expense" incurred when your covered building or business personal property listed on the Declarations is damaged by a Covered Cause of Loss.

We will pay any "Extra Expense" to continue your normal operations:

- a. at the described premises; or
- b. at replacement premises or temporary locations; including:
 - (1) relocation expenses; and
 - (2) costs to equip or operate the replacement or temporary locations; and

We will also pay for any corresponding "Extra Expense" to minimize the suspension of your normal operation if you cannot continue them.

- 2. We will pay for the actual loss of "Business Income" you sustain and necessary "Extra Expense" caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss. The coverage for "Business Income" will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins. The coverage for "Extra Expense" will begin immediately after the time of that action and will end: (1) 3 consecutive weeks after the time of that action; or (2) When your "Business Income" coverage ends; whichever comes first.

- 3. Coverage is extended, subject to all provisions herein, to cover "Business Income"/"Extra Expense" incurred when "Contingent Business Property" is damaged by a Covered Cause of Loss. We will reduce the amount of your "Business Income" loss, other than "Extra Expense", to the extent you can resume operations, in whole or in part, by using any other available:

- a. Source of materials; or
- b. Outlet for your products.

- 4. The following, when used in this section, are defined as follows:

- a. "Extra Expense" means necessary expenses you incur during the "Period of Restoration" that

you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

- b. "Business Income" means Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred during the "Period of Restoration;" and continuing normal operating expenses including payroll.
- c. "Contingent Business Property" means property operated by others on whom you depend to:
 - (1) Deliver materials or services to you or to others for your account (Contributing Locations);
 - (2) Accept your products or services (Recipient Locations);
 - (3) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - (4) Attract customers to your business (Leader Locations).
- d. "Period of Restoration" means the period of time that:
 - (1) Begins with the date of physical loss or damage caused by or resulting from any Covered Cause of Loss; and
 - (2) Ends on the date when the property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
 - (3) "Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) 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.
 - (4) The expiration date of this policy will not cut short the "Period of Restoration."

The most we will pay under this section is \$100,000 for any one premises during any one year policy period. No coinsurance shall apply to this coverage.

D. Fire Extinguisher Recharge

Coverage is extended to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide, or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$1,000.

No deductible shall apply to this coverage.

E. Lock Replacement

Coverage is extended to cover necessary expense to repair or replace exterior or interior door locks of a covered building:

1. If your door keys are stolen in a covered theft loss; or
2. When your property is damaged and your door keys are stolen by the burglars.

The most we will pay under this extension is \$1,000 for any one occurrence.

No deductible shall apply to this coverage.

F. Reward Reimbursement

Coverage is extended to provide a reward for information that leads to a criminal conviction in connection with loss or damage to Covered Property by a Covered Cause of Loss; provided that the reward is pre-approved by the Company. The most we will pay for loss or damage under this extension is \$5,000 regardless of the number of persons involved providing information.

No deductible shall apply to this coverage.

G. Inventory and Appraisals

Coverage is extended to cover your expenses, excluding those for public adjusters and appraisers, to record information, compile inventories, or obtain appraisals we require to comply with the loss conditions of this coverage form.

The most we will pay for loss or damage under this extension is \$5,000 for any one loss to Covered Property caused by a Covered Cause of Loss.

No deductible shall apply to this coverage.

H. Ordinance or Law

Under this Additional Coverage, we will not pay any costs due to an ordinance or law that you were required to comply with before the loss, even when the building was damaged, and with which you failed to comply.

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

If a Covered Cause of Loss occurs to covered Building property shown in the Declarations, we will pay for loss of value to the undamaged portion of the building caused by enforcement of any ordinance or law that:

- a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c. Is in force at the time of loss.

Coverage A is included within the Limit of Insurance applicable to the covered Building property shown in the Declarations. This is not additional insurance.

2. Coverage B – Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

The Limit of Insurance for Demolition Cost Coverage is \$300,000 (in addition to the Building Limit).

3. Coverage C – Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay for the increased cost to repair, rebuild or construct the property caused by enforcement of building, zoning or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law.

The Limit of Insurance for Increased Cost of Construction is \$300,000 (in addition to the Building Limit).

