



AMERICAN FAMILY INSURANCE COMPANY
2710 PATTERSON RD STE A
GRAND JUNCTION CO 81506

August 12, 2024



001044EC124DAA2042250540 005588 101
PALISADE LEGENDS HOMEOWNERS ASSOCIATION, INC
C/O HOASERVICES INC
607 S 7TH ST
GRAND JUNCTION CO 81501-7734

Regarding your Businessowners Policy

Our offer to renew your insurance policy is enclosed

Your renewal bill will be sent separately

Policy number	Billing account number	Renewal Date
91001-34809-77	619-476-257-20	10/15/2024

Thank you for putting your trust in American Family Insurance Company! We value your business and work hard to protect what's important to you.

- What is in this packet?**
- **Enclosed is our offer to renew the policy noted above.**
 - For a summary of the policy coverage and limits provided, please see the enclosed Renewal Declarations. If you would like a more detailed explanation of the coverage, please refer to your policy and endorsements. We have also included other important and/or state specific notices relating to this policy.
- What should I do?**
- **Please review all of the enclosed information carefully.** Contact your agent if you would like to make any changes to your policy.
- Anything else I should know?**
- To accept our renewal offer and to maintain continuous coverage, we must receive payment by the date shown on your renewal billing notice, which will be sent separately.
 - This renewal offer is only available to you if the premium for the prior term has been paid in full.

American Family Insurance Company
1-800-MY AMFAM (1-800-692-6326) Ext. 76000

Your Agent is:

Jeff Crandell Agency, Inc.

jcrandel@amfam.com

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

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AMERICAN FAMILY INSURANCE COMPANY
2710 PATTERSON RD STE A
GRAND JUNCTION CO 81506

August 12, 2024

PALISADE LEGENDS HOMEOWNERS ASSOCIATION, INC
C/O HOASERVICES INC
607 S 7TH ST
GRAND JUNCTION CO 81501-7734

Regarding your Businessowners Policy

Important information pertaining to your Renewal

Policy number	Renewal date
91001-34809-77	10/15/2024

Thank you for choosing American Family Insurance. We truly value you as our customer and are committed to providing you the support you need to protect the things that matter most.

American Family has added Commercial Cyber Data Breach Coverage to your Businessowners Policy on the renewal date listed above.

The additional premium charge for this Cyber Data Breach Coverage is \$133.00

The Commercial Cyber Data Breach Coverage highlights are outlined as follows:

- \$25,000 liability coverage limit for:
 - “Media” loss (libel; slander; defamation; infringement of copyright, trademark; service mark, etc.)
 - “Network Security” loss (your inability to access your computer system; transmission by you of malicious software code to another’s computer or their network)
 - “Data Compromise” loss (theft, loss or unauthorized access of personally protected information from your network or computer; regulatory fines levied against you for violations of federal or state privacy information breach laws (a \$10,000 sublimit applies to the regulatory fines portion))
- \$25,000 coverage limit for:
 - “Privacy Breach” loss (expenses associated with the loss of sensitive information from your computer or system such as notification to all affected individuals as well as state and federal regulatory agencies; credit monitoring fees following the privacy information loss; investigation fees associated with the determination as to how the loss of information was permitted to happen; crisis management expenses such as appointing public relations firms to respond to public reaction to the loss of information)
 - “System Compromise” loss (expenses associated with data replacement and computer system restoration)
- \$10,000 coverage limit for an “Extortion Threat” loss (ransom demands to restore your computer software and network from a systems penetration)
- \$10,000 coverage limit for “Funds Transfer Fraud” loss (intentional deception by a hacker to convince you to transfer funds from your account to their unauthorized account)
- \$10,000 coverage limit for “Payment Card Industry” loss (your failure to comply with the federal Payment Card Industry Data Security Standards, and the accompanying fines associated with this failure to comply)

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\$1,000 deductible applies.

Additional coverage is available for the loss of income and continuing expenses you incur during the reconstruction period following a cyber data breach loss. Your agent can supply you with additional details concerning this coverage.

Please review the attached Commercial Cyber Data Breach Coverage forms carefully to ensure they meet your needs. If you would like to make changes to the available limits or to add loss of income associated with Cyber Breach to your policy, please contact your agent.

If you would like to reject Commercial Cyber Data Breach Coverage, please complete the Coverage Rejection form below and return in the enclosed envelope or contact your agent prior to the renewal date listed above for full premium refund. Rejection requests received after the renewal date will be refunded on a prorated basis.

Your agent has received a copy of this notice. If you have questions about this notice, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326) ext. 76000.

Commercial - Farm/Ranch Division
1-800-MY AMFAM (1-800-692-6326)

AMERICAN FAMILY INSURANCE COMPANY

Your American Family Agent is:

Jeff Crandell Agency, Inc.

jcrandel@amfam.com

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

Coverage Rejection Form - Commercial Cyber Data Breach Coverage

If you wish to reject the Commercial Cyber Data Breach Coverage, please review, sign, and return this form in the enclosed envelope provided.

I choose to reject **Commercial Cyber Data Breach Coverage** and understand and agree that this coverage will not be added to my Businessowners Policy 91001-34809-77 on the policy Effective Date 10/15/2024. If I choose to add this coverage, I will contact my American Family agent.

Insured or Authorized Representative

Date

Please keep a copy of this waiver of Commercial Cyber Data Breach Coverage for your records.

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AMERICAN FAMILY INSURANCE COMPANY
 2710 PATTERSON RD STE A
 GRAND JUNCTION CO 81506

AmFam.com

1-800-MY AMFAM™ (692-6326)

August 12, 2024

PALISADE LEGENDS HOMEOWNERS ASSOCIATION, INC
 C/O HOASERVICES INC
 607 S 7TH ST
 GRAND JUNCTION CO 81501-7734

Regarding your Businessowners Policy

Notice of Increase in Premium

Please review information below.

Policy Number	Effective Date	Renewal Premium
91001-34809-77	10/15/2024	\$5,606.06

American Family Insurance is committed to ensuring our customers' coverage and premium accurately reflects their current situation. As part of this effort, we regularly review accounts for continued eligibility and other factors.

You are hereby notified in accordance with terms and conditions of the above mentioned policy and in accordance with law, the policy will be renewed effective on the date shown above at 12:01am, standard time, at the address shown in the policy, subject to the higher premium shown in this notice.

Note that the change in premium is based on your expiring policy premium and may include both rate changes, changes to rating factors and any changes in exposures.

This letter does not provide coverage or change Policy Provisions. Please read your policy for complete information regarding this change.

Thank you for being our customer. Your agent has received a copy of this letter. You have a right to cancel your policy. If you have questions about this notice or need assistance making changes to your policy, please contact your agent listed below or call us at 1-800-MY AMFAM (1-800-692-6326).

Commercial Lines Underwriting
 1-800-MY AMFAM (1-800-692-6326)

AMERICAN FAMILY INSURANCE COMPANY

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Your American Family Agent is:

Jeff Crandell Agency, Inc.

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

jcrandel@amfam.com

Renewal Declarations Businessowners Policy



Please read your policy

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

Named Insured And Mailing Address

Palisade Legends Homeowners Association, Inc
C/O Hoa Services Inc
607 S 7th St
Grand Junction CO 81501-7734

Policy Information

Policy number	Policy period	Billing account number
91001-34809-77	10/15/2024 to 10/15/2025 12:01 A.M. Standard Time at your mailing address shown above.	619-476-257-20

Business and Operations Information

Year Started: 2020
Description of Business and Operations:
Form of Business: Corporation

Insurance applies only for coverages for which a limit of insurance or the word "Included" is shown unless coverage is provided by an endorsement. Blanket Insurance applies only for coverages for which a Blanket Limit of Insurance is shown.

As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide the insurance as stated in this policy.

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Policy Number: 91001-34809-77

Premium Information	
Total Advance Premium Per Term (Excluding Surcharges and Terrorism):	\$5,606.06
Cyber Claim Support and Risk Management Surcharge:	\$7.00
Certified Acts of Terrorism Premium:	\$0.00
Total Advance Premium Per Term:	\$5,606.06
Premium with Customer Full Pay Discount (not available on policies billed to a Third Party):	\$5,333.28

This premium may be subject to adjustment. You may be charged a fee when: (a) you pay less than the full amount due; (b) your payment is late; and/or (c) when your bank does not honor your check or electronic payment. Refer to your Billing Notice for fee amounts.

Policy Level Coverages	
Property Causes Of Loss	
Causes Of Loss	Risks of Direct Physical Loss
General Liability	
Liability And Medical Expense Limit	\$2,000,000 Per Occurrence
Medical Expense Limit	\$5,000
Other Than Products/Completed Operations Aggregate.....	\$4,000,000
Products/Completed Operations Aggregate	\$4,000,000
Cyber Data Breach Coverage	Refer to BPF 84 75
Without Business Interruption	
Homeowners Association Enhancement	Refer to BPF 84 62
Identity Fraud Expense	Refer to BP 14 01

Additional Insured(s) Information			
Name	Type	Interest	Location
BOPA, LLC	Additional Insured - Designated Person Or Organization		

Policy Number: 91001-34809-77


Agent Information

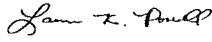
Jeff Crandell Agency, Inc.

jcrandel@amfam.com

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

AUTHORIZED
REPRESENTATIVE


President


Secretary

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Policy Number: 91001-34809-77

Location 1 - Location Level Coverages	
Location 1 - Location Details	
Program: Homeowners Associations	
Location Address: 489 RED RIVER LOOP CLIFTON CO 81520	
Location Description:	
Per Location Property Deductible (Apply Per Location, Per Occurrence)	
Deductible	\$2,500
Windstorm Or Hail Deductible	
Deductible	\$5,000

Policy Number: 91001-34809-77

Location 1 Building 1 - Building Level Coverages

Location 1 Building 1 - Building Level Details

Building Address: 489 RED RIVER LOOP CLIFTON CO 81520

Occupancy: Club Houses

Building Interest:

Building Description: Club House

Building

Limit Of Insurance See Blanket Property Insurance
Replacement Cost Coverage applies.

Business Personal Property

Limit Of Insurance \$35,200
Automatic Increase in Coverage 4%

Business Income Options

Extended Number of Days For Ordinary Payroll Expense 60 Days - Included
Extended Number of Days For Extended Business Income 60 Days - Included
Business Income From Dependent Properties
Limit Of Insurance \$5,000
Business Income And Extra Expense - Revised Period of
Indemnity - Number Of Consecutive Days 12-Months
72 Hour Waiting Period applies.

Ordinance Or Law

Coverage 1 Limit Of Insurance \$895,300
Coverage 2 Limit Of Insurance
Coverage 3 Limit Of Insurance
Coverages 2 And 3 Combined Limit Of Insurance \$641,000
Coverages 1, 2 And 3 Combined Limit Of Insurance
Business Income And Extra Expense Optional Coverage applies Refer to BPF 84 64
Number Of Hours Waiting Period For Period Of Restoration
Applicable To Business Income And Extra Expense Optional
Coverage 72 Hours

Water Back-Up And Sump Overflow (Building)

Building Limit \$25,000
Deductible \$1,000

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Policy Number: 91001-34809-77

Location 1 Structures

Location 1 - Structure Level Coverages

Valuation Method **Replacement Cost**

Scheduled Structures

Structure Description Carports
Limit Of Insurance \$80,000

Structure Description Fences
Limit Of Insurance \$25,000

Structure Description Playground Equipment (outdoor)
Limit Of Insurance \$5,000

Structure Description Swimming Pool (outdoor)
Limit Of Insurance \$50,000

Structure Description Pump House & Irrigation Equip
Limit Of Insurance \$20,000

Policy Number: 91001-34809-77

Blanket Property Insurance			
Blanket Number: 1		Limit Of Insurance: \$1,110,500	
The schedule below identifies blanketed property for Blanket Number 1			
Premises Number	Building Number	Location	Type of Covered Property
1	1	Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Building
1	1	Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Business Personal Property
1		Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Scheduled Structures
See Blanket Coverage - Statement of Values for individual property details.			

BPF 84 66 Earthquake And Volcanic Eruption (Sub-Limit)		
Blanket Limits		
Blanket Number:		Blanket Earthquake - Volcanic Eruption Limit:
Premises Number	Building Number	Description Of Covered Property
Increase Annual Aggregate Limit <input type="checkbox"/> Yes <input type="checkbox"/> No		

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Policy Number: 91001-34809-77

Forms And Endorsements		
Form Number	Edition Date	Title
BP 00 03	07 13	Businessowners Coverage Form
BP 04 17	01 10	Employment-Related Practices Exclusion
BP 04 39	07 02	Abuse Or Molestation Exclusion
BP 04 48	07 13	Additional Insured - Designated Person Or Organization
BP 04 93	01 06	Total Pollution Exclusion With A Building Heating Equipment Exception And A Hostile Fire Exception
BP 05 01	07 02	Calculation of Premium
BP 05 17	01 06	Exclusion - Silica Or Silica-Related Dust
BP 05 24	01 15	Exclusion Of Certified Acts Of Terrorism
BP 05 41	01 15	Exclusion Of Certified Acts Of Terrorism And Exclusion Of Other Acts Of Terrorism Committed Outside The United States
BP 05 77	01 06	Fungi Or Bacteria Exclusion (Liability)
BP 05 98	07 13	Amendment Of Insured Contract Definition
BP 14 78	07 13	Exclusion Of Loss Due To By-Products Of Production Or Processing Operations (Rental Properties)
BP 15 04	05 14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception
BP 85 04	07 10	Exclusion - Lead Liability
BP 85 05	07 98	Exclusion - Punitive Damages
BP 85 10	07 98	Other Insurance Limitation Liability And Medical Expenses
BP 85 12	01 06	Asbestos Exclusion
BP IN 01	07 13	Businessowners Coverage Form Index
BPF 80 01	08 18	Businessowners Policy Jacket
BPF 80 03	08 18	Businessowners Coverage Form Changes
BPF 81 02	08 18	Property Coverage Changes
BPF 81 04	08 18	Colorado Changes
BPF 83 10	08 18	Windstorm Or Hail Flat Deductible
BPF 84 10	08 18	Business Personal Property Automatic Increase In Coverage
BPF 84 11	08 18	Building Limit Inflation Protection Coverage
BPF 84 21	08 21	Water Back-Up and Sump Overflow
BPF 84 62	08 21	Homeowners Association Enhancement Endorsement
BPF 84 64	08 21	Ordinance Or Law Coverage
BPF 84 75	10 23	Commercial Cyber Data Breach Coverage
BPF 85 25	08 18	Marijuana Exclusion
BPF 85 26	05 22	Exclusion - Biometric Data, Identifiers or Information
BPF 86 03	08 18	Roof Surfacing Loss Payment Schedule

Policy Number: 91001-34809-77

Forms And Endorsements (continued)		
Form Number	Edition Date	Title
BPF 86 13	08 18	Statement of Values - Blanket Coverages
CFRN 026	09 23	Notice of Increase in Premium
CFRN 027	10 23	Notice to Policyholders - Cyber Data Breach Coverage
IL 75 26	12 05	Colorado Endorsement Change
PLCF 28833	12 20	Offer Of Terrorism Insurance Coverage And Disclosure Of Premium

The complete policy consists of these declarations and the forms and endorsements at the time of issue.

