



Business Personal Property Policy Replacement Cost Coverage

In consideration of the payment of the Premium, in reliance upon the statements made to the Company by application and subject to the terms set forth herein, the Company (the "Company"), as designated on the Declarations page (the "Certificate of Insurance"), AGREES with the Named Insured:

I. COMMON POLICY CONDITIONS

A. Cancellation

1. The first Named Insured shown in the Certificate of Insurance may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes - This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Certificate of Insurance is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records - We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys - We have the right, but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes - Any inspections, surveys, reports or recommendations related only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or

safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
- b. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. Premiums - The first Named Insured shown in the Certificate of Insurance:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.
3. Premium shown in the Certificate of Insurance was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. Premiums, Minimum Deposit, And Audit - All reference in this policy to minimum and/or deposit premiums and premium audits is replaced by the following: Premium shown as advanced premium is both a deposit premium and a minimum premium for the policy term. At the close of each audit period, we will compute earned premium for that period. If earned is more than advance premium, then the amount by which it exceeds advance premium is due and payable on notice to you. If earned is less, advance premium applies as the minimum premium with no return payable to you. If this policy is cancelled, the pro rata or short rate of the minimum and deposit premium will apply for the policy term, subject to an absolute minimum earned premium of 25% of the total advance premium, unless final audit develops greater than said 25%. If your business is a seasonable business, however, the minimum premium then becomes fully earned at the end of the season.

G. Transfer Of Your Rights And Duties Under This Policy - Your rights and duties under this policy may not be transferred without our written consent, except in the case of death of an individual Named Insured. If you die, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties, but only with respect to that property.

H. Eligibility. In order to be eligible to purchase Business Personal Property coverage under this Policy, the Named Insured must be a member of the association or group listed as the Master Policy Holder.

I. Arbitration. All disputes or claims involving the Company shall be resolved by binding arbitration, whether such dispute or claim arises between the parties to this Policy, or between the Company and any person or entity who is not a party to the Policy but is claiming rights either under the Policy or against the Company. This provision is intended to, and shall, encompass the widest possible scope of disputes or claims, including any issues a) with respect to any of the terms or provisions of this Policy, or b) with respect to the performance of any of the parties to the Policy, or c) with respect to any other issue or matter, whether in contract or tort, or in law or equity. Any person or entity asserting such dispute or claim (the "Claimant") must submit the matter to binding arbitration with the American Arbitration Association, under the Commercial Arbitration Rules of the American Arbitration Association then in effect, by a single arbitrator in good standing. If the Claimant refuses to arbitrate, then any other party may, by notice as herein provided, require that the dispute be submitted to arbitration within fifteen (15) days. Neither the Claimant nor any other party shall have the right to participate as a member of any class of claimants, and there shall be no authority for any dispute to be decided on a class action basis. In addition, an arbitration can only decide a dispute between the Claimant and the Company, and may not consolidate or join the claims of other persons who have similar claims. All procedures, methods, and rights with respect to the right to compel arbitration pursuant to this Article shall be governed by the Federal Arbitration Act. The arbitration shall occur in Orange County, California. The laws of the State of California shall apply to any substantive, evidentiary or discovery issues. Any questions as to arbitrability of any dispute or claim shall be decided by the arbitrator. If any party seeks a court order compelling arbitration under this provision, the prevailing party in such motion, petition or other proceeding to compel arbitration shall recover all reasonable legal fees and costs incurred thereby and in any subsequent appeal, and in any action to collect the fees and costs. A judgment shall be entered upon the arbitration award in the U.S. District Court, Central District of California, or if that court lacks jurisdiction, then in the Superior Court of California, County of Orange.

II. LOSS CONDITIONS

A. Abandonment - There can be no abandonment of any property to us.

B. Appraisal - If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss - You must see that the following are done in the event of loss to Business Personal Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Business Personal Property from further damage, and keep a record of your expenses necessary to protect the Business Personal Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. You will provide to the Company Proof of Ownership and/or Proof of Original Purchase Price of the Business Personal Property involved in any claim.
7. As often as may be reasonably required, permit us to inspect the property, proving the loss or damage, and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
8. We may examine the Named Insured or any other insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including Named Insured or any other insured's books and records. In the event of an examination, a Named Insured or any other insured's answers must be signed.
9. Send us a signed, sworn proof of loss, containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
10. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or suit.
11. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages - If two or more of this policy's coverages apply to the same loss or damage; we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Business Personal Property.

3. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Business Personal Property.
 4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
 5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all the terms of this Policy and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
 6. We will not be liable for any part of a loss that has been paid or made good by others.
- F. Other Insurance** - If there is other insurance covering this same loss or damage, the insurance afforded by this Policy shall be secondary and shall not apply unless and until the coverage limits of such other insurance have been exhausted.
- G. Pair, Sets Or Parts**
1. **Pair Or Set** - In case of loss or damage to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
 - b. Pay the difference between the value of the pair or set before and after the loss or damage.
 2. **Parts** - In case of loss or damage to any part of Business Personal Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.
- H. Recovered Property** - If either you or we recover any property after loss settlement, that party must give the other prompt notice. At our option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.
- I. No Reinstatement of Limit After Loss** - The Limit of Insurance will be reduced by the payment of any claim.
- J. Transfer Of Rights Of Recovery Against Others To Us** - If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
1. Prior to a loss to your Business Personal Property.
 2. After a loss to your Business Personal Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you. This will not restrict your insurance.

III. GENERAL CONDITIONS

- A. Concealment, Misrepresentation Or Fraud** - This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:
1. This Coverage Part;
 2. The Business Personal Property;
 3. Your interest in the Business Personal Property; or
 4. A claim under this Coverage Part.
- B. Control Of Property** - Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.
- C. Legal Action Against Us** - No action shall lie against the Company, its Agents, Employees, Brokers, or the Master Policy Holder unless the action is commenced within one (1) year from the earlier of: the date of loss or damage to the Named Insured, or the date that the Company sends a letter denying coverage on a claim. Additionally, as a condition precedent to any such actions, there shall have been full compliance with all of the provisions of this Policy.
- D. No Benefit To Bailee** - No person or organization, other than you, having custody of Business Personal Property will benefit from this insurance.
- E. Policy Period, Coverage Territory** - We cover loss or damage commencing:
1. During this policy period shown in the Certificate of Insurance; and
 2. Within the coverage territory.
- F. Valuation**
1. The following property shall be valued at Actual Cash Value:
 - a. Property of others;
 - b. Contents of a residence;
 - c. Manuscripts;
 - d. Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - e. "Stock".
 2. All other real property and business personal property shall be valued at the actual replacement cost of the property at the time of loss.
- G. Replacement Cost** -
1. We will not pay on a Replacement Cost Value for any loss or damage:
 - a. Until the lost or damaged property is actually repaired or replaced;
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage; and
 - c. Unless the insured makes a reasonable effort to repair rather than replace the item, whenever the Company determines, at the Company's expense, that the cost to repair is less than the cost to replace.

2. In the event of loss, we will not pay more on a Replacement Cost Value than the least of:
 - a. The Limit of Insurance applicable to the lost or damaged property;
 - b. The cost to replace, on the same premises, the lost or damaged property with other property of comparable material, quality, and used for the same purpose; or
 - c. The amount you actually spent that is necessary to repair or replace the lost or damaged property.

IV. SERVICE OF SUIT CLAUSE

- A. It is agreed that in the event of the failure of the Company hereon to pay any amount claimed to be due hereunder, the Company hereon, at the request of the Named Insured or any other insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Company's rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.
- B. It is further agreed that service of process in such suit may be made upon and that in any suit instituted against any one of them upon this contract, Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.
- C. Allied Professionals' Insurance Services, located at 1100 West Town and Country Road, Suite 1400, Orange, CA, 92868, is authorized and directed to accept service of process on behalf of the Company in any such suit and/or upon the request of the Named Insured or any other insured to give a written undertaking to the Named Insured or any other insured that they will enter a general appearance upon Company's behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Company hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any other insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

V. PRIVACY NOTICE

We want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

- A. **Information We Collect** - The non-public personal information that we collect about you may include, but is not limited to:
 1. Information contained in applications or other forms that you may submit to us, such as name, address, and social security number
 2. Information about your transactions with our affiliates or other third-parties, such as balances and payment history
 3. Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history
- B. **Information We Disclose** - We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.
- C. **Confidentiality And Security** - Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.
- D. **Right To Access Or Correct Your Personal Information** - You have a right to request access to or correction of your personal information that is in our possession.
- E. **Contacting Us** - If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact Allied Professionals Insurance Services, at 1100 West Town and Country Road, Suite 1400, Orange, CA 92868. We can provide a more detailed statement of our privacy practices upon request.