4. Under Coverage A – Coverage for Loss to the Undamaged Portion of the Building:

a. If the Replacement Cost coverage option applies and the property is repaired or replaced on the same or another premises, we will not pay more for loss of value to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit of Insurance applicable to the covered Building property.

b. If the Replacement Cost coverage option applies and the property is not repaired or replaced; or if the Replacement Cost Coverage option does not apply; we will not pay more for loss of value to Covered Property, including loss caused by enforcement of an ordinance or law, than the lesser of:

(1) The actual cash value of the building at the time of loss; or

(2) The Limit of Insurance applicable to the covered Building property.

5. We will not pay more under Coverage B – Demolition Cost Coverage than the lesser of the following:

a. The amount you actually spend to demolish and clear the site of the described premises; or
b. The applicable Demolition Cost Limit of Insurance shown in the Schedule above.

6. We will not pay Under Coverage C – Increased Cost of Construction Coverage:

a. Until the property is actually repaired or replaced, at the same or another premises; and

b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

c. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.

- d. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises (not to exceed the increased cost of construction at the same premises); or
 - (2) The applicable Increased Cost of Construction Limit of Insurance shown in the Schedule above.

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

I. Spoilage

- 1. We will pay for direct physical loss or damage to your perishable Business Personal Property, and perishable personal property of your residents while at or within 1000 feet of the described premises caused by spoilage due to changes in temperature or humidity resulting from:
 - a. Complete or partial interruption of electrical power to the described premises due to conditions beyond your control; or
 - b. Mechanical breakdown or failure of heating, cooling or humidity control equipment or apparatus at the described premises.
- 2. Coverage does not apply to:
 - a. the disconnection of any heating, cooling or humidity control equipment or apparatus from the source of power; or
 - b. the deactivation of electrical power or current caused by the manipulation of any switch or other device used to control the flow of electrical power or current; or
 - c. the inability of an electric utility company or other power source to provide sufficient power due to:
 - 1. lack of fuel; or
 - 2. governmental order; or
 - d. the inability of a power source at the described premises to provide sufficient power due to insufficient generating capacity to meet demand; or
 - e. breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay for loss or damage in any one occurrence is \$25,000.

J. Pair, Sets or Parts

- 1. Pair or Set: In case of loss to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between the value of the pair or set before and after the loss.
- 2. Parts: In case of a loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

K. Fine Arts

1. Coverage applies to "Fine Arts". Covered Causes of Loss are extended to include risks of direct physical loss or damage except:
 - a. Any repairing, restoration or retouching process.
 - b. Breakage of fragile "Fine Arts" articles, including art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains and similar fragile articles, unless caused by:
 - (1) The "Specified Causes of Loss";
 - (2) Building glass breakage;
 - (3) Earthquakes; or
 - (4) Floods.
 - c. Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose (other than a bailee for hire or carrier):
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
 - 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.
 - e. Any of the following:
 - (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in the property that causes it to damage or destroy itself;
 - (3) Nesting or infestation, or discharge or release of waste products or secretions by insects or rodents; or
 - (4) Dampness or dryness of atmosphere or changes in or extremes in temperature.
2. The most we will pay in any one occurrence for loss or damage to "Fine Arts" caused by or resulting from any Covered Cause of Loss is:
 - a. The Limit of Insurance that applies to the lost or damaged "Fine Arts"; or
 - b. 25,000;
 whichever is less.

3. The following, when used in this section, means:

- a. "Antique" means an object at least 100 years old.
- b. "Fine Arts" means paintings, etchings, pictures, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" furniture, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.

L. EDP Equipment and Media

1. Coverage
 - a. Covered Property, as used in this Coverage Form means Electronic Data Processing devices operated by you at the premises listed on the Declarations. The Covered Property must be either your property or property belonging to others, which is in your care and used by you in

your business or profession.

b. Covered Property, as used in this section of this enhancement, means "Data" and "Media" owned proprietarily by you. The Covered Property must be either your property or property belonging to others, which is in your care and used by you in your business or profession.