Each paid claim under **Section II - Liability** and **Medical Expenses** coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II - Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
BOPA, LLC
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 C. Who Is An Insured:

3. Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or

agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Paragraph D. Liability And Medical Expenses Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph **B.2.**) applies to property located in the following state(s):

Georgia, Illinois, Iowa, Missouri, Oregon, Washington, Wisconsin

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

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:
1. The following definition is added with respect to the provisions of this endorsement:
"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 pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.
- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:
1. The following exclusion is added:
CERTIFIED ACT OF TERRORISM EXCLUSION
We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 2. **Exception Covering Certain Fire Losses**
The following exception to the exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.
If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.
If aggregate insured losses attributable to terrorist acts certified under the 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.

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- C. The following provision is added to the Businessowners Liability Coverage Form **BP 00 06** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:
1. The following exclusion is added:
This insurance does not apply to:
TERRORISM
"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".
 2. The following definition is added:
For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO BY-PRODUCTS OF PRODUCTION OR PROCESSING OPERATIONS (RENTAL PROPERTIES)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Description Of Rental Unit
1	1	Club Houses
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 terms of this endorsement apply to the rental unit(s) described in the Schedule, and to the building(s) in which such unit(s) are located, including any contents of such unit(s) and building(s), all of which constitute the described premises for the purpose of this endorsement.
- B.** We will not pay for loss or damage to the described premises, caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental unit(s) described in the Schedule. This exclusion applies regardless of whether such operations are:
 - 1. Legally permitted or prohibited;
 - 2. Permitted or prohibited under the terms of the lease; or
 - 3. Usual to the intended occupancy of the premises.

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.

- C.** If the loss or damage described in Paragraph **B.** of this endorsement results in Business Income loss or Extra Expense, there is no coverage for such loss or expense under the Business Income or Extra Expense Additional Coverages.
- D.** The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
 - 1. Legally permitted or prohibited;
 - 2. Permitted or prohibited under the terms of the lease; or
 - 3. Usual to the intended occupancy of the premises.

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POLICY NUMBER: 91001-34809-77

BUSINESSOWNERS
BPF 83 10 08 18**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****WINDSTORM OR HAIL FLAT DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Windstorm Or Hail Flat Deductible
	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following provisions apply to **SECTION I - PROPERTY**

The Windstorm or Hail Flat Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

With respect to Covered Property at a premises identified in the Schedule, no other deductible applies to covered loss or damage caused by Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: "Specific insurance" covers each item of insurance (for example, each Building, Scheduled Structure, or Business Personal Property in a building) under a separate Limit of Insurance. "Blanket insurance" covers two or more items of insurance (for example, a Building and Business Personal Property in that building, multiple Scheduled Structures and Unscheduled Structures, or two Buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

WINDSTORM OR HAIL FLAT DEDUCTIBLE CALCULATIONS**A. Calculation Of The Total Deductible - All Policies**

1. The Windstorm or Hail Flat Deductible applies separately to:
 - a. Each Building that sustains loss or damage;
 - b. Each Scheduled Structure that sustains loss or damage;
 - c. Each Unscheduled Structure that sustains loss or damage;
 - d. The Business Personal Property located in or on the Buildings, Scheduled Structures, or Unscheduled Structures at the described premises or in the open (or in a vehicle) within 100 feet of the Buildings, Scheduled Structures or Unscheduled Structures or within 100 feet of the premises described in the Declarations, whichever is greater. If there is damage to both Business Personal Property and the Building, Scheduled Structure or Unscheduled Structure that the Business Personal Property is located in, separate deductibles apply to the Business Personal Property and to the Building, Scheduled Structure or Unscheduled Structure.
2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Windstorm or Hail Flat Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: The applicable Windstorm or Hail

Flat Deductible for Newly Acquired Property is the highest Windstorm or Hail Flat Deductible amount shown in the schedule for any described premises.

EXAMPLE #1 - SPECIFIC INSURANCE

The amounts of loss to the damaged property are \$60,000 (Building), \$30,000 (Scheduled Structure) and \$40,000 (Business Personal Property in building).

The Limits of Insurance on the damaged property are \$100,000 on the Building, \$50,000 on the Scheduled Structure, and \$64,000 on the Business Personal Property. The Windstorm or Hail Flat Deductible is \$5,000.

BUILDING

Step (1): $\$60,000 - \$5,000 = \$55,000$

SCHEDULED STRUCTURE

Step (1): $\$30,000 - \$5,000 = \$25,000$

PERSONAL PROPERTY

Step (1): $\$40,000 - \$5,000 = \$35,000$

The most we will pay is \$115,000 ($\$55,000 + \$25,000 + \$35,000$). The portion of the total loss not covered due to application of the Deductible is \$15,000 ($\$5,000 + \$5,000 + \$5,000$).

EXAMPLE #2 - BLANKET INSURANCE

Buildings one, two and three, and Unscheduled Structures one and two are shown in the Declarations as included under the Blanket Insurance with a Limit of Insurance of \$180,000. The values shown in the most recent Statement of Values on file with us are: Building #1 building value (\$60,000), Building #2 building value (\$50,000), Building #3 building value (\$50,000) Unscheduled Structure #1 value (\$10,000), Unscheduled Structure #2 value (\$10,000).

Building #1 and Building #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$30,000 (Building #2). Unscheduled Structure #1 and Unscheduled Structure #2 have also sustained damage; the amounts of loss to these buildings are \$5,000 (Unscheduled Structure #1) and \$7,000 (Unscheduled Structure #2).

The Windstorm or Hail Flat Deductible is \$5,000.

BUILDING #1

Step (1): $\$40,000 - \$5,000 = \$35,000$

BUILDING #2

Step (1): $\$30,000 - \$5,000 = \$25,000$

UNSCHEDULED STRUCTURE #1

Step (1): $\$5,000 - \$5,000 = \$0$

UNSCHEDULED STRUCTURE #2

Step (1): $\$7,000 - \$5,000 = \$2,000$

The most we will pay is \$62,000 ($\$35,000 + \$25,000 + \$2,000$). The portion of the total loss that is not covered due to application of the Deductible is \$20,000 ($\$5,000 + \$5,000 + \$5,000 + \$5,000$).

EXAMPLE #3 - SPECIFIC AND BLANKET INSURANCE

The amounts of loss to the damaged property are \$60,000 (Building), and \$40,000 (Business Personal Property in building).

The Limits of Insurance on the damaged property are \$100,000 on the Building, and \$64,000 on the Business Personal Property.

Unscheduled Structures one, two, and three are shown in the Declarations as included under the Blanket insurance for Unscheduled Structures with a Limit of Insurance of \$22,000. The values of the unscheduled structures determined by us at the time of loss are: Unscheduled Structure #1 value (\$5,000), Unscheduled Structure #2 value (\$7,000) Unscheduled Structure #3 value (\$10,000).

Unscheduled Structure #1 and Unscheduled Structure #2 have sustained damage; the amounts of loss to these buildings are \$5,000 (Unscheduled Structure #1) and \$7,000 (Unscheduled Structure #2).

The Windstorm or Hail Flat Deductible is \$5,000.

BUILDING

Step (1): $\$60,000 - \$5,000 = \$55,000$

PERSONAL PROPERTY

Step (1): $\$40,000 - \$5,000 = \$35,000$

UNSCHEDULED STRUCTURE #1

Step (1): $\$5,000 - \$5,000 = \$0$

UNSCHEDULED STRUCTURE #2

Step (1): $\$7,000 - \$5,000 = \$2,000$

The most we will pay is \$92,000 ($\$55,000 + \$35,000 + \$2,000$). The portion of the total loss that is not covered due to application of the Deductible is \$20,000 ($\$5,000 + \$5,000 + \$5,000 + \$5,000$).

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**WATER BACK-UP AND SUMP OVERFLOW (BUILDING)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The coverages provided in this endorsement will not trigger any other policy coverages that are outside of this endorsement.

SCHEDULE

Premises Number	Building Number	Covered Property Annual Aggregate Limit Of Insurance
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

Section I - Property is amended as follows:

A. We will pay for direct physical loss or damage to Buildings and Business Personal Property covered under **Section I - Property**, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph **A.2.**, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. Loss or damage which occurs or is in progress within five (5) days of the effective date of this endorsement is not covered.

C. The coverage described in Paragraph **A.** of this endorsement does not apply to loss or damage resulting from:

1. An insured's failure to keep a sump pump or its related equipment in proper working condition;
2. An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or
3. Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

D. With respect to the coverage provided under this endorsement, only the following Additional Coverages apply:

1. Paragraph **a. Debris Removal** of Section 5.

Additional Coverages;

2. Paragraph **f. Business Income** of Section 5. **Additional Coverages;** and
3. Paragraph **g. Extra Expense** of Section 5. **Additional Coverages.**

The Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building identified in the Schedule, for Water Back-up And Sump Overflow is the most we will pay under this endorsement for that Building, including these Additional Coverages.

E. The applicable Annual Aggregate Limit Of Insurance shown in the above Schedule for each Building for Water Back-up And Sump Overflow is the most we will pay under this endorsement for the total of all direct physical loss or damage sustained in any one policy period to that Building, regardless of the number of occurrences that cause or result in loss or damage. If loss payment for the first such occurrence does not exhaust the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for a Building, then the balance of that Building limit is available for subsequent loss or damage sustained in, but not after, that policy period for that same Building. With respect to an occurrence which begins in one policy period and continues or results in additional loss or damage in a subsequent policy period(s), all loss or damage is deemed to be sustained in the policy period in which the occurrence began.

F. With respect to the coverage provided under this endorsement, Paragraph **1.g. Water** of **B. Exclusions in Section I - Property** is replaced by the following:

Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow

of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

2. Mudslide or mudflow;
3. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or
4. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 4., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain

the water.

But if any of the above, in Paragraphs 1. through 4., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- G. For the purposes of this endorsement, the term drain includes a roof drain and related fixtures.
- H. With respect to the coverage provided under this endorsement, Paragraph **D.1. Deductibles**, is replaced with the following:
 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Water Back-up And Sump Overflow Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Water Back-up And Sump Overflow Deductible up to the applicable Annual Aggregate Limit Of Insurance shown in the Schedule for the Building identified in the Schedule for Water Back-up And Sump Overflow loss or damage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Coverage 1 Limit Of Insurance	Coverage 2 Limit Of Insurance	Coverage 3 Limit Of Insurance	Coverages 2 And 3 Combined Limit Of Insurance*	Coverages 1, 2 And 3 Combined Limit Of Insurance*
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
Business Income And Extra Expense Optional Coverage (Enter Yes or No):						
Number Of Hours Waiting Period For Period Of Restoration Applicable To Business Income And Extra Expense Optional Coverage:						
*Do not enter a Combined Limit Of Insurance if individual Limits Of Insurance are selected for Coverages 1, 2 and 3, or if one of these coverages is not applicable.						
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.						

Section I – Property is amended as follows:

A. Each Coverage – Coverage 1, Coverage 2 and Coverage 3 – is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building identified for the Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and are then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. The Building sustains direct physical damage:

a. That is covered under this policy and as a

result of such damage, you are required to comply with the ordinance or law; or

b. That is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the Building damage in its entirety, you are required to comply with the ordinance or law.

c. But if the damage is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the Building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of Coverages 1, 2 and/or 3 of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section **H.** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage alone would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss

otherwise payable under terms of Coverages 1, 2 and/or 3 of this endorsement.

C. We will not pay under Coverage 1, 2 or 3 of this endorsement for:

1. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
2. 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 rot or dry rot.

D. Coverage

1. Coverage 1 – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the Building that has sustained covered direct physical damage, we will pay under Coverage 1 for the loss in value of the undamaged portion of the Building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same Building. Coverage 1 is included within the Limit Of Insurance shown in the Declarations as applicable to the covered Building. Coverage 1 does not increase the Limit Of Insurance.

2. Coverage 2 – Demolition Cost Coverage

With respect to the Building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same Building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

Paragraph E.5.d. **Loss Payment** Property Loss Condition does not apply to **Demolition Cost Coverage**.

3. Coverage 3 – Increased Cost Of Construction Coverage

With respect to the Building that has sustained covered direct physical damage, we will pay the increased cost to:

- a. Repair or reconstruct damaged portions of that Building; and/or
- b. Reconstruct or remodel undamaged portions of that Building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- a. This coverage applies only if the restored or remodeled property is intended for

similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- b. We will not pay for the increased cost of construction if the Building is not repaired, reconstructed or remodeled.

