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1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

*Unless Your Policy Requires **Written Notice** or Reporting

COMMERCIAL INSURANCE

A Custom Insurance Policy Prepared for:

CIBA RESIDENTIAL
655 N CENTRAL AVENUE
2100
GLENDALE CA 91203

Presented by: R-T SPECIALTY INS SERV



One Tower Square, Hartford, Connecticut 06183

TRAVELERS CORP. TEL: 1-800-328-2189
APARTMENT BLDGS
COMMON POLICY DECLARATIONS
ISSUE DATE: 04/24/12
POLICY NUMBER: M5J-BM21-4245R337-TIL-12

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:
CIBA RESIDENTIAL (AS PER IL T8 00)
655 N CENTRAL AVENUE
2100
GLENDALE, CA 91203

2. POLICY PERIOD: From 03/31/12 to 03/30/14 12:01 A.M. Standard Time at
your mailing address.

3. LOCATIONS
Premises Bldg.
Loc. No. No. Occupancy Address

ON FILE WITH COMPANY

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
BOILER AND MACHINERY COV PART DECLARATIONS BM T0 53 10 05 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy
containing its complete provisions:
Policy Policy No. Insuring Company

7. PREMIUM SUMMARY:
Provisional Premium \$
Due at Inception \$
Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:
R-T SPECIALTY INS SERV (CBX29)
3400 W OLIVE AVE 3RD FLOOR
BURBANK, CA 91505

COUNTERSIGNED BY:

Authorized Representative

DATE: _____



TAXES AND SURCHARGES

POLICY NUMBER: M5J-BM21-4245R337-TIL-12

EFFECTIVE DATE: 03/31/12

ISSUE DATE: 04/24/12

DESCRIPTION	AMOUNT
WV BM SURCHARGE INSURANCE PREMIUM	
KENTUCKY BOILER MACHINERY FUND SURCHARGE	
FIGA - 2008 BOILER & MACHINERY	
FL CAT FUND EMERGENCY ASSESSMENT SURCHARGE - BM	

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OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29



POLICY NUMBER: M5J-BM21-4245R337-TIL-12

EFFECTIVE DATE: 03-31-12

ISSUE DATE: 04-24-12

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

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BOILER AND MACHINERY

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BM T8 00 GENERAL PURPOSE ENDORSEMENT
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BM T4 39 01 03 PERILS ELIMINATION ENDORSEMENT
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BM T9 11 04 07 NC CHANGES
BM T9 36 08 02 FLORIDA CHANGES - LOSS PAYMENT
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BM T9 38 08 02 MINNESOTA CHNG-EXAM OF BOOKS, TRANSFER OF
BM T9 39 12 06 MISSOURI CHANGES-LEGAL ACTION, MOPC GUAR
BM T9 40 08 02 NEBRASKA CHANGES - APPRAISAL
BM T9 43 08 02 WISCONSIN CHANGES-NOTICE OF BREAKDOWN
BM T9 48 08 02 WASHINGTON CHANGES-EXCLUSIONS AND APPRAI
BM T9 49 08 02 UTAH CHANGES-LEGAL ACTION AGAINST US
BM T9 50 08 02 TEXAS CHANGES - DEFENSE, JOINT LOSS
BM T9 52 04 97 OKLAHOMA CHANGES - REPLACEMENT COST
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POLICY NUMBER: M5J-BM21-4245R337-TIL-12

EFFECTIVE DATE: 03-31-12

ISSUE DATE: 04-24-12

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IL T9 56 04 93	TX CHANGES-NOTICE OF CLAIM OR SETTLEMENT

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part 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. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part 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 Declarations 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 as 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

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate 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.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules 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. 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.

G. Equipment Breakdown Equivalent to Boiler and Machinery

On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)

The Phoenix Insurance Company (PHX)

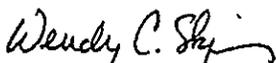
The Charter Oak Fire Insurance Company (COF)

Travelers Property Casualty Company of America (TIL)

The Travelers Indemnity Company of Connecticut (TCT)

The Travelers Indemnity Company of America (TIA)

Travelers Casualty Insurance Company of America (ACJ)


Secretary


President

NON-STANDARD PAYMENT SCHEDULE

POLICY NUMBER: M5J-BM21-4245R337-TIL-12
EFFECTIVE DATE: 03/31/12
ISSUE DATE: 04/24/12

PAYMENT DUE DATES

AMOUNT

IL TO 30 12 90 PAGE 1 OF 1

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29

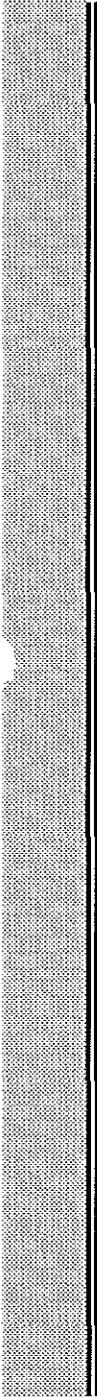
POLICY NUMBER: M5J-BM21-4245R337-TIL-12

GENERAL PURPOSE ENDORSEMENT

NAMED INSURED IS AMENDED TO READ:

COMMERCIAL INDUSTRIAL BUILDING OWNER'S ALLIANCE, INC. DOING BUSINESS AS CIBA INSURANCE SERVICES, AND ITS AFFILIATED, SUBSIDIARY, AND ASSOCIATED COMPANIES AND/OR CORPORATIONS AS NOW EXIST OR MAY HEREAFTER BE CONSTITUTED OR ACQUIRED (KNOWN AS CIBA RESIDENTIAL); ANY ASSOCIATE OF THE COMMERCIAL INDUSTRIAL BUILDING OWNER'S ALLIANCE, INC. TO WHOM EVIDENCE OF BOILER & MACHINERY INSURANCE OR A CERTIFICATE OF INSURANCE HAS BEEN ISSUED AND WHICH DESCRIBES THE SPECIFIC LOCATION COVERAGE IS LIMITED TO BY CIBA INSURANCE SERVICES.

BOILER AND MACHINERY



BOILER AND MACHINERY



One Tower Square, Hartford, Connecticut 06183

ENERGYMAX21
EQUIPMENT BREAKDOWN PROTECTION

POLICY NUMBER: M5J-BM21-4245R337-TIL-12
ISSUE DATE: 04-24-12

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

EFFECTIVE DATE: Same as policy unless otherwise specified:

THESE DECLARATIONS APPLY TO ALL LOCATIONS COVERED BY THIS POLICY

EXCEPTIONS:

Insurance applies only to coverage for which a Limit of Insurance, a number of Days/Hours, the word INCLUDED, or other coverage indicator is shown at a Covered Premises. If INCLUDED is shown, then the limit for that coverage is part of the "Total Limit per Breakdown".