VI. MISCELLANEOUS ARTICLES COVERAGE FORM

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

- A. **COVERAGE** - We will pay for loss to Business Personal Property from any of the Covered Causes of Loss that occurs on or between the Issue Date and Membership / Policy Term Expiration Date indicated on the member's Certificate of Insurance that was issued reflecting the Policy number specified for this Policy. The loss must occur in the "Coverage Territory".
 1. **PROPERTY NOT COVERED** - Business Personal Property does not include:
 - a. Property that is not Business Personal Property
 - b. Property for which you cannot or do not provide, upon the Company's request, Proof of Ownership of the lost or damaged property and Proof of Original Purchase Price of the lost or damaged property;
 - c. Any building, including complete additions; fixtures, including outdoor fixtures; permanently installed machinery and equipment; personal property owned by you that is used to maintain or service the building or structure or its premises, including but not limited to fire extinguishing equipment, outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering unless they are portable appliances; additions under construction, alterations and repairs to the building or structure;

- d. Cash, accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities;
 - e. Automobiles, vehicles, or self-propelled machines (including aircraft or watercraft);
 - f. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information; books of account; deeds; manuscripts; abstracts; drawings and card index systems; client files; and licenses;
 - g. Property while airborne or waterborne, except while in transit;
 - h. Property while in cofferdams or while below the surface of the ground; or
 - i. Property which has become a permanent part of any structure.
2. **COVERED CAUSES OF LOSS** - Covered Causes of Loss means direct physical loss or damage to Business Personal Property from a covered cause, not hereinafter excluded or limited.
3. **ADDITIONAL COVERAGE – COLLAPSE** - We will pay for direct loss caused by or resulting from direct physical loss involving collapse of all or part of a building or structure caused by one or more of the following:
- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
 - b. Hidden decay;
 - c. Hidden insect or vermin damage;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the constructions, remodeling or renovation.
 - g. Earth movement, including earthquake, volcanic eruption, landslide, mudflow, mine subsidence, earth sinking, rising or sliding;
 - h. Flood, surface water, waves, tidal waves, overflow of any body of water or their spray.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

B. LIMITS OF INSURANCE

The most we pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Certificate of Insurance.

C. DEDUCTIBLE

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

D. ADDITIONAL CONDITIONS

1. COVERAGE TERRITORY

- a. The United States of America (including its territories and possessions), Puerto Rico; and
 - b. Canada.
2. **COINSURANCE** - All Business Personal Property must be insured for 100% of its total value as of the time of loss or you will incur a penalty. The penalty is that we will pay only the proportion of any loss that the Limit of Insurance shown in the Certificate of Insurance for all Business Personal Property at all locations bears to 100% of the total value of all property at all locations as of the time of loss.
3. **NOTICE TO POLICE** - You agree that you will report promptly to the Police Department all thefts or acts of vandals.

E. DEFINITIONS

When used in this Policy:

- 1. "Business Personal Property" includes all property used for the production of income reasonably related to the practice of the profession the Named Insured practices that is listed in the Membership Application. Business Personal Property does not include real property; fixtures; permanently installed machinery and equipment; floor and window coverings; and appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering, unless they are portable appliances. Business Personal Property includes portable furniture, rugs, artwork and other décor items and accessories, as well as, property of others that is in your care and for which you are liable.
- 2. "Named Insured" means the person or organization named in the Declarations or Certificate of Insurance of this Policy. Named Insured is also referred to in this Policy as "You" or "Your".
- 3. "Actual Cash Value" means the cost to replace with new property of like kind, material, and quality, and used for the same purpose, less depreciation.
- 4. "Replacement Cost Value" means the least of: the cost to replace the property with other property of comparable material, quality, and used for the same purpose, or the amount you actually spent that is necessary to replace the lost or damaged property.
- 5. "Proof of Ownership" means any documentation, including police reports, invoices, receipts, statements, dated photographs, or oral or written sworn statements (e.g., affidavit or declaration under oath) that show that the Named Insured owned the Business Personal Property or was liable or in control of the Business Personal Property at the time the Named Insured first had knowledge of the direct loss or damage.
- 6. "Proof of Original Purchase Price" means any documentation, including police reports, invoices, receipts, statements, dated photographs, or oral or written sworn statement (e.g., affidavit or declaration under oath) that show the original purchase price of the Business Personal Property.
- 7. "Policy" means this policy, the Declarations or Certificate of Insurance to this policy, all applications for membership and/or coverage provided by or on behalf of the Named

Insured (including any supplemental documentation provided therewith).

8. "Loss" means theft or accidental damage to tangible Business Personal Property.
9. "Company" or "Us" – means Certain Underwriters At Lloyd's of London. The Company is also referred in this Policy as "We" and "Our".
10. "Theft" means the breaking into a structure or conveyance for the purpose of stealing or loss due to the act of stealing.
11. "Stock" means merchandise customarily used and reasonably related to the practice of the profession listed in the Membership Application, including: items held in storage or for sale; raw materials; in-process or finished goods; and supplies used in packing or shipping this merchandise.
12. "Master Policy Holder" means the association or group listed as the Master Policy Holder on the Named Insured's Declarations or Certificate of Insurance.
13. "Membership Application" means the application that the Named Insured completed to obtain this Policy.