Paragraph E.5.d. **Loss Payment** Property Loss Condition does not apply to the **Increased Cost Of Construction Coverage**.

E. Loss Payment

1. All following loss payment Provisions E.2. through E.5. are subject to the apportionment procedure set forth in Section B.3. of this endorsement:

2. When there is a loss in value of an undamaged portion of a Building to which Coverage 1 applies, the loss payment for that Building, including damaged and undamaged portions, will be determined as follows:

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

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

- b. If the property is not repaired or replaced, we will not pay more than the lesser of:

- (1) The actual cash value of the Building at the time of loss; or
- (2) The applicable Limit Of Insurance shown for Coverage 1 in the schedule above and not to exceed the Limit Of Insurance shown in the Declarations for the covered Building.

3. Unless Paragraph E.5. applies, loss payment under Coverage 2 – Demolition Cost Coverage will be determined as follows:

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

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit Of Insurance shown for Coverage 2 in the Schedule above for the covered Building.

4. Unless Paragraph E.5. applies, loss payment under Coverage 3 – Increased Cost Of Construction Coverage will be determined as follows:

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- a. We will not pay under Coverage 3:
- (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is 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.
- b. If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the lesser of:
- (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage 3 in the Schedule above for the covered Building.
- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the lesser of:
- (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage 3 in the Schedule above for the covered Building.
5. If a Combined Limit Of Insurance is shown for Coverages 2 and 3 in the Schedule above, or a Combined Limit Of Insurance is shown for Coverage 1, 2 and 3 in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the Building property that is subject to the Combined Limit, and the following loss payment provisions apply instead:
- Based on the Combined Limit Of Insurance selected in the Schedule above, the most we will pay, for the total of all covered losses for Loss To The Undamaged Portion Of The Building, Demolition Cost and Increased Cost Of Construction, is the Combined Limit Of Insurance shown for Coverages 1, 2 and 3 in the Schedule above. Subject to this Combined Limit Of Insurance, the following loss payment provisions apply:
- a. For the Loss To The Undamaged Portion Of The Building, we will not pay more than 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. If the property is not repaired or replaced, we will not pay more than the actual cash value of the building at the time of the loss.
 - b. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- c. With respect to the Increased Cost Of Construction:
- (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is 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.
 - (2) If the Building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - (3) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- F. The terms of this endorsement apply separately to each Building to which this endorsement applies.
- G. Under this endorsement, we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the Building was undamaged; and
 2. You failed to comply with.
- H. Example of Proportionate Loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).
- Assume:
- Wind is a Covered Cause of Loss. Flood is an excluded Cause of Loss;
 - The covered building has a value of \$200,000;
 - Total direct physical damage to covered building: \$100,000;
 - The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the covered building's value;
 - Portion of direct physical damage that is covered (caused by wind): \$30,000;
 - Portion of direct physical damage that is not covered (caused by flood): \$70,000; and
 - Loss under Ordinance or Law Coverage 3 of this endorsement: \$60,000.
- Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.
 $\$30,000 / \$100,000 = .30$
- Step 2: Apply that proportion to the Ordinance or Law loss.
 $\$60,000 \times .30 = \$18,000$
- In this example, the most we will pay under this

endorsement for the Coverage 3 loss is \$18,000, subject to the applicable Limit Of Insurance and any other applicable provisions.

NOTE: The same procedure also applies to losses under Coverages 1 and 2 of this endorsement.

- I. If shown as applicable in the Schedule of this endorsement, the following applies:

Business Income And Extra Expense Optional Coverage

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

- a. Regulates the construction or repair of any property;
- b. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- c. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from 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".

2. Paragraph H.9. **Period Of Restoration** Definition is replaced by the following:

9. "Period of restoration" means the period of

time that:

- a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Schedule of this endorsement; or
 - (2) Immediately after the time of the direct physical loss or damage for Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described premises; and
- b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property. The expiration date of this policy will not cut short the "period of restoration".

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POLICY NUMBER: 91001-34809-77

BUSINESSOWNERS
BPF 84 75 10 23**COMMERCIAL CYBER DATA BREACH COVERAGE**

THIS ENDORSEMENT'S AGGREGATE LIMIT OF INSURANCE WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF THE COVERAGE PROVIDED BY THIS ENDORSEMENT, INCLUDING WITHOUT LIMITATION, PAYMENTS FOR DAMAGES, CLAIMS, CLAIM EXPENSES, REGULATORY FINES, LOSSES, PRIVACY BREACH EXPENSES, DATA REPLACEMENT EXPENSES, COMPUTER SYSTEM RESTORATION EXPENSES, EXTORTION THREAT LOSSES, DEFRAUDED FUNDS, PCI FINES, AND BUSINESS INCOME LOSS.

FOR THE AVOIDANCE OF DOUBT, CLAIM EXPENSES ARE INCLUDED WITHIN, REDUCE, AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY.

THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS AND DEFINITIONS.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY

Various provisions in this **Endorsement** restrict coverage, and coverage is subject to certain conditions precedent set forth in this **Endorsement**. Read the entire **Endorsement** carefully to determine what is and what is not covered, and the rights and duties of the **Named Insured** and the **Company**.

This **Endorsement** modifies insurance provided under the following:

BUSINESSOWNER COVERAGE FORM

SCHEDULE

Coverage	Limits of Insurance / Sublimits of Insurance
ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE	\$25,000.00
A. LIABILITY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):	\$25,000.00
1. Media	
2. Network Security	
3. Data Compromise	
a. Privacy	
b. Regulatory Coverage	
Regulatory Fines (Sublimit)	\$10,000 each Regulatory Proceeding Claim
B. FIRST PARTY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):	\$25,000.00
1. Privacy Breach	
2. System Compromise	
3. Extortion Threat (Sublimit)	\$10,000 each Extortion Threat Event
4. Funds Transfer Fraud (Sublimit)	\$10,000 each Funds Transfer Fraud Event
5. Payment Card Industry (Sublimit)	\$10,000 each PCI Security Violation Event
6. Business Interruption (Sublimit)	\$0.00 each Business Interruption Event
C. PER EVENT DEDUCTIBLE	\$1,000
D. PER EVENT BUSINESS INTERRUPTION WAITING PERIOD	24 HOURS
E. ENDORSEMENT PREMIUM	\$133.00

ENDORSEMENT PERIOD From 10/15/2024 to 10/15/2025 At 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

In consideration of the payment of the premium, in reliance on all information provided to the **Company**, and subject to all provisions of this **Endorsement**, the **Named Insured** and **Company** agree as follows:

SECTION I: INSURING AGREEMENTS

This Section lists the coverages that apply if indicated in the Schedule of Insurance and have a Limit of Insurance on the Schedule. If no Limit of Insurance is set forth for an Insuring Agreement in the Schedule, coverage has not been purchased for such Insuring Agreement. For coverage under this **Endorsement**, the applicable **Event** must be first **Discovered** during the **Endorsement Period** and reported to the **Company** in accordance with Section IV.A.

A. LIABILITY COVERAGE

1. MEDIA

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from any **Media Wrongful Event**, provided the **Media Wrongful Event** is first **Discovered** during the **Endorsement Period**.

2. NETWORK SECURITY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Network Security Event**, provided the **Network Security Event** is first **Discovered** during the **Endorsement Period**.

3. DATA COMPROMISE

a. PRIVACY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

b. REGULATORY

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** resulting from a **Regulatory Proceeding Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

B. FIRST PARTY COVERAGE

1. PRIVACY BREACH

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

2. SYSTEM COMPROMISE

The **Company** will pay the **Named Insured** for **Data Replacement Expenses** and **Computer System Restoration Expenses** directly arising from a **System Compromise Event**, provided the **System Compromise Event** is first **Discovered** during the **Endorsement Period**.

3. EXTORTION THREAT

The **Company** will pay the **Named Insured** for **Extortion Threat Losses** directly arising from an **Extortion Threat Event**, provided the **Extortion Threat Event** is first **Discovered** during the **Endorsement Period**.

4. FUNDS TRANSFER FRAUD

The **Company** will pay the **Named Insured** for **Defrauded Funds** first transferred during the **Endorsement Period** and directly arising from a **Funds Transfer Fraud Event**, provided the **Funds Transfer Fraud Event** is first **Discovered** during the **Endorsement Period**.

5. PAYMENT CARD INDUSTRY

The **Company** will pay the **Named Insured** for **PCI Fines** resulting from a **PCI Claim** directly arising from a **PCI Security Violation Event**, provided the **PCI Security Violation Event** is first **Discovered** during the **Endorsement Period**.

6. BUSINESS INTERRUPTION

The **Company** will pay the **Named Insured** for the **Business Income Loss** incurred during a **Reconstruction Period** and directly arising from a **Business Interruption Event**, provided the **Business Interruption Event** is first **Discovered** during the **Endorsement Period**.

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SECTION II: LIMITS OF INSURANCE AND DEDUCTIBLE

A. LIMITS OF INSURANCE

1. ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE

The Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule is the maximum aggregate limit of the **Company's** liability under all Insuring Agreements in this **Endorsement** combined, regardless of the number of **Claims**, the number of **Losses**, the number of claimants, and the number of Insuring Agreements triggered.

The Liability Coverage Limits, including sublimits, and the First Party Coverage Limits, including sublimits, listed in the Schedule are all part of, and not in addition to, the Endorsement Aggregate Coverage Limit of Insurance set forth in the Schedule.

2. LIABILITY LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "Liability Coverage Limit" for an Insuring Agreement in Section I.A. of this **Endorsement**, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** and **Related Claims** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the Liability Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

3. FIRST PARTY COVERAGE LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "First Party Coverage Limit" for an Insuring Agreement in Section I.B. of this **Endorsement**, then such Limit of Insurance is the maximum limit of the **Company's** liability for each **Loss** and **Related Losses** in the aggregate under

that Insuring Agreement, which amount is part of, and not in addition to, the First Party Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

B. DEDUCTIBLE

1. The **Company** shall only be liable for the amount of **Damages** or **Loss** which is in excess of the applicable Deductible set forth in the Schedule. Such Deductible shall solely be the obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on behalf of the **Named Insured**.
2. For the purpose of applying the Deductible, the **Named Insured** shall pay one single Deductible amount for **Damages** and **Loss** arising from the same **Event** or **Related Events**, regardless of whether there is more than one **Claim** or **Loss** arising from the same **Event** or **Related Events**.

C. RELATED EVENTS, RELATED CLAIMS, RELATED LOSS

1. Each **Event** and all its **Related Events** shall be treated as a single **Event**.
2. Each **Claim** and all its **Related Claims** shall be treated as a single **Claim**.
3. Each **Loss** and all its **Related Losses** shall be treated as a single **Loss**.

D. ENDORSEMENT PERIODS

In no event will any **Event** or **Related Event**, **Claim** or **Related Claim**, or **Loss** or **Related Loss** constitute an **Event**, **Claim**, or **Loss** (as applicable) in more than one **Endorsement Period**.

SECTION III: DEFENSE AND SETTLEMENT

A. DUTY TO DEFEND

1. Duty to Defend

The **Company** has the right and duty to defend any **Claim** against the **Insured** seeking **Damages** under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend any **Claim** or pay any **Damages** for a **Claim**:

- a. Arising from an **Event** not first **Discovered** during the **Endorsement Period**;
- b. Which is not covered by this **Endorsement**; or
- c. Seeking relief not covered by this **Endorsement**.

2. Termination of Duty to Defend

- a. The **Company's** right and duty to defend ends when the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining portion of the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
- b. The **Company's** right and duty to defend ends when the **Company** makes any of the following determinations: (i) the **Claim** arises from an **Event** not first **Discovered** during the **Endorsement Period**, (ii) the **Claim** is not covered by this

Endorsement, or (iii) the **Claim** seeks relief that is not covered by this **Endorsement**.

3. Selection of Counsel

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without **Approval** in advance. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not **Approved**, shall be borne by the **Insured** and shall not erode the applicable **Deductible** set forth in the Schedule or be recoverable under this **Endorsement**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without **Approval** unless otherwise prohibited by applicable law.

B. SETTLEMENT

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

C. COMPANY'S APPROVAL REQUIRED

It is a condition precedent for coverage under this **Endorsement** that the **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval**.

SECTION IV: REPORTING REQUIREMENTS

A. INSURED'S DUTY TO REPORT

1. NOTICE IS A CONDITION PRECEDENT TO COVERAGE

It is a condition precedent to coverage under this **Endorsement** that if a **Knowledge Group Member** first **Discovers** during the **Endorsement Period** any **Event** (including each **Related Event**, if any), **Claim**

(including each **Related Claim**, if any), **Loss** (including each **Related Loss**, if any), or **Circumstances**, an **Insured** must provide written notice to the **Company** of such **Event, Claim, Loss** or **Circumstances**, such notice to include the information set forth in Section IV.A.2. below, and to be provided as soon as practicable, but in all cases no later than thirty (30) days after first **Discovered**.

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It is a condition precedent to coverage under this **Endorsement** that if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, the **Named Insured** must provide written notice to the **Company** of any **Event, Claim, Loss** or **Circumstances** in accordance with the prior paragraph, but in any event no later than the earlier of: (i) thirty (30) days after such **Event, Claim, Loss** or **Circumstances** is first **Discovered**, and (ii) prior to the effective date of the cancellation.

Such notices must be sent to the **Company**. Notice to any **Vendor** (including lawyers, experts, and litigation support staff) does not constitute notice to the **Company** of an **Event, Claim, Loss** or **Circumstances** under this **Endorsement**.