COVERAGE	\$	LIMIT OF INSURANCE OR DAYS/HOURS
"Total Limit per Breakdown"	\$	50,000,000
1 Property Damage	\$	INCLUDED WITH BREAKDOWN LIMIT
2a Business Income	\$	INCLUDED WITH BREAKDOWN LIMIT
Business Income "Period of Restoration" extension		30 Days
2b Extra Expense	\$	INCLUDED WITH BREAKDOWN LIMIT
Extra Expense "Period of Restoration" extension		30 Days
2c Spoilage Damage	\$	500,000
2d Utility Interruption	\$	1,000,000
Coverage applies only if interruption lasts at least:	8	Hours
2e Brands & Labels	\$	1,000,000
2f Contingent Time Element	\$	NOT COVERED
Covered Premises:		

Sales, Services or Materials:

2g "Data" or "Media"	\$	50,000
2h Error in Description	\$	2,000,000
2i Expediting Expense	\$	1,000,000
2j Newly Acquired Locations	\$	10,000,000
Number of Days of coverage		90 Days
2k Ordinance or Law, Demolition, Increased Cost of Construction	\$	SEE BM T8 01

The most we will pay for direct damage to "Covered Property" is the Limit of Insurance shown for each of the following. These limits are a part of, not in addition to, the Property Damage Limit shown in 1 above. *The minimum limit for each of the following is \$25,000.*

COVERAGE LIMITATIONS	\$	LIMIT OF INSURANCE
Ammonia Contamination	\$	1,000,000
Hazardous Substance	\$	1,000,000
Water Damage	\$	500,000

BM T0 53 10 05

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Page 1 of 2

PRODUCER:

OFFICE

CONDITIONAL and OPTIONAL COVERAGES

Number of Days for Notice of Cancellation 60 Days
Except: 10 days for non-payment of Premium

"Diagnostic Equipment" (Included or Excluded) **EXCLUDED**

"Production Machines" (Included or Excluded) **INCLUDED**

The deductible applies only to a coverage for which an amount, hours, days, the word INCLUDED or other coverage indicator is shown. If INCLUDED is shown under the deductible, then the deductible for that coverage is part of the Combined Deductible or other deductible identified.

DEDUCTIBLE	AMOUNT, HOURS, DAYS or PERCENTAGE
Combined Deductible:	NOT COVERED
Property Damage:	SEE BM T8 00
Business Income:	COMBINED WITH PROPERTY DAMAGE
Extra Expense:	INCLUDED WITH PROPERTY DAMAGE
Spoilage Damage:	INCLUDED WITH PD DEDUCTIBLE
Utility Interruption:	INCLUDED WITH PD DEDUCTIBLE
Contingent Time Element:	NOT COVERED
Ammonia Contamination:	INCLUDED WITH PD DEDUCTIBLE
Other:	

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENT FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

POLICY NUMBER: M5J-BM21-4245R337-TIL-12

BOILER AND MACHINERY
GENERAL PURPOSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROPERTY DAMAGE DEDUCTIBLES:
=====

THE DEDUCTIBLE AMOUNT SPECIFIED IN THE SPECIFIC LOCATION'S CERTIFICATE OF INSURANCE ISSUED FOR TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA EQUIPMENT BREAKDOWN PROTECTION POLICY NUMBER 4245R337 SUBJECT TO A MINIMUM OF \$5,000.

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENT FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

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POLICY NUMBER: M5J-BM21-4245R337-TIL-12

BOILER AND MACHINERY
GENERAL PURPOSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW, DEMOLITION, INCREASED COST OF CONSTRUCTION LIMITS
=====

\$ 500,000	ALL BUILDINGS BUILT IN 1969 OR OLDER.
\$5,000,000	ALL OTHER COVERED LOCATIONS

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POLICY NUMBER: M5J-BM21-4245R337-TIL-12

BOILER AND MACHINERY
GENERAL PURPOSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RISKS ATTACHING
=====

Coverage provided under this Policy shall apply only to members insured whose coverage is:

- a. Effective between 03-31-2012 and 03-30-2014; and
- b. Ends no later than the expiration date of this policy, 03-30-2014 12:00 Midnight Standard Time at your mailing address.

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POLICY NUMBER: M5J-BM21-4245R337-TIL-12

BOILER AND MACHINERY
GENERAL PURPOSE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY EXPIRATION
=====

The Policy Period shown in the Common Policy Declarations IL T0 02 is changed to the following:

2. POLICY PERIOD: From 03-31-2012 12:01 A.M. Standard Time at your mailing address
To 03-30-2014 12:00 Midnight Standard Time at your mailing address

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ENERGYMAX 21

EQUIPMENT BREAKDOWN PROTECTION

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EnergyMax 21

EQUIPMENT BREAKDOWN PROTECTION

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

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations or as endorsed hereunder. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – Definitions.

A. Coverage

1. Property Damage

We will pay for direct damage caused by a "Covered Cause of Loss" to "Covered Property" located at the Covered Premises described in the Declarations.

"Covered Cause of Loss" is a "Breakdown" to "Covered Equipment".

2. Coverage Extensions

You may extend coverages provided under Paragraph A.1. above. Coverage is provided if either a limit, the word INCLUDED, or other coverage indicator is shown for that coverage in the Declarations. No coverage is provided unless a limit, the word INCLUDED or other coverage indicator is shown.

These coverages apply only to that portion of the loss or damage that is a direct result of a "Covered Cause of Loss" that is not excluded elsewhere in this policy. The "Breakdown" must occur during the policy period, but expiration of the policy does not limit our liability under these Coverage Extensions.

a. Business Income

We will pay:

- (1) Your actual loss of "Business Income" from a total or partial interruption of business during the "Period of Restoration"; and
- (2) The "Extra Expense" you necessarily incur to reduce or avert the amount of loss under this Coverage Extension. We will pay for such expenses to the

extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Extension.

- (3) The "Covered Equipment" must either be "Covered Property" or be property of others that is:

- (a) Located on or within 500 feet of a Covered Premises insured under this Policy; and
- (b) Used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the described premises.

b. Extra Expense

- (1) We will pay the reasonable "Extra Expense" you necessarily incur to operate your business during the "Period of Restoration".
- (2) We will consider the experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown" in determining the amount of your payment.
- (3) The "Covered Equipment" must either be "Covered Property" or be property of others that is:

- (a) Located on or within 500 feet of a Covered Premises insured under this Policy; and
- (b) Used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the described premises.

c. Spoilage Damage

- (1) We will pay for spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - (a) The raw material, property in process or finished products must be

BOILER AND MACHINERY

in storage or in the course of being manufactured; and

- (b) You must own or be legally liable under written contract for the raw materials, property in process or finished products; and
 - (c) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
- (2) We will also pay any necessary expenses you incur to reduce or avert the amount of loss under this Coverage Extension. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Extension.
- (3) The "Covered Equipment" must either be "Covered Property" or be property of others that is:
- (a) Located on or within 500 feet of a Covered Premises insured under this Policy; and
 - (b) Used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to the described premises.

d. Utility Interruption

If you purchase Utility Interruption coverage and have selected coverage for Business Income, Extra Expense and/or Spoilage Damage, the selected coverage(s) are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which you receive; and
- (2) The "Covered Equipment" is located more than 500 feet from the affected Covered Premises insured under this Policy; and

(3) The "Covered Equipment" is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to your premises; and

(4) The interruption of utility service to your Covered Premises lasts at least the consecutive period of time shown in the Declarations. Once this waiting period is met, coverage will commence at the initial time of the interruption and will then be subject to all applicable deductibles.

e. Brands & Labels

(1) If branded or labeled merchandise that is "Covered Property" is damaged by a "Breakdown", we may take all or any part of the property at an agreed or appraised value. If we take such property, you may:

(a) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or

(b) Remove the brands or labels if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with any law.

(2) We will pay the reasonable cost you incur to perform the activity described in Paragraphs (1)(a) and (1)(b), but the total we will pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

f. Contingent Time Element

(1) If you purchase Contingent Time Element coverage and have selected coverage for Business Income and/or Extra Expense, the selected coverage(s) are extended to cover your loss resulting from a "Breakdown" to "Covered Equipment" at a location shown in the Declarations, that is not owned or operated by you and which:

(a) Wholly or partially prevents the delivery of services or materials shown in the Declarations, to you

or from you to others for your account; or

(b) Results in the loss of sales at your Covered Premises shown in the Declarations.