F. MISCELLANEOUS

1. Coverages afforded under this Policy apply only to association members that have been endorsed hereon by having a certificate issued in their name.
2. Individual membership applications are hereby made part of the Policy. The information and representations contained therein are considered to be warranties and are the basis of the contract.
3. **COMPUTER DATA, MEDIA AND PROGRAMS SUBLIMIT:** The maximum we will pay for loss from any of the Covered Causes of Loss to Computer Data, Media or Programs is \$500. This sublimit does not increase the limit of Unscheduled Business Personal Property.

VII. EXCLUSIONS

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

1. Delay, loss of use, loss of market or any other consequential loss;
2. Unexplained disappearance;
3. Shortage found upon taking inventory
4. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives, or anyone entrusted with the property, whether or not action alone or in collusion with other persons or occurring during the hours of employment. But this exclusion does not apply to a carrier for hire.
5. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this Coverage Form. This exclusion only applies to loss to that article in which the disturbance occurs.
6. Theft from an unattended vehicle, unless:
 - a. The vehicle is equipped with a fully enclosed body or compartment; and
 - b. The loss is a direct result of forcible entry (of which there is visible evidence) into a fully enclosed body, the doors and windows of which have been

securely locked, or from a compartment which shall have been locked.

7. Your neglect to use all reasonable means to save and preserve the property at and after any loss or when the property is so endangered.
8. Weather conditions. But this exclusion only applies if weather conditions contribute in any way to a cause or event excluded in Article VII (Exclusions), Section A, Paragraph 1, directly above, to produce the Loss.
9. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
10. Faulty, inadequate or defective:
 - a. Planning, zoning, development, surveying, siding;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation or remodeling; or
 - d. Maintenance;
 Of part or all of any property wherever located.
11. Collapse, except as provided in the Additional Coverage - Collapse section of the Coverage Form.
12. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, mechanical breakdown, insects, vermin, rodents, corrosion, rust, dampness, cold or heat.
13. A fire or named storm event which, as of the Effective Date of the Certificate of Insurance, had been publicly reported in the media; except that this exclusion does not apply to any loss which: a) occurs more than thirty days after the Effective Date of the Certificate of Insurance; or b) is reported under a Certificate of Insurance which is the renewal, without a lapse, of a prior Certificate of Insurance.

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

1. **GOVERNMENTAL ACTION** - Seizure or destruction or property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Form.
2. **NUCLEAR HAZARD**
 - a. Any weapon employing atomic fission or fusion; or
 - b. Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct loss caused by resulting fire, if the fire would be covered under this Coverage Form.
3. **WAR AND MILITARY ACTION EXCLUSION**
 - a. We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - (1) War, including undeclared or civil war; or

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

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War And Military Action Exclusion supersedes the Nuclear Hazard Exclusion.

4. TERRORISM EXCLUSION

- a. We will not pay for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluding regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
- b. Terrorism means activities against persons, organizations or property of any nature:
 - (1) That involve the following or preparation for the following:
 - (A) Use or threat of force or violence; or
 - (B) Commission or threat of a dangerous act; or
 - (C) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - (2) When one or both of the following applies:
 - (A) The effect is to intimate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (B) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- c. Regardless of the amount of damage and losses, the Terrorism Exclusion applies to any incident of terrorism:
 - (1) That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - (2) That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - (3) In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

- d. Except as provided in c. (1.), c. (2.), and c. (3.) above, the Terrorism Exclusion will only apply to an incident of terrorism in which the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. 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. Multiple incidents of terrorism which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.
- e. The preceding paragraph describes the threshold used to measure the magnitude of an incident of terrorism and the circumstances in which the threshold will apply, for the purpose of determining whether the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of terrorism, there is no coverage under the insurance identified in this endorsement.
- f. In the event of any incident of terrorism that is not subject to the Terrorism Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under the insurance identified in this endorsement.
- g. But in respect to any such activity that also comes within the terms of the War And Military Action Exclusion, that exclusion supersedes this Terrorism Exclusion. In the event of an incident of terrorism that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supersedes the Nuclear Hazard Exclusion.