2. INFORMATION TO BE INCLUDED IN NOTICES

In providing the notice under A.1., of this Section IV, each notice must include a written report with the following information:

- a. If notice is of an **Event**, then a description of the **Event**, when and how the **Knowledge Group Member** first **Discovered** the **Event**, the **Circumstances** giving rise to the **Event**, and any **Claim** or **Loss** reasonably expected to arise from that **Event**.
- b. If notice is of a **Claim**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Claim**, then a description of the **Claim**; when and how the **Knowledge Group Member** first **Discovered** the **Claim**; the names of the claimant or potential claimant, the **Impacted Individuals**, the **Impacted Entities**, and any other persons or entities involved; the specific **Third Party Liability Event** or regulatory proceeding which may form the basis of the **Claim**; all pleadings and other documents setting forth the **Claim** or notifying an **Insured** of the **Claim**; the **Circumstances** giving rise to the **Claim**; and the nature and extent of any potential **Damages**.
- c. If notice is of a **Loss**, or of an **Event**

or **Circumstances** reasonably likely to give rise to a **Loss**, then a description of the **Loss**, when and how the **Knowledge Group Member** first **Discovered** the **Loss**, the **Circumstances** giving rise to the **Loss**, and the nature and extent of any potential **Loss**.

- d. If the notice is of **Circumstances**, then, in addition to the information in A.2.a., b., and c. above, a description of the **Circumstances**, when and how the **Knowledge Group Member** first **Discovered** the **Circumstances**, the reason the **Knowledge Group Member** believes such **Circumstances** are reasonably likely to result in an **Event, Claim** or **Loss**, and the nature and extent of any potential **Damages** or **Loss**.

3. REPORTS OF MALICIOUS CODES AND EXPLOITS

For **Network Security Events, System Compromise Events**, and **Extortion Threat Events** based upon, arising out of, attributable to, caused by or resulting from **Malicious Code** or **Exploit**, the **Named Insured** must provide the **Company** as soon as possible with (a) any identifying characteristics, markers, or other information which may identify the **Malicious Code** or **Exploit** involved in the **Event**, and (b) a written report by a forensic **Vendor** which identifies the **Malicious Code** or **Exploit** involved in the **Event**, such report be provided to the **Company** no later than thirty (30) days after the first **Discovery** of such **Event**.

For all other **Events**, such a report must be provided at the **Company's** request.

B. NO COVERAGE

1. No coverage under this **Endorsement** will be provided for:
 - a. Any **Damages** incurred or paid prior to the time the **Company** is notified of the **Claim** or any **Related Claim** pursuant to Section IV.A.; or
 - b. Any **Loss** incurred or paid prior to the time the **Company** is notified of a **Loss** or any **Related Loss** pursuant

to Section IV.A. However, this prior notice requirement does not apply to (i) **Defrauded Funds** if notice of the **Funds Transfer Fraud Event** is provided in compliance with Section IV.A., or to (ii) **Business Income Loss**, if notice of the **Business Interruption Event** is provided in compliance with Section IV.A.

2. No coverage under this **Endorsement** will be provided if the **Company** relies on any material matter any **Insured** reports, knowing it to be false or fraudulent.

C. DETERMINATION OF FIRST DISCOVERY

1. Each **Claim** and all its **Related Claims**, whenever made, will be deemed a single **Claim** first **Discovered** on the earlier of the following:

- a. When the **Event** giving rise to the **Claim** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- b. When the earliest of the **Related Claims** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

2. This Section IV.C.1. applies regardless of the following:

- a. The number of **Related Claims**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved;
- c. Whether the **Related Claims** are asserted in a class action or otherwise; or
- d. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.

3. **Loss** and all its **Related Losses**, whenever occurring, will be deemed a single **Loss** first **Discovered** on the earlier of the following:

- a. When the **Event** giving rise to the **Loss** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- b. When the earliest of the **Related**

Losses was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

4. This Section IV.C.2. applies regardless of the following:

- a. The number of **Related Losses**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons or entities involved; or
- c. The timing of the **Related Losses**, even if the **Related Losses** occurred or were **Discovered** in more than one **Endorsement Period**.

5. Each **Event** and all its **Related Events**, whenever occurring, will be deemed a single **Event** first **Discovered** on the earliest of the following:

- a. When the **Event** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence;
- b. When the earliest of the **Related Events** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
- c. When the earliest **Circumstances** were first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

6. This Section IV.C.3. applies regardless of the following:

- a. The number of **Related Events** or **Circumstances**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved; or
- c. The timing of the **Related Events** or **Circumstances**, even if the **Related Events** or **Circumstances** occurred or were **Discovered** in more than one **Endorsement Period**.

For purposes of this Section IV.C., due diligence includes but is not limited to compliance with Section V.

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SECTION V: DUE DILIGENCE AND COOPERATION

A. DUE DILIGENCE REQUIREMENTS

1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** must, at its sole cost and expense, use due diligence to prevent and mitigate against any **Damages** or **Loss**, and to protect and monitor the security of **Protected Information** and its **Computer System**. This includes, but is not limited to:
 - a. Providing and maintaining appropriate physical security for the **Named Insured's** premises and the **Computer System**;
 - b. Performing and installing all available software updates and patches as soon as practicable but in no event later than thirty (30) days from the time the update or patch becomes available;
 - c. Installing, maintaining, monitoring, and updating firewalls, virus scans and anti-virus software, and ensuring that the foregoing are active and in use for the **Computer System**;
 - d. Providing and running a data backup system at appropriate intervals, including without limitation performing a full backup of the **Computer System** at least once every thirty (30) days;
 - e. Providing and maintaining password protection and encryption for all **IOT Devices, Portable Devices** and **Peripheral Hardwired Devices**;
 - f. Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing; and
 - g. Providing and maintaining secure disposal procedures for files containing **Protected Information** no longer needed for use.
2. It is a condition precedent to coverage under this **Endorsement** for any **Funds Transfer Fraud Event** that the **Named Insured** must have a written policy in place which requires a **Knowledge Group Member** to contact the party

identified as requesting the funds transfer to confirm the requested amount and the payment instructions (payee name, address and account number, and routing number, if applicable) either in person or by phone, using a phone number obtained from a source other than the funds transfer request communication, when the funds transfer request is for a new payee or when the request includes or has been recently preceded by any change in payment instructions from previous requests.

B. COOPERATION

The **Insured** agrees not to take any action, or fail to take any requested action, that prejudices the **Insured's** rights or the **Company's** rights with respect to a **Claim** or **Loss**. In the event of a **Claim** or a **Loss**, the **Insured** must do the following upon the **Company's** request:

1. Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss** or **Claim** or investigation of coverage of a **Loss** or **Claim**;
2. Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; and authorize the **Company** to obtain records and other information;
3. Take additional steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so;
4. Attend hearings, depositions, proceedings, trials, and appeals;
5. Assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**;

6. Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law; and
7. Provide reports of forensic **Vendors** that identify the **Malicious Code** or **Exploit** involved in the **Event** as soon as possible; provided that this provision

supplements, and does not replace, the reporting requirements set forth in Section IV.A.

SECTION VI: EXCLUSIONS

A. The **Company** shall not be liable to pay, indemnify or reimburse for any **Claim, Damages** or **Losses** based upon, arising out of, attributable to, caused by or resulting from, whether actual or alleged:

1. Any of the following:
 - a. Intentional creation or distribution of **Malicious Code** or **Exploit** by any **Insured**;
 - b. Unauthorized tampering with any **Computer System** by any **Insured**; or
 - c. Any dishonest, fraudulent, criminal, malicious, or willful act, error, or omission by any **Insured**.
2. Any **Mass Event**.
3. Any of the following:
 - a. Failure, interruption of service, or defect by third parties;
 - b. Misconfiguration of information technology systems, including but not limited to domain name system configuration changes and domain name hijacking, by third parties;
 - c. Unauthorized access or unauthorized use of a third party's computer system;
 - d. Malicious insider activity of or by third parties; or
 - e. Distribution of **Malicious Code** or **Exploit** by third parties,

in each case that impact the **Computer System** and cause **Claims, Losses** or **Damages**. For the purposes of this exclusion third parties shall refer to (i) any cloud service provider; (ii) any other entity providing to an **Insured**, or servicing for an **Insured**, any hardware or software over the internet; or (iii) any other entity providing software as a service, infrastructure as a service, managed

security as a service, platform as a service, or any form of cloud data storage as a service to an **Insured**.

4. Any mechanical or service failure, interruption of service, or defect of:
 - a. Telephone, communications or data transmission lines, equipment or infrastructure;
 - b. Internet system, internet service provider or cloud service provider, device or computer system (other than a **Computer System**, or an internet system owned or leased by and operated under the control of the **Named Insured**); or
 - c. Electricity (including but not limited to power interruption, surge, brownout or blackout), gas, water or other utilities or their equipment or infrastructure (including, but not limited to power lines).
5. Shortcomings, errors or mistakes in any set of instructions (oral, written or electronic), scripts, program, code or software that is executed, run or installed on the **Computer System** either (a) during the course of a legitimate and authorized upgrade, update or maintenance process of any software, firmware or hardware on or part of a **Computer System**, or (b) that are present within the firmware or hardware of a **Computer System** as a result of the manufacturing process, in each case for (a) and (b), for the purposes of this exclusion, that directly causes **Claims, Losses** or **Damages**.
6. Any of the following:
 - a. Bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
 - b. Physical injury to tangible property,

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including all resulting loss of use of that property; or

- c. Loss of use of tangible property that is not physically injured.

This exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Breach Event** or a **Media Wrongful Event**. For purposes of this exclusion, electronic data is not considered tangible property.

7. Any of the following:

- a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
- b. Pathogenic or poisonous biological or chemical materials, whether or not man-made, including communicable disease events;
- c. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), riot, civil unrest, rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to those by state-sponsored actors, and action taken by government authority in hindering or defending against any of these; or
- d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

- 8. Any unlawful or unauthorized obtaining, gathering, collecting, acquiring, sharing, using, distribution or sale by an **Insured** of any **Protected Information**. Provided, however, this exclusion shall not apply to **Privacy Breach Expenses, Regulatory Proceedings Claims, or PCI Claims**, in each case directly arising from a **Privacy Breach Event**, and which are otherwise covered under this **Endorsement**.

- 9. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, or to any other third party.

- 10. Any violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law or common law, either:

(a) protecting a person's or entity's right of seclusion or privacy (other than a **Privacy Law**), or (b) addressing the unsolicited distribution, transmission or dissemination of any communication.

- 11. Any gaining of any profit or advantage to which the **Insured** is not legally entitled.

- 12. Any patent infringement or theft, copying, display, or publication of any patent, process, or trade secret.

- 13. Any breach of contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** in the absence of such contract; or

b. **PCI Fines.**

- 14. Any liability or obligation the **Named Insured**, or anyone acting on behalf of the **Named Insured**, assumes under any contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following:

- a. Liability that would have attached to the **Named Insured** in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise; or

b. **PCI Fines.**

- 15. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by an **Insured** by order of any governmental authority.

- 16. Any of the following:

- a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity;

- b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, or conspiracy;

- c. Any unfair, false, misleading, or

deceptive trade or business practice;
or

- d. Any false, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**; provided, however, that this exclusion will not apply to a **Claim** directly arising from a **Media Wrongful Event**.

17. Any of the following:

- a. Discrimination of any kind; or
- b. Wrongful employment practice of any kind.

18. Any **Circumstances, Claim, Event, or Loss**:

- a. That was the subject of notice to another insurer or potential indemnitor prior to the Effective Date of this **Endorsement**; or
- b. **Discovered** prior to the Effective Date of this **Endorsement**, or could have been **Discovered** through the exercise of due diligence prior to the Effective Date of this **Endorsement**.

19. The presence, discharge dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including but not limited to:

- a. The cost of cleanup or removal of hazardous substances;
- b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat

of same, of hazardous substances;

- c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or
- d. Any cost, based upon, arising out of, attributable to, caused by or resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.

B. The **Company** shall not be liable to pay for any **Claim** or **Damages** based upon, arising out of, attributable to, caused by or resulting from any **Claim** or **Damages**, whether actual or alleged, by any of the following:

1. Any **Insured** against another **Insured**, except for an otherwise covered **Claim** by an **Insured** under Section I.A.3.a.;
2. Solely in the case of a **Privacy Breach Event**, by any person or entity other than an **Impacted Individual**, an **Impacted Entity**, or (solely in the case of a **Regulatory Proceeding Claim**) a federal or state regulatory body or regulator;
3. Any entity owned or controlled by, or which is under common ownership or control with, the **Named Insured**;
4. Any person or entity which owns or controls the **Named Insured**; or
5. Any independent contractor of the **Named Insured**.

SECTION VII: GENERAL CONDITIONS

A. TERMINATION

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until

the expiration of the **Endorsement Period** unless:

1. The policy to which this **Endorsement** is

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attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or

2. This **Endorsement** is removed at the request of the **Named Insured**, such removal to be confirmed by further endorsement to the policy.

B. CHANGE IN CONTROL

1. For purposes of this **Endorsement**, a "Sale Transaction" means either of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
 - b. Any person or entity or group of persons or entities acting in concert acquire more than 50% of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

In the event of a Sale Transaction, this **Endorsement** shall continue in full force and effect as to any **Event** first **Discovered** prior to the Sale Transaction. There shall be no coverage under this **Endorsement** for any **Event** first **Discovered** after the Sale Transaction. The **Named Insured** shall give the **Company** written notice of the Sale Transaction as soon as practicable but not later than thirty (30) days after the Sale Transaction.

2. For purposes of this **Endorsement**, an "Acquisition Transaction" means any of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with any other person or entity or group of persons or entities acting in concert such that the **Named Insured** is the surviving entity;
 - b. The **Named Insured** acquires the assets of any other person or entity or

group of persons or entities acting in concert, where such assets represent a market value, as of the date of such acquisition, of 10% or greater of the **Named Insured's** market value;

- c. The **Named Insured** acquires or creates a new entity or subsidiary such that the **Named Insured** holds more than 50% of the issued and outstanding voting equity securities or controls voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of such entity or subsidiary; or
- d. The subsequent addition of another entity or person as a **Named Insured** in addition to the entity or person listed at the time of the commencement of the **Endorsement Period** as the **Named Insured** on the Policy Declarations to which this **Endorsement** is attached.