- (2) You shall use your influence to induce the contributing or recipient location to make use of any other machinery, equipment, supplies or locations available in order to resume operations and delivery of services or materials to you, or the acceptance of products or services from you. You shall cooperate with the contributing or recipient locations to this effect in every way, but not financially unless authorized by us.

g. "Data" Or "Media" Coverage

If:

- (1) you purchase "Data" or "Media" Coverage; and
- (2) you have selected coverage for Business Income and/or Extra Expense; and
- (3) "Media" is damaged or "Data" is lost or corrupted as a direct result of a "Breakdown" to "Covered Equipment",

we will also pay your actual loss of "Business Income" and/or your "Extra Expenses" during the time necessary to:

- (1) Research, recreate, replace or restore the damaged "Media" or lost or corrupted "Data"; and
- (2) Reprogram instructions used in any covered "Computer Equipment".

There shall be no coverage for any "Data" or "Media" that cannot be replaced, recreated, or restored.

The most we will pay under this Coverage Extension for "Business Income" and/or your "Extra Expense" incurred is the Limit of Insurance indicated for "Data" or "Media" coverage in the Declarations.

h. Error in Description

We will pay your loss covered by this Policy if such loss is otherwise not payable solely because of any unintentional

error or omission in the description of a location as insured under this Policy.

You agree to give us prompt notice of any correction or addition to the description of a location insured under this Policy.

i. Expediting Expense

With respect to direct damage to "Covered Property" we will pay for the reasonable extra cost you necessarily incur to:

- (1) Make temporary repairs; and/or
- (2) Expedite the permanent repairs or replacement of the damaged property.

j. Newly Acquired Locations

We will automatically provide coverage at newly acquired locations you have purchased or leased. This coverage begins at the time you acquire the property and continues for a period not exceeding the number of days indicated in the Declarations for Newly Acquired Locations, under the following conditions:

- (1) You must promptly inform us in writing of the newly acquired locations; and
- (2) You agree to pay an additional premium as determined by us; and
- (3) The coverage for these locations will be subject to the same terms, conditions, exclusions and limitations as other insured Covered Premises until endorsed onto the Policy; and
- (4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired locations will be the broadest coverage, highest limits and highest deductibles applicable to the existing Covered Premises.
- (5) The coverage under this Coverage Extension will end when any of the following first occurs:
 - (a) This Policy expires; or
 - (b) The number of days specified in the Declarations for this coverage expires after the location is acquired; or
 - (c) The acquisition is reported to us in writing; or

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(d) The location is specifically insured by this Policy.

k. Ordinance or Law Coverage (including Demolition and Increased Cost of Construction)

The following applies despite the Ordinance or Law Exclusion and provided these increases in loss are necessitated by the enforcement of any ordinance, law, rule, regulation or ruling that is in force at the time of the "Breakdown", which regulate the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of a "Breakdown",

(1) We will pay for:

- (a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of an ordinance, law, rule, regulation or ruling that requires the demolition of undamaged parts of the same building or structure;
- (b) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of an ordinance, law, rule, regulation or ruling that requires the demolition of such undamaged property; and
- (c) The increased cost actually and necessarily expended to:
 - (i) Repair or reconstruct the undamaged or destroyed portions of the building or structure; and
 - (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area, and style for like occupancy, whether or not demolition is required on:
 - i The same Covered Premises or at another location, if you so elect. However, if you rebuild at another location, the

most we will pay is the increased cost of construction that we would have paid to rebuild at the same Covered Premises; or

ii Another location if the relocation is required by the ordinance, law, rule, regulation or ruling. The most we will pay is the increased cost of construction at the new location.

(d) If you have selected Business Income coverage and/or Extra Expense coverage, we will pay under this Coverage Extension the additional loss of "Business Income" and/or your "Extra Expense" that you actually incur as a direct consequence of enforcement of an ordinance, law, rule, regulation or ruling.

(2) We will not pay for:

- (a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
- (b) Increase in loss until the damage or destroyed buildings or structure are actually rebuilt or replaced and approved by the regulating government agency;
- (c) Loss due to any ordinance, law, rule, regulation or ruling that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with;
- (d) Increase in loss, excess of the amount required to meet the minimum requirement of an ordinance, law, rule, regulation or ruling enforcement at the time of the "Breakdown"; or
- (e) Increase in loss resulting from a substance declared to be haz-

ardous to health or environment by any government agency.

- (3) If:
- (a) The building or structure is damaged by a "Breakdown" that is covered by this Policy; and
 - (b) There is other physical damage that is not covered by this Policy; and
 - (c) The building damage in its entirety results in enforcement of ordinance, law, rule, regulation or ruling;

then we will not pay the full amount of the loss under this coverage. Instead, we will pay only that proportion of such loss; meaning the proportion that the covered "Breakdown" loss bears to the total physical damage.

But if the building or structure sustains direct physical damage that is not covered under this Policy and such damage is the subject of the ordinance, law, rule, regulation or ruling, then there is no Ordinance or Law coverage under this Policy even if the building has also sustained damage by a covered "Breakdown".

- (4) If you have selected coverage for Business Income and/or Extra Expense, then the "Period of Restoration" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction.

B. Exclusions

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

The exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Ordinance or Law

Increase in loss from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, clean-up or disposal of "Covered

Property", except as provided under Coverage Extension 2.k.

However the words 'use' and 'operation' shall be eliminated as respects a covered "Breakdown" to electrical supply and emergency generating equipment located on any Covered Premises identified in the Declarations, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.

2. Earth Movement

Earth movement including, but not limited to, earthquake, landslide, land subsidence, mine subsidence, sinkhole collapse or volcanic action.

3. Water

- a. Flood, surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not; or
- b. Mudflow or mudslides; or
- c. Water damage caused by backup of sewers, drains, or drainage piping; or
- d. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping.

4. Nuclear Hazard

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

5. War or Military Action

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

6. An explosion

However we will pay for direct loss or damage caused by an explosion of "Covered Equipment" of a kind specified in a. through f. below, and which is not otherwise excluded under this Section B. or elsewhere in this Policy:

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- a. Steam boiler; or
 - b. Electric steam generator; or
 - c. Steam piping; or
 - d. Steam turbine; or
 - e. Steam engine; or
 - f. Gas turbine or any other moving or rotating machinery, when such explosion is caused by centrifugal force or mechanical breakdown.
7. **Fire or combustion explosion including those that:**
- a. Result in a "Breakdown"; or
 - b. Occur at the same time as a "Breakdown"; or
 - c. Ensur from a "Breakdown".
8. **Explosion** within the furnace of a chemical recovery type boiler or within the gas passages from the furnace to the atmosphere.
9. Damage to "Covered Equipment" undergoing a **pressure or electrical test**.
10. **Water or other means used to extinguish a fire**, even when the attempt is unsuccessful.
11. **Costs to research, reconstruct or restore damaged "Data" or "Media"** except as provided under Coverage Extension 2.g.
12. **Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold**. However, if a "Breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded.
13. A "Breakdown" that is caused directly or indirectly by **Hail or Windstorm**.
14. A "Breakdown" that is the direct or indirect result of the following causes of loss, if such cause of loss is covered by another policy of insurance or self-insurance risk retention plan in force at the time of the loss, regardless of deductible. Also excluded are all resulting direct and indirect loss.
- a. Aircraft; or
 - b. Civil commotion; or
 - c. Collapse; or
 - d. Freezing caused by cold weather; or
 - e. Impact of aircraft, missile or vehicle; or
 - f. Lightning; or
- g. Molten material; or
 - h. Objects falling from aircraft or missiles; or
 - i. Riot; or
 - j. Smoke; or
 - k. Vandalism; or
 - l. Vehicles; or
 - m. Weight of snow, ice, sleet.
15. **A delay in, or an interruption of**, any business, manufacturing or processing activity except as provided in Business Income coverage, Extra Expense coverage and/or Utility Interruption Coverage.
16. **With respect to Business Income coverage, Extra Expense coverage, Utility Interruption coverage**, the following additional exclusions shall apply:
- a. The business that would not or could not have been carried on if the "Breakdown" had not occurred; or
 - b. Your failure to use due diligence and dispatch to operate your business as nearly normal as practicable at the Covered Premises shown in the Declarations; or
 - c. The suspension, lapse or cancellation of a contract following a "Breakdown" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.
17. **Lack or excess of power, light, heat, steam or refrigeration** except as provided by Business Income coverage, Extra Expense coverage, Utility Interruption coverage and/or Spoilage Damage coverage.
18. **With respect to Utility Interruption coverage**, any loss resulting from the following causes of loss whether or not coverage for that cause of loss is provided by another policy or self-insurance risk retention plan you have. Also excluded are all resulting direct or indirect loss.
- a. Aircraft; or
 - b. Civil commotion; or
 - c. Collapse; or
 - d. Freezing caused by cold weather; or
 - e. Impact of aircraft, missile or vehicle; or
 - f. Lightning; or
 - g. Molten material; or