(1) "Data" means information stored electronically and includes facts, instructions, concepts and programs converted to a form useable in electronic data processing operations.

(2) "Media" means devices which store information which is accessible to computers.

c. Property Not Covered

(1) Accounts, records, documents and other valuable papers, except as they may be converted to "Data" and stored on "Media", and then only in that converted form; or

(2) Property of yours that you have rented, leased or loaned to someone else; or

(3) Electronic Alarm Systems.

d. Coverage Extensions

(1) Provided you store duplicate "Data" at a separate premises and provided such data is not insured elsewhere under this or any other insurance policy, we will cover that data at each such storage location.

(2) We will also pay for loss to Covered Property while temporarily located away from your premises and while in transit within:

(a) The United States of America;

(b) Puerto Rico; and

(c) Canada.

The most we will pay under this Coverage Extension is \$10,000 for any single occurrence.

(3) We will continue to cover your Covered Property while being transferred to and while at a temporary safe storage location, whenever utilized to avoid imminent loss. You are required, however, to provide us with written notice within 10 days following such move.

(4) We will also pay for expenses you incur for the removal of debris provided:

(a) The debris is Covered Property;

(b) The Cause of Loss is not excluded by any part of this policy; and

(c) The debris is located at a location scheduled in this policy.

The most we will pay under this Coverage Extension is \$50,000 in any one loss, but not to exceed a total of \$50,000 under this EDP coverage enhancement section.

(5) We will also pay 80% of the actual rental cost for replacement electronic equipment, beginning forty-eight (48) hours after a covered loss has occurred to Covered Property under the EDP coverage listed in the preceding paragraphs, provided such equipment will assist in continuing operations at no less than 80% of normal capacity.

This Coverage Extension will end when the covered loss has been settled or when the amount of coverage provided under this Coverage Part is exhausted, whichever occurs first.

The most we will pay under the terms of this Coverage Extension is \$10,000 in any one loss.

- (6) We will also pay you for the expense you incur in recharging or refilling fire protection devices which are designed specifically to protect the Covered Property under this EDP coverage section, when these devices have been used in protecting such property from a covered loss.

The most we will pay under the terms of this Coverage Extension is \$25,000 in any one loss.

e. Covered Causes of Loss

Covered Causes of Loss means risk of direct physical loss to Covered Property except those Causes of Loss listed in the Exclusions.

2. Exclusions

We will not pay for a loss caused directly or indirectly by any of Items a. through i. listed below. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority. This exclusion will not apply to acts or destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire falls within a Covered Cause of Loss under the terms of this policy.

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 we will pay for direct loss caused by resulting fire if the fire would be covered under the terms of this policy.

c. War and Military Action

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

d. Delay, loss of market, loss of income, loss of use or any other cause of consequential loss.

e. Wear and tear, any quality in the Covered Property that causes it to damage or destroy itself, gradual deterioration, depreciation or damage done by insects, vermin or rodents. We will pay for direct loss caused by resulting fire or explosion if the fire or explosion would be covered under the terms of this Coverage Part.

f. Dishonest acts committed by you, anyone else with an interest in the Covered Property, or

your or their employees, whether or not such an act occurs during the hours of employment; nor will we pay for a loss caused by dishonest acts by anyone entrusted with the Covered Property, except a common carrier for hire.

- g. Dryness, dampness, changes in temperature, corrosion or rust. But, if the air conditioning system that services the Covered Property is damaged by a Covered Cause of Loss we will pay for any direct resulting damage to Covered Property.
- h. Breakage of tubes, bulbs, lamps or articles made of glass. But we will pay for such loss caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to vehicles carrying the Covered Property.
- i. Processing or work performed upon the Covered Property. But we will pay for direct loss caused by resulting fire or explosion if the fire or explosion would be covered under this Coverage Form.

3. Limits and Deductibles

- a. Limit of Insurance - The most we will pay for any loss under the EDP section is \$50,000.
- b. Deductible - We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the contents Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.
- c. Valuation - The value of the Covered Property will be determined as of the time and place of loss using the actual replacement cost of property similar to the Covered Property. In no event will our liability above exceed the cost to repair or replace the property with similar property of equal value.