In the event of an Acquisition Transaction, then there is coverage under this **Endorsement** for such additional entity, subsidiary or person for any **Claim, Loss, Event, or Circumstances** first **Discovered** within the sixty (60) day period immediately following the Acquisition Transaction or until the end of the **Endorsement Period**, whichever occurs first. There is no coverage for such additional entity, subsidiary or person after that time period unless (i) as soon as practicable but no later than thirty (30) days after the Acquisition Transaction, the **Named Insured** provides the **Company** with notice and the particulars of such Acquisition Transaction; (ii) the **Company** agrees to extend the coverage of this **Endorsement** to such surviving **Named Insured**, newly acquired or created entity or subsidiary, or additional entity or person, as applicable, and the **Company** amends the terms of this **Endorsement** accordingly; and (iii) the **Named Insured** pays any additional premium when due. Such extended coverage does not apply to any **Claim, Loss, Event, or Circumstances** first **Discovered** or that could have been first **Discovered** (either by a **Knowledge Group Member** or equivalent in such additional entity or subsidiary) through the exercise of due diligence (including but not limited to in

compliance with Section V) before the Acquisition Transaction.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve any **Insured** or the **Company** of any obligations nor deprive the **Company** of its rights and defenses under this **Endorsement** unless such obligations are in violation of applicable law.

D. EXCESS COVERAGE

This insurance shall be excess of any other insurance that applies to any **Claim, Event, Loss, Circumstances** or **Damages** covered hereunder and shall not contribute with any or all other insurance, including any deductible or retention, whether collectible or not. For avoidance of doubt, this insurance is specifically on an excess basis of any or all crime insurance policies that may be available with respect to any **Funds Transfer Fraud Event**.

E. ASSIGNMENT

This **Endorsement** and any and all interests and rights hereunder are not assignable without **Approval**.

F. TERMS TO CONFORM TO APPLICABLE LAW

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

G. TERRITORY

This **Endorsement** applies to acts committed or **Losses** occurring anywhere in the world except as set forth under "Sanctions" in Section VII.H.; provided, however, that any **Claim** must be brought in the United States.

H. SANCTIONS

This **Endorsement** does not apply, and the **Company** shall not be liable to provide coverage or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such **Claim** or provision of such benefit would be in violation of any trade or economic sanctions law or regulation applicable to the **Company's** jurisdiction of domicile or those of another jurisdiction with which the **Company** is legally obligated to comply, including without limitation any trade or economic sanctions or embargo by the

United States.

I. LEGAL ACTION AGAINST THE COMPANY

1. No legal action or claim may be brought against the **Company** based upon, arising out of, attributable to, caused by or resulting from this **Endorsement** unless the following criteria are met:

- a. There has been full compliance by the **Insureds** with all the terms and conditions of this **Endorsement**; and
- b. The action is brought within the limit of time provided under applicable law, but in no event later than sixty (60) months from the date the **Knowledge Group Member** first **Discovers** the earliest of any **Circumstances, Claim, Event** or **Loss** pertaining to such action.

2. In the event that the requirements set forth in Section VII.I.1. have been complied with, with respect to a legal action or claim against the **Company**, the amount of damages and losses shall be limited to the following:

- a. The amount of a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving such dispute on the merits; or
- b. The amount for which the legal action or claim was settled, provided that the settlement was agreed to in accordance with the terms and conditions of this **Endorsement**.

J. NO JOINDER

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party to any **Claim** to determine the liability of the **Insured**, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

K. SUBROGATION

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve and secure such rights, including the execution of such documents necessary to enable the **Company** to

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effectively bring suit in the name of the **Insured**.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred by the **Company** in exercising any rights of subrogation; (ii) to **Damages** and **Losses** incurred by the **Named Insured** in excess of the Limits of Liability hereunder; and (iii) to **Damages** and **Losses** paid by the

Company.

L. HEADINGS

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

SECTION VIII: DEFINITIONS

Except where this **Endorsement** expressly or by implication indicates otherwise, the plural of any term includes the singular, and the singular of any term includes the plural. To the extent of any conflict between defined terms in this **Endorsement** and the policy to which this **Endorsement** is attached, then the definitions set forth in this **Endorsement** shall prevail.

A. Approval and **Approved** means the **Company's** written approval, including in response to a written request for approval by the **Named Insured**. Where **Approval** is required in this **Endorsement** the **Named Insured** must promptly submit such written request for **Approval** to the **Company**.

B. Business Income Loss means the aggregate of **Extra Expenses** and **Reconstruction Period Net Income**.

C. Business Interruption Event means a total or partial disruption in the **Named Insured's** business operation directly arising from a **System Compromise Event**.

D. Business Interruption Waiting Period means the **Business Interruption Waiting Period** specified in the Schedule. The **Business Interruption Waiting Period** begins at the time each and every **Business Interruption Event** is first **Discovered**.

E. Circumstances means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events, in each case which could reasonably be likely to give rise to a **Claim**, **Loss**, or **Event**, as applicable.

F. Claim means each of the following:

1. For the purposes of **Third Party Liability Events**, a **Third Party Claim**; and
2. For the purposes of Section I.A.3.b., the **REGULATORY INSURING AGREEMENT**, a **Regulatory Proceeding Claim**.

G. Claim Expenses means each of the following, with respect to any **Claim**:

1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** and **Approved**, such **Vendor Approved** in advance (including lawyers, experts, and litigation support staff) for the investigation, adjustment, settlement and/or defense of such **Claim**;
2. Post-judgment interest which accrues after a **Final Judgment**; and
3. The premiums for appeal, attachment, or similar bonds, but only for bond amounts **Approved** and within the remaining applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.
4. **Claim Expenses** do not include the following:
 - a. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
 - b. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to the **Company**;
 - c. Fees, costs, and expenses incurred without **Approval**;
 - d. Fees, costs, and expenses incurred to improve or upgrade the **Computer**

System beyond what it was prior to the **Claim**; or

- e. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.

H. Company means the Insurer as titled on the Schedule page of this **Endorsement**.

I. Computer System means a computer or series of interconnected computers owned or leased by and operated under the control of the **Named Insured**. **Computer System** also includes the following, but only if owned or leased by and operated under the control of the **Named Insured**:

1. **Electronic Media**;
2. **Portable Devices**;
3. **IOT Devices**; and
4. **Peripheral Hardwired Devices**.

Computer System does not include a computer system the **Named Insured** operates for others.

J. Computer System Restoration Expenses means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to restore the software in the **Computer System**, if damaged by a **System Compromise Event**, to its operating performance immediately before the **System Compromise Event**, including costs to reinstall, or replace the software, or the configuration or correction of the configuration of the **Computer System**. If such software cannot reasonably be restored, the term **Computer System Restoration Expenses** means the reasonable and necessary costs and expenses incurred by the **Vendor** to reach this determination.

Computer System Restoration Expenses does not include any of the following:

1. The cost of new or replacement hardware;
2. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
3. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level

that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to costs and expense to replace, remediate or improve the **Computer System**, or identify or remove software programs errors, malware, computer viruses or vulnerabilities or create or develop software or trade secrets; or

4. Any costs in excess of the cash value of the **Computer System** as of the date of the **System Compromise Event**.

K. Corporate Information means any business information of a third party, which is not available to the general public and is provided to an **Insured** subject to a mutually executed written confidentiality agreement with the **Named Insured**, or which the **Named Insured** is legally required to maintain in confidence. The **Corporate Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations. The term **Corporate Information** does not include **portable device**.

L. Crypto currency means a digital or virtual currency that uses crypto currency for security and uses encryption techniques to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.

M. Damages means each of the following:

1. With respect to a **Third Party Claim, Claim Expenses** and the following monetary amounts the **Insured** becomes legally obligated to pay resulting from a **Final Judgment** or settlement:
 - a. Compensatory damages,
 - b. Attorney's fees and other litigation costs included in any **Final Judgment**, and
 - c. Pre-Judgment interest included in any **Final Judgment**.
2. With respect to a **Regulatory Proceeding Claim, Claim Expenses** and only the **Regulatory Fines** the **Insured** becomes legally obligated to pay.
3. **Damages** does not include any of the following:
 - a. Any monetary amount which the **Insured** is not legally obligated to



pay;

- b. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
- c. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, or commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;
- d. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration;
- e. Fees, costs, and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief;
- f. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
- g. Civil or criminal fines or penalties imposed by law, except **Regulatory Fines**;
- h. Punitive and exemplary damages;
- i. The multiple portion of any multiplied damages; or
- j. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.

N. Data Replacement Expenses means the reasonable and necessary fees, costs and expenses charged by a **Vendor** designated in writing or **Approved** in advance to research, re-create or replace electronic data on the **Computer System** that is damaged by a **System Compromise Event**, provided that such research, re-creation or replacement must be from written records or electronic backup of such electronic data. If such electronic data cannot reasonably be researched, recreated or replaced, the term **Data Replacement Expenses** means the reasonable and necessary costs and expenses incurred by such **Vendor** to reach this determination.

Data Replacement Expenses does not include any of the following:

- 1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the

Company or the **Insureds**;

- 2. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **System Compromise Event**, including but not limited to updating, upgrading or enhancing electronic data or replacing, remediating or improving any **Computer System**, or improving networks and data security practices, procedures or policies;
- 3. Re-creation or replacement of software programs or operating systems that are not commercially available; or
- 4. Re-creation or replacement of data that is obsolete, unnecessary or useless to the **Named Insured**.

O. Defrauded Funds means the value of funds that are transferred by the **Named Insured** (with the approval of a **Knowledge Group Member**) to a third party directly in response to a **Funds Transfer Fraud Event**, that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Defrauded Funds** excludes cash payments.

P. Discovers or Discovered means the time a **Knowledge Group Member** receives, receives notice of, or becomes aware of any of the following: (i) any **Event**; (ii) any **Circumstances**; or (iii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless of the potential amount of the **Claim** or **Loss**.

Q. Electronic Media means any electronic data which is unique to the **Named Insured**, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.

R. Electronic Media Advertising means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.

S. Endorsement means this **Endorsement** issued by the **Company**.

T. Endorsement Period means the **Endorsement Period** set forth in the Schedule.

U. Event means a **Media Wrongful Event**, a **Network Security Event**, a **Privacy Breach Event**, a **System Compromise Event**, an **Extortion Threat Event**, a **Funds Transfer**

Fraud Event, a PCI Security Violation Event, or a Business Interruption Event.

V. Exploit means a vulnerability in a **Computer System** or software through which **Malicious Code**, or software designed to find, create, or take advantage of such vulnerability, can enter such **Computer System**.

W. Extortion Threat Event means a credible threat, or a series of credible threats, by a third party, to cause or continue to cause one or more (i) **System Compromise Events** or (ii) the **Unauthorized Access or Unauthorized Use of Protected Information**, in each case accompanied by a demand by such third party for money (including **Crypto currency**) from the **Named Insured** or a **Knowledge Group Member** where the payment of such money is a condition of mitigation or removal of such threat or series of threats.

X. Extortion Threat Losses means the **Funds Paid** by the **Named Insured** (with the approval of a **Knowledge Group Member**) in response to an **Extortion Threat Event** to the party that made the **Extortion Threat Event**, and the reasonable and necessary fees, costs, and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to respond to, confirm, negotiate or pay an **Extortion Threat Event**.

Y. Extra Expenses means the amount of (i) reasonable and necessary expenses that the **Named Insured** directly incurs during a **Reconstruction Period**, with **Approval** in advance, to reduce or avoid **Reconstruction Period Net Income** as a result of a **Business Interruption Event**, in excess of (ii) its actual normal operating expenses that the **Named Insured** would have incurred during the same period had no **Business Interruption Event** occurred.

Extra Expenses do not include any of the following:

1. Any contractual penalties; or
2. Any costs to update or upgrade the **Computer System** beyond the level that existed prior to the occurrence of the **Business Interruption Event**.

Z. Final Judgment means a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving, on the merits, a dispute between an **Insured** and a third party

(including government agencies), as to which either no further appeal is possible or a decision is made with **Approval** not to appeal further.

AA. Funds Transfer Fraud Event means the intentional deception of an **Insured** by a third party intended to cause an **Insured** to transfer funds under the **Named Insured's** control (with the approval of a **Knowledge Group Member**) to a third party not authorized to receive such funds.

BB. Funds Paid means the value of the funds paid that are in the form of check, wire transfer, credit card payment, debit card payment or **Crypto currency**. **Funds Paid** excludes cash payments. For **Funds Paid** in **Crypto currency**, the value of the **Funds Paid** shall be the value of the **Crypto currency**, in U.S. dollars, at the time of payment.

CC. Impacted Entities means any business, entity or organization whose **Corporate Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:

1. **Impacted Entity** does not include any **Impacted Individual**; and
2. **Impacted Entity** may be domiciled anywhere in the world.

DD. Impacted Individuals means any person whose **Personally Identifiable Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:

1. **Impacted Individual** does not include any **Impacted Entity**. Only an individual person may be an **Impacted Individual**; and
2. **Impacted Individual** may reside anywhere in the world.

EE. IOT Device means any electronic device (other than a **Portable Device**) or hardware connected device, that connects to the **Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart

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televisions and smart appliances.

FF. Insured means the **Named Insured**, **Knowledge Group Members**, and the **Named Insured's** employees but only while such employees are acting within their capacity as such for the **Named Insured**.

GG. Knowledge Group Member(s) mean the **Named Insured's** principals, officers, directors, risk managers, and real estate managers but only while acting in their capacity as such for the **Named Insured**.

HH. Loss(es) means **Privacy Breach Expenses**, **Data Replacement Expenses**, **Computer System Restoration Expenses**, **Extortion Threat Losses**, **PCI Fines**, **Defrauded Funds**, and **Business Income Loss**.