- h. Objects falling from aircraft or missiles; or
- i. Riot; or
- j. Smoke; or
- k. Vandalism; or
- l. Vehicles; or
- m. Weight of snow, ice, sleet; or
- n. Acts of Sabotage; or
- o. Deliberate act(s) of load shedding by the supplying or distributing utility.

- 19. **Any other indirect result** of a "Breakdown" to "Covered Equipment" except as provided under Business Income coverage, Extra Expense coverage, Spoilage Damage coverage, Utility Interruption coverage.
- 20. **Neglect** by you to use all reasonable means to save and preserve "Covered Property" from further damage at and after the time of loss.

C. Limits of Insurance

- 1. The most we will pay for any and all coverages for loss or damage from any "One Breakdown" is the applicable Limit of Insurance shown in the Declarations.
- 2. Any payment made will not be increased if more than one insured is shown in the Declarations.
- 3. For each coverage in Paragraph A.1. and A.2. if:
 - a. INCLUDED is shown in the Declarations, the limit for such coverage is part of, not in addition to, the "Total Limit per Breakdown".
 - b. A limit is shown in the Declarations, we will not pay more than the Limit of Insurance for each such coverage.
- 4. The most we will pay for direct damage to "Covered Property" for each of the following is the amount indicated in the Declarations under Coverage Limitations. The limits are part of, not in addition to, the Limit of Insurance for Property Damage.
 - a. **Ammonia Contamination**
 If "Covered Property" is contaminated by ammonia as a direct result of a "Breakdown" to "Covered Equipment", we will pay for this kind of damage, including salvage expense.

b. Hazardous Substance

The following applies despite the operation of the Ordinance or Law Exclusion:

If "Covered Property" is damaged, contaminated or polluted by a "Hazardous Substance" as a direct result of a "Breakdown" to "Covered Equipment", we will pay for any additional expenses incurred by you for clean-up, repair, replacement or disposal of that property.

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss.

Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

If you have selected Business Income coverage and/or Extra Expense coverage, we will also pay under this Coverage Extension for any loss of "Business Income" or "Extra Expense" caused by such contamination.

The maximum we shall pay for damage to "Covered Property", "Business Income" and/or "Extra Expense" under this coverage extension shall be the limit indicated on the Declaration under Hazardous Substance.

c. Water Damage

If "Covered Property" is damaged by water as a direct result of a "Breakdown" to "Covered Equipment", we will pay for this kind of damage, including salvage expense.

D. Deductibles

1. Application of Deductibles

We will not pay for loss or damage resulting from any "One Breakdown" until the amount of covered loss or damage exceeds the deductible shown in the Declarations for each applicable coverage. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

Deductibles apply separately for each applicable coverage except if:

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- a. A deductible is shown as Combined for any of the coverages in the Declarations, then we will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or
- b. More than one "Covered Equipment" is involved in "One Breakdown", then only one deductible, the highest, shall apply for each of the applicable coverages.

2. Determination of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the Declarations, we will first subtract the deductible amount from any loss we would otherwise pay.

b. Multiple per Unit Deductible

If a multiple of units is shown in the Declarations, the deductible will be calculated as the sum of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Breakdown", the deductible will be \$25 times 500 hp which equals \$12,500.)

c. Time Deductible

If a time deductible is shown in the Declarations, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

d. Multiple of Daily Value Deductible

If a multiple of daily value is shown in the Declarations, this deductible will be calculated as follows:

- (1) For the entire Covered Premises where the loss occurred, determine the total amount of "Business Income" that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (2) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.

- (3) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the Declarations. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

e. Percentage of Loss Deductible

If a deductible is expressed as a percentage of loss in the Declarations, we will not be liable for the indicated percentage of the gross amount of loss or damage (prior to the applicable deductible or coinsurance) insured under the applicable coverage.

f. Minimum Or Maximum Deductible

(1) If:

- (a) A minimum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;

then the Minimum Deductible amount shown in the Declarations will be the applicable deductible.

(2) If:

- (a) A maximum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the Declarations will be the applicable deductible.

E. Conditions

The following conditions apply in addition to the Common Policy Conditions:

1. Loss Conditions

a. Abandonment

There can be no abandonment of any property to us.

b. Appraisal

If you and we 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 a judge of a court having jurisdiction make the selection. 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. Defense

- (1) If there is damage to property of another in your care, custody or control and for which you are legally liable, that was directly caused by a "Breakdown" to "Covered Equipment", we will have the right and duty to defend you against any suit alleging liability for that property. However, we have no duty to defend you against any suit alleging liability for damage to property not covered by this Policy.
- (2) If a claim or suit is brought against you alleging that you are liable for damage to property of another that was caused by a "Breakdown" to "Covered Equipment", we will either:
 - (a) settle the claim or suit; or
 - (b) defend you against the suit but keep for ourselves the right to settle it at any point.

d. Duties in the Event of Loss or Damage

- (1) You must see that the following are done in the event of loss or damage to "Covered Property":
 - (a) Give us a prompt notice of the loss or damage. Include a description of the property involved; and

(b) As soon as possible, give us a description of how, when and where the loss or damage occurred; and

(c) Allow us a reasonable time and opportunity to examine the property and Covered Premises before repairs are undertaken or physical evidence of the "Breakdown" is removed. But you must take whatever measures are necessary to protect the property and Covered Premises from further damage; and

(d) Preserve all repaired or replaced "Covered Property" for our inspection, unless we authorize otherwise; and

(e) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records; and

(f) 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; and

(g) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms; and

(h) Cooperate with us in the investigation or settlement of the claim; and

(i) Promptly send us any legal papers or notices received concerning the loss or damage; and

(j) Make no statement that will assume any obligation or admit any liability, for any loss or damage for which we may be liable, without our consent.