VIII. The following is added and supersedes any wording to the contrary under the CAUSES OF LOSS – SPECIAL FORM:

A. Water - "Water" is included as a Covered Cause of Loss. We will not pay more than \$30,000 in any one occurrence.

- 1. "Water" means:
 - a. Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
 - b. Mudslide or mudflow;
 - c. Water that backs up or overflows from a sewer, drain or sump; or
 - d. Water under the ground surface pressing on, or flowing or seeping through:
 - 1. foundations, walls, floors or paved surfaces;
 - 2. basements, whether paved or not; or
 - 3. doors, windows or other openings.

This extension applies to all claim expenses including, but not limited to building, business personal property, personal property of others, business income and extra expense and debris removal. However, this extension does not apply to roof drainage systems, gutters or downspouts.

B. Utility Services (Applicable to Business Income (and Extra Expense) Coverage)

1. Coverage for your Business Income and Extra Expense, if included in the policy, is extended to include loss or damage that you incur due to the interruption, caused by a Covered Cause of Loss, of "Water Supply Services", "Communication Supply Services", or "Power Supply Services" to the premises described on the declarations.

a. "Water Supply Services" means the following types of property supplying water to the described premises:

- (1) Pumping stations; and
- (2) Water mains.

b. "Communication Supply Services" means property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (1) Communication transmission lines including optic fiber transmission lines; and
- (2) Coaxial cables, and
- (3) Microwave radio relays except satellites.

"Communication Supply Services" does not include overhead communication lines.

c. "Power Supply Services" means the following types of property supplying electricity, steam, or gas to the described premises:

- (1) Utility generating plants; and
- (2) Switching stations; and
- (3) Substations; and
- (4) Transformers; and
- (5) Transmission lines.

"Power Supply Services" does not include overhead transmission lines.

2. We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the off-premises property to which this enhancement applies. This coverage extension does not apply to direct physical damage to Covered Property.

C. Furs

The Limit of Insurance for furs is increased to \$5,000.

D. Precious Metals

The Limit of Insurance applicable to trophies, medals, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals is increased to \$5,000.

E. Property in Transit

The Limit of Insurance for Property in Transit is increased to \$50,000.

F. Off-Premises Power Failure

We will pay for loss of or damage to Covered Property, caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to a “Water Supply Services”, “Communication Supply Services”, or “Power Supply Services”, not on the described premises.

1. “Water Supply Services” means the following types of property supplying water to the described premises:
 - a. Pumping stations; and
 - b. Water mains.

2. “Communication Supply Services” means property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - a. Communication transmission lines including optic fiber transmission lines; and
 - b. Coaxial cables, and
 - c. Microwave radio relays except satellites.

“Communication Supply Services” does not include overhead communication lines.

3. “Power Supply Services” means the following types of property supplying electricity, steam, or gas to the described premises:
 - a. Utility generating plants; and
 - b. Switching stations; and
 - c. Substations; and
 - d. Transformers; and
 - e. Transmission lines.

“Power Supply Services” does not include overhead transmission lines.

This coverage extension does not apply to loss of Business Income or Extra Expense. The most we will pay for loss or damage under this extension is \$25,000.

G. Dampness/Extremes of Temperature

We will cover the following Causes of Loss to personal property:

1. Dampness or dryness of atmosphere;
2. Changes in extremes of temperature.

H. Earthquake Sprinkler Leakage

We will pay up to \$10,000 for damages resulting from Sprinkler Leakage which is caused by Earth Movement.

IX. Other Insurance

If there is other insurance under a separate policy covering the same loss or damage as provided for in this coverage enhancement, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, regardless of whether you are able to collect. However, we will not pay more than the applicable Limit of Insurance.



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INSURANCE COMPANIES

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Taxes, Surcharges, and Fees Notice

*Note: The above proposal may not account for local taxes, Surcharges, and/or fees mandated by the State in which you/your business operate(s). The final policy will include a description of how local taxes, surcharges and fees, if applicable, have been allocated as determined by the risk location. Please contact a PHLY representative if you have any questions.