Loss(es) do not include:

1. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief, including but not limited to costs to remove electronic data from a website or social media site;
2. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
3. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
4. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration;
5. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor** (including lawyers, experts, and litigation support staff) designated in writing or **Approved** in advance;
6. Fines, taxes, penalties, loss of tax benefits or sanctions, except for **PCI Fines**; or
7. Indirect or consequential losses.

II. Malicious Code means an unauthorized or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm,

time, logic bomb, spyware, ransomware, or malware.

JJ. Mass Event means the original and any variant of a **Malicious Code** or **Exploit** that is both:

1. The subject of an alert by, or is identified by a name or designation that is assigned by, any (i) United States (federal or state) government entity or agency or (ii) computer security, forensics, threat intelligence, or anti-virus entity, service provider or vendor (including but not limited to CrowdStrike, Juniper Networks, Mandiant/FireEye, Norton, Malwarebytes, McAfee, Kaspersky, Digital Shadows, RiskIQ, Recorded Future, Flashpoint, Anomali, Mimecast, Proofpoint, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon); and
2. Publicized (meaning reported on in two or more news or technology media or publications, including but not limited to The New York Times, Washington Post, Los Angeles Times, Financial Times, FOX Corporation, CNN, The Wall Street Journal, NBC News, ABC News, CBS News, VICE Motherboard, Data Breach Today, Krebs on Security, Dark Reading, ZD NET, Wired, PC World, The Register, or CSO Online);

in each case, prior to an **Insured** providing notice of an **Event**, **Loss**, **Claim** or **Circumstances**, whichever is earliest, pursuant to Section IV.A.

KK. Media Wrongful Event means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first published or disseminated during the **Endorsement Period**:

1. Libel, slander or other defamation; or
2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name, or misappropriation of ideas.

LL. Named Insured means the person(s) and/or entity(ies) listed on the Policy Declarations, to which this **Endorsement** is attached.

MM. Network Disruption Event means an interruption, disruption, failure, suspension, or delay in the performance of the **Computer System** directly caused by **Unauthorized Access or Unauthorized Use** of, or the

introduction of **Malicious Code** or **Exploit** into, the **Computer System**.

NN. Network Security Event means any one or more of the following directly caused by a **Network Disruption Event**:

1. The inability of an **Insured** or authorized third party user to access the **Computer System**;
2. An **Insured's** transmittal or distribution of **Malicious Code** or **Exploit** to, or the failure or corruption of, a third party's computer system or network; or
3. The perpetuation of a denial of service attack on a third party's computer system or network.

OO. Payment Card Services Agreement means an agreement between the **Named Insured** and a financial institution, credit card or debit card company or credit or debit card processor, enabling the **Named Insured** to accept credit card, debit card, prepaid card or other payment cards for payments.

PP. PCI Claim means the notification of the **Named Insured's** failure to comply with or violation of any Payment Card Industry Data Security Standards established by the PCI Security Standards Council, which notification is by a party who has entered into a **Payment Card Services Agreement** with the **Named Insured**.

QQ. PCI Fines means the fines paid which are explicitly defined as a "fine" in, and which the **Named Insured** is contractually obligated to pay pursuant to, a **Payment Card Services Agreement** due to a breach of a **Payment Card Services Agreement** caused by a **PCI Security Violation Event**. **PCI Fines** do not include (i) subsequent fines arising out of continued noncompliance or the same breach, (ii) any increased transaction costs, or (iii) any chargebacks.

RR. PCI Security Violation Event means the act or omission of the **Named Insured** that violated the Payment Card Industry Data Security Standards as determined in accordance with the terms of the **Payment Card Services Agreement**.

SS. means non-portable devices connected by hardware to the **Computer System**, including but not limited to printers, scanners, and routers.

TT. Personally Identifiable Information means any non-public information about a person that allows such person to be uniquely and reliably identified, or allows access to the person's financial account or medical records information, and for which notification of unauthorized access is required by a **Privacy Law**. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public (including, without limitation, being made available by such person on social media or other public sites), or **Corporate Information**. The **Personally Identifiable Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations.

UU. Portable Device means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that connects to the **Computer System** either directly or through a **VPN**.

VV. Privacy Breach Event means the following actual or alleged events:

1. Theft, loss, unintentional or unknowing dissemination, or accidental publication of **Protected Information**;
2. **Unauthorized Access or Unauthorized Use of Protected Information**; or
3. The **Named Insured's** violation of a **Privacy Law**.

WW. Privacy Breach Expenses means the following reasonable and necessary fees, costs and expenses directly incurred for or by the **Named Insured**, and **Approved** in advance, in responding to a **Privacy Breach Event**:

1. Notification Expenses:

Notification fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use of the Personally Identifiable Information**.

2. Monitoring Expenses:

Fees and expenses charged by a **Vendor**

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(including lawyers, experts, and litigation support staff) to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.

3. Cyber Investigation Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to investigate any or all of the following:

- a. Whether **Protected Information** has been accessed; or
- b. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.

4. Crisis Management Expenses:

- a. Fees and expenses charged by an **Approved** public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and
- b. Fees and expenses charged by a call center designated in writing or **Approved** in advance to assist in managing incoming calls during and concerning a **Privacy Beach Event**.

5. Privacy Breach Expenses shall not include the following:

- a. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**; or
- b. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

XX. Privacy Law means any law or regulation governing the protection of **Personally Identifiable Information**, provided that the text of the law or regulation expressly requires one or more of the following:

1. Posting privacy policies;
2. Adopting specific privacy or security controls for **Personally Identifiable Information**; or
3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has

potentially been accessed or disclosed without authorization.

YY. Protected Information means **Personally Identifiable Information** or **Corporate Information**.

ZZ. Reconstruction Period means the period of time that begins at the conclusion of the **Business Interruption Waiting Period** and ends at the earliest of:

1. 60 days;
2. The date that data restoration, data re-creation and system restoration directly related to the **Business Interruption Event** has been completed in order to permit the **Named Insured** to resume business operations; and
3. The date on which such data restoration, data re-creation and system restoration could have been completed with the exercise of due diligence and prompt good faith effort.

AAA. Reconstruction Period Net Income means the measurable difference between (1) the actual net income (net profit or loss) before taxes, calculated on an hourly basis and based on actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**) that the **Named Insured** would have earned or incurred during the **Reconstruction Period** had no **Business Interruption Event** occurred, minus (2) the actual net income (net profit or loss) before taxes, earned or incurred by the **Named Insured** during the **Reconstruction Period**; provided that **Reconstruction Period Net Income** shall not be based on, shall not include, and no coverage shall be provided for (a) any net profit that could have or likely would have been earned as a result of an increase in the volume of the **Named Insured's** business during the **Reconstruction Period** (other than increases consistent with actual historical financial numbers (specifically the twenty-four (24) months prior to the **Business Interruption Event**)), or (b) any instances where the measurable difference calculated in this paragraph is less than \$0.00.

BBB. Regulatory Fines means the civil or administrative fines or penalties assessed against a **Named Insured** in a **Regulatory**

Proceeding Claim, if such fines and penalties are insurable under the applicable law and the **Named Insured** is legally obligated to pay such fines and penalties, in all cases arising from a **Privacy Breach Event**.

CCC. Regulatory Proceeding Claim means each of the following that alleges the failure to comply with a U.S. federal or state **Privacy Law**:

1. A written demand to the **Named Insured** for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the **Named Insured** by a federal or state regulatory body or regulator.

DDD. Related Claims mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

EEE. Related Events means all **Events** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

FFF. Related Losses mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

GGG. System Compromise Event means the **Unauthorized Access or Unauthorized Use** of the **Computer System**, or the introduction of **Malicious Code or Exploit** into the **Computer System**, that materially degrades or damages the performance of the **Computer System** or corrupts or destroys any **Electronic Media** in the **Computer System**.

HHH. Third Party Claims means a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation, brought against an **Insured**, in each case directly arising from a **Third Party Liability Event**. For the avoidance of doubt, **Third Party Claims** do not include **Regulatory Proceeding Claims**.

III. Third Party Liability Event means any or all of the following:

1. **Media Wrongful Event**;
2. **Network Security Event**; or
3. **Privacy Breach Event**.

JJJ. Unauthorized Access or Unauthorized Use means the access to or use of the **Computer System** or **Protected Information** by a person or entity not authorized to do so, or the access to or use of the **Computer System** or **Protected Information** by an authorized person or entity in an unauthorized manner.

KKK. Vendor means a third party person or entity that provides services to the **Named Insured** that the **Company** has either (i) designated in writing, or (ii) **Approved**. Where indicated, the term **Vendor** may include lawyers, experts, and litigation support staff.

LLL. VPN means a virtual private network.

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POLICY NUMBER: 91001-34809-77

BUSINESSOWNERS
BPF 86 13 08 18**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****BLANKET COVERAGE - STATEMENT OF VALUES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Blanket Number	Premises Number	Building Number	Location	Covered Property Type	Description Of Covered Property	Value
1	1	1	Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Building	Club Houses	\$895,300
1	1	1	Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Business Personal Property		\$35,200
1	1		Location 1: 489 RED RIVER LOOP, CLIFTON, CO	Scheduled Structures	Carports; Fences; Playground Equipment (outdoor); Swimming Pool (outdoor); Pump House & Irrigation Equip	\$180,000

Blanket coverage is only available for property types of: Buildings, Scheduled Structures, Unscheduled Structures and Business Personal Property.

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

Loss Payment Penalties may apply if property is not insured to at least 80% of replacement cost value at the time of loss.

Applicant or Insured	Producer
<p>All property values submitted are 100% of the replacement cost value to the best of my knowledge and American Family can rely upon my statements in providing blanket coverage.</p> <p>Signed: _____</p> <p>Name: <u>Palisade Legends Homeowners Association, Inc</u></p> <p>Title: _____</p> <p>Date: _____</p>	<p>I have explained to the insured the Loss Payment Penalties that may apply if the property is not insured to 80% of replacement cost value.</p> <p>Signed: _____</p> <p>Name: <u>Jeff Crandell Agency, Inc.</u></p> <p>Producer ID: <u>5588</u></p> <p>Date: _____</p>

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY COVERAGE CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Paragraph A.1. Covered Property in Section I - Property is replaced by the following:

1. Covered Property

Covered Property includes Buildings as described under Paragraph **a.** below, Scheduled Structures as described under Paragraph **b.** below, Unscheduled Structures as described under Paragraph **c.** below, and Business Personal Property as described under Paragraph **d.** below, or any combination thereof, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property.

Regardless of whether coverage is shown in the Declarations for Buildings, Scheduled Structures, Unscheduled Structures, and Business Personal Property, or any combination thereof, there is no coverage for property described under Paragraph **2. Property Not Covered.**

a. Buildings, meaning the buildings at the premises described in the Declarations, including:

- (1) Your personal property furnished by you as landlord in:
 - (a) Common areas, or
 - (b) Apartments or rooms, only when a signed lease agreement describes the apartments or rooms as furnished.

This does not include:

- (1) Scheduled Structures; or
- (2) Unscheduled Structures.

b. Scheduled Structures, meaning the listed structures at the premises described in the Declarations.

This does not include:

- (1) Buildings; or
- (2) Unscheduled Structures.

Buildings as described in Paragraph **a.** above or Scheduled Structures as described in Paragraph **b.** above that are damaged by a Covered Cause of Loss include:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the Buildings, Scheduled Structures or the premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings;
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and

(e) Maintenance equipment

But the most we will pay for the loss of maintenance equipment caused by or resulting from any Covered Cause of Loss is \$25,000 for any one occurrence.

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the Buildings or Scheduled Structures; and

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the Buildings or Scheduled Structures.

c. Unscheduled Structures, meaning any structures at the premises not otherwise described in the Declarations that are:

- (1) Permanently affixed to the land; and
- (2) Have a replacement cost value of less than \$25,000 at the time of loss.

This does not include:

- (1) Buildings;
- (2) Scheduled Structures;
- (3) Any structure with a permanent:
 - (a) Roof; and
 - (b) Exterior walls enclosing at least three sides of the structure;

Including but not limited to detached garages, maintenance buildings, sheds and pool houses;

- (4) Any outdoor signs;
- (5) Any street lights;

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- (6) Any streets, sidewalks, curbs or other paved surfaces; or
 - (7) Any underground pipes, pump houses, wells or related equipment that are not Buildings or Scheduled Structures.
- d. Business Personal Property located in or on the Buildings, Scheduled Structures or Unscheduled Structures at the described premises or in the open (or in a vehicle) within 100 feet of the Buildings, Scheduled Structures or Unscheduled Structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:
- (1) Property you own that is used in your business;
 - (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.5.d.(3)(b)**;
 - (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the Buildings, Scheduled Structures or Unscheduled Structures you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
 - (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.d.(2)**; and
 - (5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.
- B. Paragraph **A.2.e. Property Not Covered in Section I - Property** is replaced by the following:
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in:
 - (1) Paragraph **A.1.b. Scheduled Structures**;
 - (2) Paragraph **A.1.c. Unscheduled Structures**;
 - (a) Outdoor fences; and
 - (b) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
 - (3) Outdoor Property Coverage Extension; or
 - (4) Outdoor Signs Optional Coverage;
- C. The following applies to outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers when coverage is provided under Paragraph **A.1.b. Scheduled Structures**:
- 1. We will pay for direct physical loss of or damage to all outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers at the described premises:
 - a. Owned by you; or
 - b. Owned by others but in your care, custody or control.
 - 2. Paragraph **A.2.e. Property Not Covered in Section I - Property** does not apply to this coverage.
 - 3. Paragraph **B.1. Exclusions in Section I - Property** does not apply to this coverage except for:
 - a. Paragraph **B.1.c. Governmental Actions**;
 - b. Paragraph **B.1.d. Nuclear Hazard**; and
 - c. Paragraph **B.1.f. War and Military Action**.
 - 4. Paragraphs **B.2. and B.3. Exclusions in Section I - Property** do not apply to this coverage except for Paragraph **B.2.I.** which is replaced by the following:
 - I. **Other Types Of Loss**
We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion;
 - (5) Deterioration;
 - (6) "Fungi";
 - (7) Decay; or
 - (8) Mechanical Breakdown.
 - 5. The provisions of this coverage supersede all other references to outdoor fences, radio or television antennas (including satellite dishes) and their

lead-in wiring, masts or towers in this policy.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING LIMIT INFLATION PROTECTION COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I - Property is amended as follows:

C. Limits Of Insurance

Paragraph **4. Building Limit - Automatic Increase** is replaced by the following:

4. Building Limit - Inflation Protection Coverage. We may increase limits at each renewal for Buildings and Scheduled Structures only as shown in the Declarations. We base increases on inflation cost indexes. We will round any increases in limits to the next highest \$100. Premium will change accordingly. Your payment of the renewal premium indicates your acceptance of any adjusted limits.