(2) We may examine any Insured under oath, while not in the presence of any other Insured and at such times as may be reasonably required, about

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any matter relating to this insurance or the claim, including an Insured's books and records. In the event of an examination, an Insured's answers must be signed.

e. 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.

f. Legal Action Against Us

No one may bring a legal action against us under this Policy unless:

- (1) There has been full compliance with all the terms of this Policy; and
- (2) The action is brought within 2 years after the date of the "Breakdown"; or
- (3) We agree in writing that you have an obligation to pay for damage to "Covered Property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this Policy to bring us into any action to determine your liability.

g. Other Insurance

- (1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable limit of insurance under this Policy bears to the Limits of Insurance of all insurance covering on the same basis.
- (2) If there is other insurance covering the same loss or damage, other than that described in Paragraph (1), we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

h. Privilege to Adjust with Owner

In the event of loss or damage involving property of others in your care, custody or control, we have the right to settle the

loss or damage with the owner of the property. A receipt for payment from the owner of that property will satisfy any claim of yours against us.

i. Reducing Your Loss

As soon as possible after a "Breakdown" you must:

- (1) Resume business, partially or completely; and
- (2) Make up for lost business within a reasonable period of time. This reasonable period does not necessarily end when operations are resumed; and
- (3) Make use of every reasonable means to reduce or avert loss including:
 - (a) Working extra time or overtime at the Covered Premises or at another location you own or acquire to carry on the same operations; or
 - (b) Utilizing the property and/or services of other concerns; or
 - (c) Using merchandise or other property, such as surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock you own, control or can obtain; or
 - (d) Salvaging the damaged "Covered Property".

j. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Policy 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 "Covered Property" or covered income; or
- (2) After a loss to your "Covered Property" or covered income only if, at time of loss, that party is one of the following:

- (a) Someone insured by this Policy;
- (b) A business firm:
 - (i) Owned or controlled by you;
 - (ii) That owns or controls you; or
- (c) Your tenant.

This will not restrict your insurance.

k. Loss Payment

- (1) In the event of loss or damage covered by this Policy, at our option, we will either:
 - (a) Pay the value of lost or damaged property; or
 - (b) Pay the cost of repairing or replacing the lost or damaged property; or
 - (c) Take all or any part of the property at an agreed or appraised value; or
 - (d) Repair, rebuild or replace the property with other property of like kind and quality.
- (2) We will give notice of our intentions within 30 days after we receive the proof of loss.
- (3) We will not pay more than your financial interest in the "Covered Property".
- (4) We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:
 - (a) You have complied with all of the terms of the Policy; and
 - (b) We have reached agreement with you on the amount of loss or an appraisal award has been made and we have not denied the claim.

l. Valuation

- (1) We will pay the amount you spend to repair or replace "Covered Property" directly damaged by a "Breakdown" to "Covered Equipment". Our payment will be the smallest of:
 - (a) The cost to repair the damaged property; or
 - (b) The cost to replace the damaged property; or

- (c) The amount you actually spend that is necessary to repair or replace the damaged property.

But we will not pay for such damaged property that is obsolete or useless to you.

- (2) If the cost of repairing or replacing a part of "Covered Equipment" is greater than:

- (a) The cost of repairing the entire "Covered Equipment"; or
- (b) The cost of replacing the entire "Covered Equipment";

we will pay only the smallest amount.

- (3) If "Covered Equipment" cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the "Covered Equipment" equals or exceeds 100% of the actual cash value of the "Covered Equipment", you may choose to apply the following provision.

New Generation Coverage – If you want to replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity, we will pay up to 25% more than "Covered Equipment" of like kind, quality and capacity would have cost at the time of the "Breakdown".

- (4) Except for New Generation Coverage, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.

- (5) If:

- (a) Any damaged "Covered Property", that is intended for your use, is protected by an **extended warranty, or maintenance or service contract**; and

- (b) That warranty or contract becomes void or unusable due to a "Breakdown";

we will reimburse you for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.

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- (6) Unless we agree otherwise in writing, if you do not repair or replace the damaged property within 24 months following the date of the "Breakdown", then we will pay only the smaller of the:
- (a) Cost it would have taken to repair or replace; or
 - (b) Actual cash value at the time of the "Breakdown".
- (7) If all of the following conditions are met, **property held by you for sale** will be valued at the selling price as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had if:
- (a) The property was manufactured by you; and
 - (b) The selling price of the property is more than the replacement cost of the property; and
 - (c) You are unable to replace the property before its anticipated sale.
- (8) We will pay for loss to damaged "Data" or "Media" as follows:
- (a) Replacement cost for "Data" or "Media" that are mass produced and commercially available; and
 - (b) For all other "Data" or "Media", at the cost of:
 - (i) Blank material for reproducing the records and
 - (ii) Labor to transcribe or copy the records when there is a duplicate.
- (9) We will determine the value of "Covered Property" under **Spoilage Damage Coverage** as follows:
- (a) For raw materials, the replacement cost;
 - (b) For goods in process, the replacement cost of the raw materials, the labor extended and the proper proportion of overhead charges; and
 - (c) For finished goods, the selling price, as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had.
- (10) Any **salvage value** of property obtained for temporary repairs or use following a "Breakdown" which remains after repairs are completed will be taken into consideration in the adjustment of any loss.
- (11) **Pair, Sets or Parts**
- (a) **Pair or Set.** In case of loss caused by a "Covered Cause of Loss" to any part of a pair or set we may:
 - (i) Repair or replace any part to restore the pair or set to its value before the "Breakdown"; or
 - (ii) Pay the difference between the value of the pair or set before and after the "Breakdown".
 - (b) **Parts.** In case of loss caused by a "Covered Cause of Loss" to any part of "Covered Property" consisting of several parts when complete, we will only pay for the value of the lost or damaged part.
- m. **Business Income Report of Values**
- You must report to us each year the "business income estimated annual value" for all Covered Premises to which the Coverage Extension – Business Income applies.
- n. **Business Income Coinsurance**
- We will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" shown in your latest report. Instead, we will determine the most we will pay using the following steps:
- (1) Divide the "business income estimated annual value" last reported to us by the "business income actual annual value" at the time of the "Breakdown";
 - (2) Multiply the total amount of the covered loss of "business income" by the

figure determined in paragraph (1) above;

- (3) Subtract the applicable Deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. We will not pay for the remainder of the loss.

This provision applies separately to each Covered Premises.

o. Conditional Suspension of Coinsurance

The Business Income Coinsurance provision is suspended if we have received from you, prior to the "Breakdown", a Business Income Report of Values as follows:

- (1) The report must provide a "business income estimated annual value" for the Covered Premises affected by the "Breakdown"; and
- (2) The "business income estimated annual value" must apply to an annual period ending no more than 90 days prior to the date of the "Breakdown".

2. General Conditions

a. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of an obligation under this Policy.

b. Cancellation

As respects this Policy, part 2 of the "Cancellation" Condition of the Common Policy Condition is replaced by the following:

We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) The number of days indicated in the Declarations for Notice of Cancellation before the effective date of cancellation for any reason.

c. Concealment, Misrepresentation or Fraud

This Policy 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 Policy; or
- (2) The "Covered Property"; or
- (3) Your interest in the "Covered Property"; or
- (4) A claim under this Policy.

d. Currency

All amounts used herein are expressed in United States currency and any loss sustained under this policy shall be paid in United States currency.

If, in the event of loss or damage, the amount of such loss or damage is computed in the foreign currency, the amount of such loss or damage will then be converted into United States currency at the rate of exchange as specified in the Wall Street Journal as of the date the "Breakdown" occurred.

e. Liberalization

If we adopt any standard form revision for general use that would broaden coverage under this Policy without additional premium, the broadened coverage will immediately apply to this Policy if the revision is effective within 45 days prior to or during the policy period.

f. No Benefit to Bailee

No person or organization, other than you, having custody of "Covered Property" will benefit from this insurance.

g. Policy Period, Coverage Territory

Under this Policy:

- (1) We cover loss or damage commencing;
 - (a) During the policy period shown in the Declarations; and
 - (b) Within the coverage territory.
- (2) The coverage territory is:
 - (a) The United States of America (including its territories and possessions);

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- (b) Puerto Rico; and
- (c) Canada

h. Values and Premium Adjustments

You shall report to us 100% of the total insurable values at each Covered Premises every year as of the anniversary date. The values shall be reported separately for each of the coverages provided. Premium for each anniversary will be calculated for the ensuing period on the basis of rates in effect at the anniversary date and for all values at risk.