- 5. **ORGANIC PATHOGEN EXCLUSION** - This Policy does not insure any loss, damage, claim, cost, expense, fine, penalty, or other sum either directly or indirectly arising out of, relating to, or caused by an “organic pathogen”.
 - a. This exclusion applies regardless of whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence to the existence of an “organic pathogen”; (iii) any loss of use, occupancy, functionality or decreased valuation of Business Personal Property or loss of business income; (iv) any action required, including, but not limited to, testing, repair, replacement, removal, cleanup, abatement, disposal, relocation, or actions taken to address medical or legal concerns; or (v) any

suit or administrative proceeding or action involving the insured.

- b. "Organic pathogen" means any organic irritant or contaminant, including, but not limited to, fungus, bacteria, virus, or other microorganism of any type, including, but not limited to, their byproducts, such as spores or mycotoxin, or any hazardous substance as classified by the EPA.

6. NUCLEAR ENERGY LIABILITY EXCLUSION

- a. The Insurance does not apply:
 - (1) Under any Liability Coverage, to "bodily injury" or "property damage":
 - (A) With respect to which an "insured" under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Company, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (B) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or (b) the "insured" is, or had this Policy not been issued, would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - (2) Under any Medical Payments coverage to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - (3) Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material," if:
 - (A) The "nuclear material" (i) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured", or (ii) has been discharged or dispersed therefrom;
 - (B) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (C) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts

or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (C) applies only to "property Damage" to such "nuclear facility" and any property there at.

- (D) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- (E) "Property damage" includes all forms of radioactive contamination of property.
- b. As used in this Nuclear Energy Liability Exclusion:
 - (1) "Hazardous properties" includes radioactive, toxic or explosive properties.
 - (2) "Nuclear facility" means:
 - (A) Any "nuclear reactor";
 - (B) Any building, premises or property owned, leased, loaned or used by or on behalf of the insured where "hazardous properties", "nuclear material" or "radioactive material" is used, processed or stored or has been discharged or dispersed therefrom.
 - (C) Any equipment or device designed or used for (i) separating the isotopes of uranium or plutonium, (ii) processing or utilizing "spent Fuel", or (iii) handling, processing or packaging "waste";
 - (D) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material", if at any time the total amount of such material in the custody of the "Insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233, or any combination thereof, or more than 250 grams of uranium 235;
 - (E) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site, and all premises used for such operations.
 - (3) "Nuclear material" means "source material", "special nuclear material" or "by-product material".
 - (4) "Source material", special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - (5) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been

used or exposed to radiation in a “nuclear reactor”.

- (6) “Waste” means any waste material
 - (A) containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore

processed primarily for its “source material” content, and

- (B) resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility”.



Authorized Representative

IMPORTANT

**** PLEASE READ CAREFULLY ****

DOCUMENT YOUR BUSINESS PERSONAL PROPERTY

Save Receipts! Take photographs!

In the event of a loss to your Business Personal Property, the insurance company will require that you provide documentation regarding your property loss in order to process your claim. A detailed list of damaged, destroyed or stolen property – including proof of ownership and value – is required for all insurance claims. This inventory will expedite the claims process after theft, damage or loss of covered property and assist you in filing a police report, if necessary.

It is important that you take the time to inventory your belongings and keep this documentation in a safe place (off your business premises).

What is an inventory, and how do I do it?

An inventory of your business personal property is a detailed list of the insurable assets used in your business. Use a notebook, word processing document, spreadsheet, inventory app, photographs or whatever means works best for you. For each item in your inventory, you'll want to include:

- ✓ Description of the item, including:
 - Manufacturer
 - Purchase date
 - Quantity of product, if applicable
 - Trade name of equipment / product
 - Model number
 - Serial number
 - Initial purchase cost
 - Estimated value
- ✓ Photo of the item (store your photos on your camera, cell phone, tablet, computer, CD/DVD or flash drive). Color photos are an important attachment to your documentation because they document the true quality, appearance and size of your possessions.
- ✓ Photo of the serial number and/or model number of that item, if applicable. Consider engraving your own serial number onto items that are of value but have no serial number. (You might consider your phone number so that police can contact you should the item be recovered from a theft.)
- ✓ Receipt or invoice for the item. (Take photos or scan your receipts/invoices to store them electronically.)
- ✓ Credit card statements indicating the purchase of the item.
- ✓ Other transaction documents.

When your inventory is complete, copy everything, including lists, receipts, photographs, etc. and keep one copy in a safe place on your business premises and another entire copy off premises.

Be sure to update your inventory at least once a year, adding new purchases and deleting items you no longer possess. In the meantime, take photographs, save receipts and all documentation for any new items you purchase.

If a loss occurs.....

Take photographs of your business premises as soon as possible following the loss, report any theft immediately to the police, report your claim promptly, fill out the claim form and attach your police report (if applicable) and inventory documentation to support your claim of property loss.