We will not reduce the Limit of Insurance to less than that previously specified without your consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**HOMEOWNERS ASSOCIATION ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Except for the coverages provided by this endorsement, this endorsement will not result in expanded or additional covered causes of loss.

Your Deductible as specified in Paragraph **D. Deductibles** of **Section I - Property** will apply for enhancement coverages, unless otherwise specified in this endorsement. If two or more deductibles apply to a loss for a single occurrence, then only the largest of the applicable deductibles will apply.

A. Section I - Property is amended as follows:**1. Accounts Receivable**

The additional limit of \$10,000 shown in Paragraph **f. Accounts Receivable** under **6. Coverage Extensions** for loss or damage in any one occurrence at the described premises is replaced by \$100,000. For accounts receivable not at the described premises, the limit of \$5,000 is replaced by \$100,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

2. Arson Reward

We will provide a reward in the amount of up to \$5,000 for information which leads to an arson conviction in connection with a covered fire loss.

No deductible applies to this coverage.

This is additional insurance.

3. Debris Removal

a. The limit of \$25,000 shown in Paragraph **a. Debris Removal** under **5. Additional Coverages** is replaced by \$50,000.

b. We will also pay up to \$2,000 for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

4. Described Premises

The limitation of being within 100 feet of the described premises shown in Paragraph **b.** under **1. Covered Property** for Business Personal Property is replaced by 1,000 feet.

5. Electronic Data

The limit of \$10,000 shown in Subparagraph **(3)** of Paragraph **p. Electronic Data** under **5. Additional Coverages** is replaced by \$25,000.

6. Fine Arts

a. We will pay for direct loss of or damage to fine arts, whether owned by:

(1) You; or

(2) Others, while in your care, custody or control.

b. Fine arts includes, but is not limited to, antiques, paintings, etchings, drawings, tapestries, sculptures, and fragile property such as porcelains, china and marble.

c. The most we will pay for loss in any one occurrence under this Coverage Extension is \$25,000 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. The amount payable under this Additional Coverage is additional insurance over the insurance available for Business Personal Property.

d. The value of fine arts will be the least of the following amounts:

(1) The actual cash value of that property at the time of loss;

(2) The cost of reasonably restoring that property to its condition immediately before the loss; or

(3) The cost of replacing that property with substantially identical property.

e. In the event of loss, the value of property will be determined as of the time of loss.

f. You must arrange for fine arts to be packed and unpacked by competent packers.

g. The following is added to Paragraph **5. Loss Payment** under **E. Property Loss Conditions**:

i. In case of loss to any part of a pair or set, we will pay the least of:

(1) The cost to repair or replace any part to restore the pair or set to its value before the loss; or

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- (2) The difference between the value of the pair or set before and after the loss.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

This is additional insurance.

7. Fire Department Service Charge

The limit of \$2,500 shown in Paragraph **c. Fire Department Service Charge** under **5. Additional Coverages** is replaced by \$25,000.

No deductible applies to this coverage.

8. Fire Extinguisher Systems Recharge Expense

The limit of \$5,000 shown in Paragraph **o. Fire Extinguisher Systems Recharge Expense** under **5. Additional Coverages** is replaced by \$10,000.

No deductible applies to this coverage.

9. Identity Fraud Expense Coverage

a. We will pay up to \$25,000 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.

b. 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.

c. Regardless of the number of claims you make:

(1) The Identity Fraud Expense Aggregate Limit shown above is the most we will pay for the sum of all "expenses", and

(2) \$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 Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

The deductible of \$250 applies to this coverage.

This is additional insurance.

- d. With respect to the coverage provided by this endorsement, the following is added to Paragraph **2.** under **B. Exclusions:**

We will not pay for:

- (1) 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 you, your partners, "members", officers, "managers", directors or trustees,

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.

- e. With respect to the coverage provided by this endorsement, Paragraph **D. Deductibles** is replaced as follows:

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.

- f. The following is added to Paragraph **3. Duties In The Event Of Loss Or Damage** under **E. 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.

- g. 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.

- h. 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 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:
 - (i) Defend lawsuits brought against you by merchants, vendors, suppliers, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against you; and
 - (iii) 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.

10. Increase In Rebuilding Expenses Following Disaster (Additional Expense Coverage On Annual Aggregate Basis)

- a. This coverage applies with respect to a covered loss to a Building identified in the Declarations.

Coverage for the loss is determined in accordance with all applicable policy provisions except as otherwise provided under this coverage.

- b. The Covered Causes of Loss (including related endorsements, if any) otherwise applicable to a Building listed in the Declarations will apply to this coverage with respect to that Building.

- c. The Additional Expense Coverage provided under this coverage applies if all of the following conditions are met, subject to all limitations of this coverage:

- (1) The event that caused the covered loss:

- (a) Results in declaration of a state of disaster by federal or state authorities; or
- (b) Occurs in close temporal proximity to the event that resulted in declaration of disaster by federal or state authorities;

- (2) Expenses for labor and building materials for repair or replacement of the damaged property increase as a result of the disaster and the total cost of repair or replacement exceeds the applicable Limit of Insurance due to such increases in expenses;

- (3) You elect to repair or replace the damaged Building; and

- (4) You notified us, within 30 days of completion, of any improvements, alterations or additions to the Building which increase the replacement cost of the Building by 5% or more, and allowed us to adjust the Limit of Insurance, if necessary, to maintain the required insurance-to-value level.

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- d. When the cost of repair or replacement increases in accordance with the terms of this coverage, we will pay the increased expenses actually incurred, up to the maximum amount of Additional Expense Coverage.
- e. The maximum amount of Additional Expense Coverage available for the extra expense of repair or replacement of a Building shown in the Declarations is determined in accordance with the following provisions:
- (1) Apply the applicable percentage of 10%: for any Building to:
 - (a) The Limit of Insurance shown in the Declarations as applicable to the Building when such limit covers only that Building (exclusive of contents); or
 - (b) The value of the Building when insurance is written on a blanket basis. (For the purpose of this endorsement, Blanket insurance covers two or more Buildings, or Building(s) and its contents, under a single Limit of Insurance.)

However, if the Building is subject to a lower Limit of Insurance (sub-limit) for the Covered Cause of Loss that caused the loss, then the applicable percentage indicated in this endorsement will be applied to that sub-limit.
 - (2) If a penalty for inadequate insurance applies to the covered loss to the Building in accordance with the terms of this policy, then the maximum amount of Additional Expense Coverage will be decreased in the same proportion. (In determining compliance with the policy's insurance-to-value requirement, the increase in expenses attributable to the disaster will be disregarded.)
- f. **Annual Aggregate**
- The following applies when payments are made under this endorsement as a result of one or more covered events in an annual policy term:
- (1) When payments reach the maximum amount of Additional Expense Coverage, such coverage will not apply to a subsequent event which occurs in the same annual policy term.
 - (2) When payments total less than the maximum amount of Additional Expense Coverage, the balance will be available for additional expenses incurred in a subsequent event which occurs in the same annual policy term.
- g. **Debris Removal**
- Up to 20% of the amount payable for Additional Expense Coverage may be used to cover debris removal expense associated with the covered loss. This does not increase the maximum amount of Additional Expense Coverage.
- h. **Ordinance Or Law**
- When a Building shown in the Declarations is also covered for Coverage 3 - Increased Cost Of Construction Coverage under the Ordinance Or Law Coverage endorsement (if a part of this policy), up to 20% of the amount payable for Additional Expense Coverage may be used to cover costs payable under Coverage 3. - Increased Cost of Construction Coverage. This does not increase the maximum amount of Additional Expense Coverage.
- i. **Newly Acquired Or Constructed Buildings**
- When a newly acquired or constructed Building is covered under the terms of the Newly Acquired or Constructed Property Coverage Extension, then the percentage shown in this endorsement for any Building will be applied to the applicable Limit of Insurance for newly acquired or constructed Buildings. The result is the amount of Additional Expense Coverage applicable to the newly acquired or constructed Building, subject to all other terms of this endorsement.
- j. In determining the expenses payable under this endorsement we will deduct any expenses recovered under the Business Income and Extra Expense Additional Coverages. This is additional insurance.
- 11. Newly Acquired Or Constructed Buildings**
- The limit of \$250,000 shown in Subparagraph (1) Buildings of Paragraph a. Newly Acquired Or Constructed Property under 6.

Coverage Extensions is replaced by \$300,000.

The limit of \$100,000 shown in Subparagraph (2) **Business Personal Property** of Paragraph a. **Newly Acquired Or Constructed Property** under 6. **Coverage Extensions** is replaced by \$150,000.

12. Outdoor Fences And Walls

- a. We will pay for direct physical loss of or damage to all outdoor fences and walls at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this coverage, except for Paragraphs:
 - (1) **B.1.c. Governmental Action;**
 - (2) **B.1.d. Nuclear Hazard;** and
 - (3) **B.1.f. War And Military Action.**
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is \$15,000.

This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by endorsement for this coverage.

This is additional insurance.

13. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraphs **A.3. Covered Causes Of Loss** and **B. Exclusions** do not apply to this Optional Coverage, except for Paragraphs:
 - (1) **B.1.c. Governmental Action;**
 - (2) **B.1.d. Nuclear Hazard;** and
 - (3) **B.1.f. War And Military Action.**
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or

(5) Mechanical breakdown.

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

The Optional Coverages deductible applies to this coverage.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

14. Outdoor Trees, Shrubs Or Plants

The limit of \$2,500 shown in Paragraph c. **Outdoor Property** under 6. **Coverage Extensions** for Outdoor Trees, Shrubs or Plants only, is replaced by \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

15. Personal Property Off Premises

The limit of \$10,000 shown in Paragraph b. **Personal Property Off Premises** under 6. **Coverage Extensions** is replaced by \$25,000.

16. Pollutant Clean Up And Removal

The limit of \$10,000 shown in Paragraph h. **Pollutant Clean-up And Removal** under 5. **Additional Coverages** is replaced by \$35,000.

17. Surge Protection

- a. We will pay for loss of or damage to Electronic Data Processing Equipment caused by or resulting from a power supply disturbance when the Electronic Data Processing Equipment is connected to a functioning surge protection device.
- b. Only as used in this endorsement:
 - (1) Electronic Data Processing Equipment means equipment commonly referred to as hardware such as central processing units, monitors, keyboards, printers, tape or disk drives, modems and similar electronically controlled equipment that accepts information, processes it according to a plan and produces a desired result.
 - (2) Power supply disturbance means interruptions of power supply, power surge, blackout or brownout.
 - (3) Surge Protection device means any transient voltage surge suppression device or system which limits surge voltage surge suppression device or system which limits surge voltages by discharging or bypassing surge current and prevents continued

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flow of current while remaining capable of repeating these functions.

The surge protection device must:

- (a) Be UL listed; and
- (b) Have a properly connected ground wire extended to the surge protection device. (This may be demonstrated through use of a site wiring fault indicator light on the surge protection device.)

A multiple outlet power strip is not considered a surge protection device.

The most we will pay for loss or damage in any one occurrence is \$15,000.

This is additional insurance.

18. Utility Services - Direct Damage And Time Element

- a. We will pay for loss of or damage to Covered Property, and Business Income or Extra Expense 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 the following:

(1) Water Supply Property, meaning the following types of property supplying water to the described premises:

- (a) Pumping stations;
- (b) Water mains; and
- (c) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

- (2) Communication Supply Property, meaning 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;

(b) Coaxial cables; or

(c) Microwave radio relays except satellites.

(3) Power Supply Property, meaning the following types of property, located outside of a covered Building that supply electricity, steam or gas to the described premises:

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; or

(e) Transmission lines.

b. As used in this endorsement, the term transmission lines includes all lines which service to transmit communication service or power, including lines which may be identified as distribution lines.

c. Paragraph H.9.a.(1)(a) of the "Period of Restoration definition is replaced by the following:

(a) Immediately after the time of direct physical loss or damage for Business Income Coverage; or

d. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$25,000 for direct damage to Covered Property and \$25,000 for Business Income and Extra Expense.

Coverage under this endorsement does not apply to loss or damage to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to "electronic data", including destruction or corruption of "electronic data".

This is additional Insurance.

19. Valuable Papers And Records

The limit of \$10,000 for coverage at the described premises shown in Paragraph e.(3) Valuable Papers And Records under 6. Coverage Extensions is replaced by \$100,000. For "valuable papers and records" not at the described premises, the limit of \$5,000 is replaced by \$100,000.

This Limit of Insurance is in addition to any other Limit of Insurance, not to exceed the total limit shown in the Declarations for this coverage.

B. Section II - Liability is amended as follows:

1. The following is added to Paragraph A.
Coverages of Section II - Liability:

a. Damage to Property of Others

(1) We will pay for property damage to property of others caused by an insured. This coverage applies even if the insured is not negligent or legally liable.