You agree to keep the applicable records for each policy year of the Policy Period available for inspection by our representatives at all times during business hours, and for a period of twelve months after the end of the Policy year or after cancellation of this Policy.

i. Suspension

Whenever "Covered Equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a "Breakdown" to that "Covered Equipment". This can be done by delivering or mailing a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "Covered Equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "Covered Equipment".

If we suspend your insurance, you will get a pro rata refund of premium for that "Covered Equipment". But the suspension will be effective even if we have not yet made or offered a refund.

3. Joint or Disputed Loss Agreement

a. This condition is intended to facilitate payment of insurance proceeds when:

- (1) Both a commercial property policy and this Policy are in effect; and
- (2) Damage occurs to "Covered Property" that is insured by the commercial property policy(ies) and this Policy; and

(3) There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.

b. This condition does not apply if:

- (1) Both the commercial property insurer(s) and we do not admit to any liability; and
- (2) Neither the commercial property insurer(s) nor we contend that coverage applies under the other insurer's policy.

c. The provisions of this condition apply only if all of the following requirements are met:

(1) The commercial property policy(ies) carried by the Named Insured, insuring the "Covered Property", contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition; and

(2) The damage to the "Covered Property" was caused by a loss for which:

- (a) Both the commercial property insurer(s) and we admit to some liability for payment under the respective policies; or
- (b) There is disagreement between the insurers with respect to:

i. Whether the damage to the "Covered Property" was caused by a "Covered Cause of Loss" insured under this Policy or by a covered cause of loss insured by the commercial property policy(ies); or

ii. The extent of participation of this Policy and of such commercial property policy(ies) in a loss that is insured against, partially or wholly, by any or all of said policy(ies).

d. If the requirements listed in Paragraph c. above are satisfied, the commercial property insurer(s) and we will make payment per the following:

- (1) We will pay, after your written request, the entire amount of loss that we have agreed is covered, if any, by this Policy and one-half (1/2) the amount of the loss that is in disagreement.
- (2) The commercial property insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial property policy(ies) and one-half (1/2) the amount of loss that is in disagreement.
- (3) Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs (1) and (2), do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
- (4) The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent Loss Agreement(s) of the commercial property policy(ies).
- (5) The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy(ies) been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
- (6) Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.

e. Arbitration

- (1) The payments by the commercial property insurer(s) and us hereunder and acceptance of those sums by you signify the agreement between the commercial property insurer(s) and us to proceed with arbitration within 90 days of such payment.
- (2) The arbitrators shall be three in number, one of whom shall be appointed by us and one of whom shall be appointed by the commercial property

insurer(s) and the third appointed by consent of the other two arbitrators.

- (3) The decision by the arbitrators shall be binding on the commercial property insurer(s) and us and that judgment upon such award may be entered in any court of competent jurisdiction.
- (4) You agree to cooperate in connection with such arbitration but not to intervene therein.

F. Definitions

1. "Breakdown"

a. Means the following direct physical loss, that causes physical damage to "Covered Equipment" and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment; or
 - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing;
- unless such loss or damage is otherwise excluded within this Policy or any Endorsement forming a part of this Policy.

b. Does not mean or include:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
- (2) Defects, erasures, errors, limitations or viruses in "Computer Equipment", "Data", "Media" and/or programs including the inability to recognize and process any date or time or provide instructions to "Covered Equipment". However, if a "Breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded; or
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection; or
- (4) Damage to any vacuum tube, gas tube, or brush; or
- (5) Damage to any structure or foundation supporting the "Covered Equipment" or any of its parts; or

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- (6) The functioning of any safety or protective device; or
 - (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
2. **"Business Income"** means the:
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal operating expenses incurred, including "Ordinary Payroll".
3. **"Business Income Actual Annual Value"** means the "Business Income" for the current fiscal year that would have been earned had no "Breakdown" occurred.
- In calculating the "business income actual annual value", we will take into account the actual experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown".
4. **"Business Income Estimated Annual Value"** means the "Business Income" as estimated by in the most recent Business Income Report of Values we have on file.
5. **"Computer Equipment"** means:
- a. Your programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.
- It does not include "Data" or "Media".
6. **"Covered Cause of Loss"** – see Page 1, Paragraph A. 1.
7. **"Covered Equipment"**
- a. Means and includes any:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
For any boiler or fired vessel, the furnace of the "Covered Equipment" and the gas passages from there to the atmosphere will be considered as outside the "Covered Equipment"; or
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; or
 - (3) Communication equipment and "Computer Equipment"; or
 - (4) Fiber optic cable.
 - b. "Covered Equipment" does not mean or include any:
 - (1) "Media"; or
 - (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum; or
 - (3) Insulating or refractory material; or
 - (4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors; or
 - (5) Catalyst; or
 - (6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace; or
 - (7) Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing; or
 - (8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any "Covered Equipment" mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel; or
 - (9) Dragline, power shovel, excavation or construction equipment including any "Covered Equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment; or
 - (10) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or

- (11) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement; or
 - (12) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites); or
 - (13) "Diagnostic Equipment" unless shown as INCLUDED in the Declarations; or
 - (14) "Production Machines" unless shown as INCLUDED in the Declarations; or
 - (15) Equipment or any part of equipment manufactured by you for sale.
8. **"Covered Property"** means any property that:
- a. You own; or
 - b. Is in your care, custody or control and for which you are legally liable;
- while located at the Covered Premises described in the Declarations.
- "Covered Property" does not mean live animals, fish, birds or insects. It also does not mean eggs intended to become live fish, birds or insects.
9. **"Data"** means:
- a. Programmed and recorded material stored on "Media" and
 - b. Programming records used for electronic data processing, or electronically controlled equipment.
10. **"Diagnostic Equipment"** means any machine or apparatus (other than astronomical telescopes, cyclotron, nuclear reactor or particle accelerator) used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
11. **"Extra Expense"** means the additional cost you incur to operate your business during the "Period of Restoration" over and above the cost that you normally would have incurred to operate the business during the same period had no "Breakdown" occurred.
- Any salvage value of property obtained for temporary use during the "Period of Restoration" which remains after the resumption of normal operations will be taken into consideration in the adjustment of any loss.
12. **"Hazardous Substance"** means any substance, other than ammonia, that has been declared to be hazardous to health by a government agency.
13. **"Media"** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
14. **"One Breakdown"** means if an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown". All "Breakdowns" at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered "One Breakdown".
15. **"Ordinary Payroll"** means payroll expenses for all your employees except Officers, Executives, Department Managers, and Employees under contract.
- "Ordinary Payroll" expenses include Payroll; Employee benefits, if directly related to payroll; FICA payments; Union dues; and Worker's Compensation premiums.
16. **"Period of Restoration"** means the period of time that:
- a. Begins at the time of the "Breakdown"; and
 - b. Ends the number of consecutive days indicated in the Declarations after the date when the damaged property at the Covered Premises described in the Declarations could have been repaired or replaced with reasonable speed and similar quality.
17. **"Production Machines"** means any production or process machine or apparatus that processes, forms, cuts, shapes, or grinds raw materials, materials in process or finished products, including all "Covered Equipment" that is used solely with and/or forms an integral part of the production or process or apparatus. But "Production Machines" does not include any:
- a. Pressure vessel or vacuum vessel, other than any cylinder containing a movable plunger or piston; or