At our option, we will either:

- (a) Pay the actual cash value of the property; or
- (b) Repair or replace the property with other property of like kind and quality.

We will not pay for property damage:

- (a) To the extent of any amount recoverable under **Section I - Property** of this policy;
- (b) When the claimant will collect for damages from any other insurance policy;
- (c) Caused intentionally by any insured who has attained the age of 13; or

resulting from:

- (a) Business pursuits;
- (b) Work performed for you or on your behalf by a subcontractor;
- (c) Any act or omission in connection with any premises

owned, rented or controlled by any insured, other than an insured premises; or

(d) The ownership, maintenance or use of any aircraft, watercraft, iceboat or land vehicle that is motor- or engine-propelled other than a golf cart.

(2) The most we will pay for property damage to personal property of others in your care, custody or control is \$10,000 per occurrence.

C. Section III - Common Policy Conditions (Applicable To Section I - Property And Section II - Liability) is amended as follows:

1. Identity Fraud Expense Coverage

With respect to Identity Fraud Expense Coverage provided by this endorsement, Paragraph **H. Other Insurance** is replaced by the following:

H. 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**EXCLUSION – BIOMETRIC DATA, IDENTIFIERS OR INFORMATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph B. Exclusions in Section II – Liability:

Biometric Identifiers Information

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of an actual or alleged "biometric claim" based upon, attributable to, arising out of, or in any way relating to, directly or indirectly, "biometric data", "biometric identifier(s)", or "biometric identifier(s) information".

This exclusion extends to any damages claimed for costs incurred by the insured for identity fraud notification, credit monitoring, forensic review, data recovery or public relations restoration.

B. The following are added to Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability:

1. "Biometric claim" means any claim, suit, or demand based upon, arising out of, or in any way relating to the capture, collection, storage, use, possession, transmission, dissemination, release, destruction, purchase, transfer, sale, lease, trade, disclosures (before and after collection), permission or written consent to collect and use, or retention and protection of "biometric data", "biometric Identifier(s)" or "biometric identifier(s) information", whether asserted under any local, state or federal statute, law, or regulation (including, without limitation, the Illinois Biometric Information Privacy Act and all other similar local, state and federal statutes which directly or indirectly pertain to "biometric data", "biometric Identifier(s)" or "biometric identifier(s) information") or under any common law legal theory (including, without limitation, invasion of privacy or intrusion upon seclusion)
2. "Biometric data" means the measurement of an individual's features and characteristics resulting from specific technical processing relating to the physical, physiological or

behavioral identifiers of a natural person, which allow or confirm the unique establishment of that natural person, such as "biometric identifier(s)" or "dactyloscopic data".

3. "Biometric identifier(s)" means:
 - a. DNA;
 - b. Written signature;
 - c. Computer navigation (mouse or touch-pad) patterns;
 - d. Keystroke patterns or rhythms;
 - e. Behavioral patterns;
 - f. Retinal, eyeball or iris scan;
 - g. Fingerprints;
 - h. Footprints;
 - i. Voiceprints or voice recordings;
 - j. Vascular scans or vein patterns;
 - k. Scans of hand, palm or face geometry;
 - l. Gait patterns or rhythms;
 - m. Sleep, health or exercise data;

or any other personally identifiable measurable biological characteristic of a natural person.
4. "Biometric identifier(s) information" means any information, regardless of how it is captured, collected, converted, stored or shared based on an individual's "biometric identifier(s)", and used by itself or with other information to identify an individual, and the personally attributable physical, psychological or behavioral characteristics of a natural person which allow or confirm the unique identification of that natural person.
5. "Dactyloscopic data" means fingerprint images, images of fingerprint latents, palm prints, palm print latents and templates of such images, when captured, collected, stored and dealt with in an automated fingerprint identification system database.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY – WITH LIMITED
BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Exclusion B.1.q. of Section II – Liability is replaced by the following:

This insurance does not apply to:

q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- (1) Damages, other than damages because of "personal and advertising injury", arising out of 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
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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 (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, 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.

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B. The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability**:

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

Arising out of 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.

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 any access to or disclosure of any person's or organization's confidential or personal information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form BP 00 06 and Section II – Liability of the Businessowners Coverage Form BP 00 03:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

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

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

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2. "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 pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. 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. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
- Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

BUSINESSOWNERS
BP 04 39 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following applies to Section II – Liability and supersedes any provision to the contrary:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- (a)** The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (b)** The negligent:
 - (i)** Employment;

- (ii)** Investigation;
- (iii)** Supervision;
- (iv)** Reporting to the proper authorities, or failure to so report; or
- (v)** Retention;
of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by **(a)** above.

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You may elect to purchase terrorism insurance coverage



No action is required if you do not want to add this coverage

American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

Policy number	Renewal date
91001-34809-77	10/15/2024

The Terrorism Risk Insurance Reauthorization Act (TRIA) of 2015 was signed into law in January, 2015. This law extended the Terrorism Risk Insurance Program, which is effective through 2020. To comply with the provisions of TRIA and guidelines of the United States Treasury, we are enclosing a new Terrorism Insurance Coverage and Disclosure of Premium form. This disclosure contains the updated provisions of the 2015 reauthorization of the federal program. The premium rate is unchanged.

Under this program, you have a right to purchase insurance coverage for loss resulting from "Certified Acts of Terrorism," as defined by TRIA. Our records indicate you have not elected to purchase this coverage on the policy listed above. If you do not wish to change your current election, no further action is required.

If you want to add coverage for Certified Acts of Terrorism, complete the Coverage Options section on page 2 of the enclosed Disclosure Form, sign, date and return the attached form. Please use one of the following methods to return the form:

- **Mail:** Use the enclosed addressed envelope or mail to American Family Insurance Company, 6000 American Parkway, Madison, WI 53783-0001.
- **Fax*:** 1-866-656-1032 or 1-866-656-1033.

An additional premium will be charged. The premium cost is shown on page 2 of the Disclosure Form. We will endorse the coverage to your policy, effective on the renewal date indicated above.

All other terms and conditions of your policy remain unchanged.

Thank you again for being our customer. If you have questions about this notice, please contact your agent listed below.

Commercial Lines
1-800-MY AMFAM (1-800-692-6326), ext. 76000

American Family Insurance Company

Your American Family Agent is:

Jeff Crandell Agency, Inc.

jcrandel@amfam.com

2710 Patterson Rd Ste A
Grand Junction CO 81506-4140
970-257-1160

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*** Before choosing to FAX the completed form, please note:**

Data transmitted by FAX cannot be guaranteed to be secure, timely, or free from computer virus or other damaging code. American Family takes great pride in ensuring a positive customer experience and takes great care to keep your personal data secure. By submitting the completed form by FAX, you acknowledge that American Family cannot ensure or guarantee that any information transmitted will be secure.

OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM



American Family Insurance Company
6000 American Parkway
Madison WI 53783

For customer service and claims service
24 hours a day, 7 days a week

1-800-MY AMFAM (1-800-692-6326)
amfam.com

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2019. Please read the information below about the Act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for certified acts of terrorism.

Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This Act has been reauthorized since then, and the latest reauthorization occurred in December of 2019 when President Trump signed the Terrorism Risk Insurance Program Reauthorization Act of 2019 into law. The most recent reauthorization extends the current program through December 31, 2027.

As an American Family customer, you have the right, under the recently reauthorized Act, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is 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. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of \$5 million; and
- The act 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.

Further Explanation

Where coverage is provided under the Act for losses resulting from "certified acts of terrorism", such losses may be partially reimbursed by the United States Government as established by the Act. You should also understand that your policy may contain exclusions (not part of the Act) that might affect your coverage. For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the Act.

You should also be aware that the reauthorized Act contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to \$100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds \$100 billion, your coverage may be reduced due to the cap.

Per the Act, the United States Government generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. 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.

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Disclosure Of Premium

Location	Premium Charge for Certified Acts of Terrorism		*Fire Following Exposure charge of the total property premium
	charge of the total property premium	charge of the total liability premium	

*** Please note the following coverage exception that may apply based on policy type and location state.**

Certain states have mandated that even if you elect to reject the "certified acts of terrorism" coverage, your rejection does not apply to fire losses resulting from an act of terrorism, and the coverage in your policy for such fire losses will continue. Therefore, the "**Fire Following Exposure**" charge (listed in the chart above) applies in this case.

For Businessowners Policies, the following states mandate coverage for fire losses that result from acts of terrorism - Arizona**, Georgia, Illinois, Iowa, Missouri, Oregon, Washington*** and Wisconsin.

** For Arizona locations, this exception applies to building coverage being provided for 1-4 unit dwellings.

*** For Washington locations, if you elect not to purchase terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism and the coverage in your policy for such fire losses will continue.

TERRORISM INSURANCE COVERAGE OPTIONS

Our records indicate you previously elected not to purchase coverage for "certified acts of terrorism" for the policy referenced above. If you do not wish to make any changes regarding this coverage will continue to be excluded throughout the renewal term of your policy.

However, if you want to add coverage for "certified acts of terrorism," please indicate your decision to accept coverage for "certified acts of terrorism" by:

1. Checking the box below;
2. Signing this notice; and
3. Returning this notice in the provided envelope.

I wish to purchase coverage for "certified acts of terrorism." I understand that as a result, I will be charged an additional premium for adding coverage for "certified acts of terrorism" to this policy.

If you choose to purchase coverage for "certified acts of terrorism", you must notify us before your policy's effective date by signing and returning this notice in the enclosed envelope. (Exception: If we send you a new disclosure form after your policy's effective date, and you wish to change your election, we will endorse your policy to reflect your new coverage election.)

Your decision to accept coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the Act.

Only if you are accepting coverage for "certified acts of terrorism", please sign and return this notice.

Insured's Signature		
Named Insured Palisade Legends Homeowners Association, Inc		Date
Policy Number 91001-34809-77	Producer ID 5588	Policy Expiration Date 10/15/2024

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FACTS

WHAT DOES AMERICAN FAMILY INSURANCE DO WITH YOUR PERSONAL INFORMATION?



Why? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What? The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Account balances and payment history
- Credit history and credit based insurance scores
- Drivers license records and claims history

When you are no longer our customer, we continue to share your information as described in this notice.

How? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons American Family Insurance chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does American Family Insurance share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	Yes	Yes

To limit our sharing Call 1-888-312-2263 – when prompted you will be asked to provide your first name, middle initial (if applicable), last name, address, city, state and at least one of your policy numbers. Please also indicate if you are requesting to limit sharing for others on your policies. Please indicate their full names.

Please note:

If you are a new customer, or receiving this notice from us for the first time, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice.

However, you can contact us at any time to limit our sharing.

Questions? Please go to our website at www.amfam.com/privacy-security

Who we are

Who is providing this notice? This privacy notice is provided by American Family Mutual Insurance Company, S.I. and the affiliates as listed under the "Other important information" section of this notice (referred to collectively as "American Family Insurance").

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What we do	
How does American Family Insurance protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does American Family Insurance collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> • Apply for insurance • Pay insurance premiums • File an insurance claim • Give us your contact information • Use your credit or debit card
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. (See below for more on your rights under state law.)
What happens when I limit sharing for an account I hold jointly with someone else?	Your limit-sharing request will only apply to the names received in your request.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • The affiliates of American Family Mutual Insurance Company, S.I. include the companies identified under the "Other important information" section of this notice, and other affiliated companies within Homesite Group Incorporated and PGC Holdings Corp.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Nonaffiliates we share with can include our sales agents, mortgage companies and direct marketing companies.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Our joint marketing partners include other financial services companies and insurance companies.
Other important information	
For Nevada residents only. You have the right to place your telephone number on American Family Insurance's internal do not call list, which means we can contact you by telephone only in response to a specific request from you for information or in order to service any existing American Family Insurance business. For additional information about the Nevada do not call requirements, or to add your telephone number to our internal do not call list, contact American Family Insurance at 1-877-216-9232. For information on the Nevada state do not call law, contact the Nevada Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Ste. 3900, Las Vegas, NV 90101, Phone: 1-702-486-3132, email: BCPINFO@ag.state.nv.us	
For Vermont residents only. We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures. Additional information concerning our privacy policies can be found at www.amfam.com/privacy-security or call 1-800-692-6326.	
For Georgia residents only. NOTICE: The laws of the State of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family violence.	
For New Mexico residents only. We are prohibited from disclosing information related to domestic abuse. In New Mexico an individual has certain rights as a Protected Person under N.M. Admin Code 13.7.5 and N. M. S. A 1978, § 59A-16B-4. If you would like to exercise any of those rights or want an explanation of those rights, please contact American Family Insurance at 1-800-MYAMFAM ext. 78082.	

Other important information – continued

For our customers in AK, AZ, CA, CT, GA, IL, ME, MA, MN, MT, NV, NJ, NC, OH, OR, SC and VA only.

You have the right to review information in your file. You may do so by writing to us at the address at the end of this section and providing us with your complete name, address, date of birth, and all policy numbers under which you are insured. Within 30 days of receipt of your request, we will contact you and inform you of the nature of recorded information that can be reasonably located and retrieved about you in our files. If you believe there is information in our file that is incorrect, you have the right to notify us and request that it be corrected, amended or deleted from your file. Use this address for requesting information in your file or for questions about the information in your file: **American Family Insurance, Attn: Consumer Affairs Department, 6000 American Pkwy., Madison, Wisconsin 53783-0001.**

American Family Insurance Legal Entities:

In addition to American Family Mutual Insurance Company, S.I., this privacy notice is provided by the following companies, which are all affiliates of American Family Mutual Insurance Company, S.I.: American Standard Insurance Company of Wisconsin, American Family Life Insurance Company, American Family Brokerage, Inc., American Family Insurance Company, American Standard Insurance Company of Ohio, and Midvale Indemnity Company. All companies are collectively referred to as "American Family Insurance" in this notice.

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