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- b. Pump, compressor, fan or blower that conveys raw materials, materials in process or finished products; or
 - c. Separate enclosed gear set connected by a coupling, clutch or belt; or
 - d. Separate driving electrical or mechanical machine connected by a coupling clutch or belt.
- 18. **"Stock"** means merchandise held in storage or for sale, raw materials, property in process, or finished products, including supplies used in their packing or shipping.
 - 19. **"Total Limit per Breakdown"** means the total maximum amount payable for all coverages provided under this Policy as the result of "One Breakdown".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL NAMED INSURED, LOSS PAYEE AND/OR
MORTGAGEES — SPECIAL SCHEDULE**

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection
BOILER AND MACHINERY COVERAGE FORM Comprehensive
BOILER AND MACHINERY COVERAGE FORM Blanket

The following is being used on this policy in lieu of a specific schedule of mortgagees, loss payees or additional named insureds entered in the policy:

Any mortgagee, loss payee or additional named insured that is on file with us, is considered as individually inserted in the applicable area of any decla-

rations or endorsements, unless specifically changed by endorsement.

At each anniversary of the policy:

An updated list of all mortgagees, loss payees and additional named insureds applicable to the policy for the upcoming policy year must be submitted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERED PREMISES – SPECIAL SCHEDULE

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

The following is being used in this policy instead of a specific schedule of premises included in the policy:

All premises owned, operated or under the care, custody or control of the Named Insured, that are:

- a. located in the United States of America (including its territories and possessions), Puerto Rico and Canada; and
- b. are on file with us; and
- c. for which values have been reported;

are considered as individually inserted in any Covered Premises entry area of any Declarations, Schedules

or Endorsements, unless specifically changed by Endorsement.

At each anniversary of the policy:

- a. you must submit an updated list of all premises to be covered under the policy for the upcoming policy year; and
- b. the Newly Acquired Locations coverage extension ceases to apply at any premises acquired prior to that anniversary date and not on the most current list of premises on file with us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERILS ELIMINATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

Paragraph B. Exclusions 14. is deleted and replaced with the following:

- B. 14.** A "Breakdown" that is caused directly or indirectly by:
- a. **Aircraft or Vehicles**, meaning physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle or objects falling from aircraft or spacecraft; or
 - b. **Civil Commotion or Riot** including acts of striking employees and looting occurring at the time and place of a riot or civil commotion; or
 - c. **Collapse** of a building or structure or any part of a building or structure; or
 - d. **Freezing** caused by cold weather; or
 - e. **Falling Objects** (not including objects that fall within a building or structure unless the roof or an outside wall of the building or structure is first damaged by the falling object); or
 - f. **Lightning**; or
 - g. Discharge of **Molten Material**; or
 - h. **Smoke** (not including smoke from agricultural smudging or industrial operations); or
 - i. **Vandalism**, meaning willful and malicious damage to, or destruction of, the described property; or
 - j. **Weight of snow, ice, or sleet.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM RISK INSURANCE ACT OF 2002 DISCLOSURE

This endorsement applies to the insurance provided under the following:

**BOILER AND MACHINERY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART**

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The charge for Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of losses covered by the Federal Government under the Act:

- 1% of your total Boiler and Machinery or Equipment Breakdown Coverage Part premium.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES

This endorsement modifies insurance provided under the following:

EnergyMax21 Equipment Breakdown Protection
BOILER AND MACHINERY COVERAGE PART

A. Paragraph (2) of the **Legal Action Against Us** Condition is replaced by the following:

(2) The action is brought within 3 years after the date of "Breakdown"; or

B. The following condition is added:

TIME PERIOD FOR PERFORMANCE OF CONTRACTUAL OBLIGATIONS

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

1. If the "Covered Property" that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this Coverage Part or in an endorsement attached

to this Coverage Part) shall be extended by 45 days or by the number of days the disaster declaration or proclamation remains in effect, whichever number is greater.

2. Except as otherwise provided in Paragraph 1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this Coverage Part or an endorsement attached to this Coverage Part imposes a time limitation on you or us for performance of a duty or any act (including transmittal of information), and such performance would be required during the time period covered by the declaration or proclamation, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

- C. When this endorsement is attached to the BOILER AND MACHINERY COVERAGE PART, the term "Breakdown" is replaced with "Accident".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

The LOSS PAYMENT condition dealing with the number of days within which we must pay for the covered loss or damages is replaced with the following:

Provided you have complied with all the terms of this Policy, we will pay for covered loss or damage:

1. Within 20 days after we receive the sworn proof of loss and reach written agreement with you; or
2. Within 30 days after we receive the sworn proof of loss and;
 - a. There is an entry of a final judgment; or
 - b. There is a filing of an appraisal award with us.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KANSAS CHANGES – INSPECTIONS AND SURVEYS, LEGAL ACTION AGAINST US, AND APPRAISAL

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

- A. The Inspections And Surveys Common Policy Condition is amended by the addition of the following:

If the "Covered Equipment" being insured is a steam boiler and subject to KSA 44-923 (SB7), that steam boiler will be inspected at least annually by us.

- B. Paragraph E. Conditions 1. Loss Conditions f. Legal Action Against Us (2) is amended to read:

(2) The action is brought within 5 years after the date of the "Breakdown"; or

- C. Paragraph E. Conditions 1. Loss Conditions b. Appraisal is replaced with the following:

b. Appraisal

If we and you disagree on the value of the property or the amount of loss, both parties may agree to an appraisal of the loss. **However, an appraisal will be made**

only if both you and we agree, voluntarily, to have the loss appraised. If both parties so agree, 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 the amount of loss. If they fail to agree, they must 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINNESOTA CHANGES –
EXAMINATION OF YOUR BOOKS AND RECORDS,
TRANSFER OF RIGHTS OF RECOVERY, AND
CONCEALMENT, MISREPRESENTATION OR FRAUD**

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

- A. The EXAMINATION OF YOUR BOOKS AND RECORDS Common Policy Condition is replaced with the following:
- 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 one year afterward.
- B. The Transfer of Rights of Recovery Against Others To Us condition is amended by the addition of the following:
- Our rights do not apply against any person or organization insured under this or any other Coverage Part or Policy we issue with respect to the same "Breakdown".
- C. The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:
- We will not pay for any loss or damage if you have:
1. Before a loss, willfully; or
 2. After a loss, willfully and with intent to defraud;
- concealed or misrepresented any material fact or circumstances concerning:
- a. This Policy;
 - b. The "Covered Property";
 - c. Your interest in the "Covered Property"; or
 - d. A claim under this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI CHANGES – LEGAL ACTION, MPCIGA, APPRAISAL, DUTIES, LOSS PAYMENT, CANCELLATION

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection
Boiler and Machinery Coverage Form
Cancellation Changes

- A. When this Endorsement is attached to the Equipment Breakdown Protection form, the term Coverage Part in this Endorsement is replaced by the term Policy.
- B. The **Legal Action Against Us** Loss Condition in the Equipment Breakdown Protection is deleted and replaced with the following:
Legal Action Against Us
No one may bring legal action against us under this Coverage Part unless:
1. There has been full compliance with all the terms of this Coverage Part; and
 2. The action is brought within 10 years after the date of the "Breakdown"; or
 3. We agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.
- C. The **Legal Action Against Us** Loss Condition in the Boiler and Machinery Coverage Form is deleted and replaced with the following:
Legal Action Against Us
No one may bring legal action against us under this Coverage Part unless:
1. There has been full compliance with all the terms of this Coverage Part; and
 2. The action is brought within 10 years after the date of the "Accident"; or
 3. We agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.
- D. **Missouri Property And Casualty Insurance Guaranty Association Coverage Limitations**
1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (to be referred to as the Act), if we are a member of the Missouri Property and Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay claims covered under the Act if we become insolvent.
 2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply subject to all other provisions of the Act:
 - a. Claims covered by the Association do not include a claim by or against an insured of an insolvent insurer, if the insured has a net worth of more than \$25 million on the later of the end of the insured's most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes insolvent; provided that an insured's net worth on such date shall be deemed to include the aggregate net worth of the insured and all of its affiliates as calculated on a consolidated basis.
 - b. Payments made by the Association for covered claims will include only that amount of each claim which is less than \$300,000.
- However, the Association will not:
- (1) Pay an amount in excess of the applicable limit of insurance of the policy from which a claim arises; or

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- (2) Return to an insured any unearned premium in excess of \$25,000.

These limitations have no effect on the coverage we will provide under this policy.

- E. The **Appraisal Loss Condition** is deleted and replaced by the following:

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 and notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, we or you 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. The umpire shall make an award within 30 days after the umpire receives the appraisers' submissions of their differences. 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.

- F. Paragraph (1) (c) of the **Duties in the Event of Loss or Damage Loss Condition** of the **Equipment Breakdown Protection** form is deleted and replaced by the following:

- (c) Allow us a reasonable time and opportunity to examine the property and Covered Premises before repairs are undertaken or physical evidence of the "Breakdown" is removed. But you must take whatever measures are necessary to protect the property and Covered Premises from further damage. It is agreed that we shall complete our investigation of the claim within 30 days after the notification of

the claim, unless the investigation cannot reasonably be completed within such time; and

- G. Paragraph (1) (c) of the **Duties in the Event of Loss or Damage Loss Condition** of the **Boiler and Machinery Coverage Form** is deleted and replaced by the following:

- (c) Allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the "Accident" is removed. But you must take whatever measures are necessary to protect the property and premises from further damage. It is agreed that we shall complete our investigation of the claim within 30 days after the notification of the claim, unless the investigation cannot reasonably be completed within such time; and

- H. Paragraph (2) of **Loss Payment Loss Condition** of the **Equipment Breakdown Protection** form is deleted and replaced with the following:

- (2) We will give you notice of our intentions within 15 working days after the submission of all forms necessary to establish the nature and extent of the claim.

- I. The following is added to **Loss Payment Clause Loss Condition** of **Boiler and Machinery Coverage Form**:

- (4) We will give you notice of our intentions within 15 working days after the submission of all forms necessary to establish the nature and extent of the claim.

- J. Paragraph (2) of **Cancellation** General Conditions of the **Equipment Breakdown Protection** form is deleted and replaced with the following:

- (2) The number of days indicated in the **Declarations for Notice of Cancellation** before the effective date of cancellation for any other reason, but in no event less than the number of days required by any statutory requirement.

- K. The following is added to paragraph b. of **Cancellation Changes**, **BM T5 49**:

But the number of days shall in no event be less than 30 days as required by Missouri statute.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

APPRAISAL

The following is added to the Appraisal Condition:

As a precondition to any appraisal as outlined in this Condition, you and we must mutually agree to such an appraisal. Once you and we have so agreed, the determination of the subsequent appraisal will be binding on both parties.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WISCONSIN CHANGES

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

- A. Wherever notice of "Breakdown" is required to be given immediately, that requirement is amended to provide that the notice must be given promptly.
- B. The **Legal Action Against Us** Condition is deleted.
- C. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:
We will be entitled to a recovery only after you have been fully compensated for damages.
- D. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:
 - a. No misrepresentation and no breach of affirmative warranty made by you or on your behalf in the negotiation for or procurement of this insurance affects our obligations unless, if a misrepresentation, the person knew or should have known that the representation was false, and unless:
 - (1) We rely on the misrepresentation or affirmative warranty and the misrepresentation or affirmative warranty is either material or made with intent to deceive; or
 - (2) The facts misrepresented or falsely warranted contribute to the loss.
 - b. No failure of a condition before a loss and no breach of a promissory warranty affects our obligation under this insurance unless such failure or breach exists at the time of loss and either:
 - (1) Increases the risk at the time of loss; or
 - (2) Contributes to the loss.
- E. The following are added:
 - 1. **Knowledge And Acts Of Agents**
 - a. If any of our agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:
 - (1) Is known to the agent at the time the policy is issued or an application made; or
 - (2) Later becomes known to the agent in the course of his or her dealings as an agent with you.
 - b. Any fact that breaches a condition of this policy and is known to the agent before the loss will not:
 - (1) Void this policy; or
 - (2) Prevent a recovery in the event of loss.
 - 2. **Conformity To Statute Or Rule**

Any provision of this Coverage Part (including endorsements which modify the Coverage Part) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON CHANGES

This endorsement modifies insurance provided under the following:

EnergyMax21 Equipment Breakdown Protection

- A.** In the Section titled **Exclusions**, the introductory paragraph preceding the list of exclusions is replaced by the following paragraph, which pertains to application of those exclusions:
- We will not pay for loss or damage caused by any of the excluded events described below. Loss or damage will be considered to have been caused by an excluded event if the occurrence of that event:
1. Directly and solely results in loss or damage;
or
 2. Initiates a sequence of events that results in loss or damage, regardless of the nature of any intermediate or final event in that sequence.
- B.** In the **Appraisal** Condition, the last sentence is replaced by the following:
- Neither we nor you shall be held to have waived any rights by any act relating to appraisal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

EnergyMax21 Equipment Breakdown Protection

The Legal Action Against Us Condition is replaced by the following:

LEGAL ACTION AGAINST US

No one may bring legal action against us under this Policy unless action is brought within 3 years after the date of the "Breakdown".

However, failure to give any notice or file any proof of loss does not invalidate a claim made by you, if you show that it was not reasonably possible to give the notice or file the proof of loss within the prescribed time and that notice was given or proof of loss filed as soon as reasonably possible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – DEFENSE, JOINT LOSS, DEFINITIONS

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

Defense

Paragraph E. Conditions, 1. Loss Conditions, c. Defense is deleted and replaced with the following:

c. Defense

1. If there is damage to "Covered Property" of another in your care, custody or control and for which you are legally liable, that was directly caused by a "Breakdown" to "Covered Equipment", we will have the right and duty to defend you against any "Suit" alleging liability for damage to that "Covered Property". However, we have no duty to defend you against any "Suit" alleging liability for damage to property not covered by this Policy.
2. If a claim or "Suit" is brought against you alleging that you are liable for damage to "Covered Property" of another that was caused by a "Breakdown" to "Covered Equipment", we will either:
 - (a) Settle the claim or "Suit"; or
 - (b) Defend you against the "Suit" but keep for ourselves the right to settle it at any point.
3. We will pay the following Supplementary Payments, with respect to any claim or any "Suit" we defend:
 - (a) All expenses we incur;
 - (b) The cost of bonds to release attachments, but only for bond amounts within the Limit of Insurance. We do not have to furnish these bonds;
 - (c) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "Suit", including actual loss of earnings up to \$100 a day because of time off from work;
 - (d) All costs taxed against you in any "Suit" we defend;
 - (e) Pre-judgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable

Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer; and

- (f) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgement that is within the Limit of Insurance shown in the Declarations.

These payments will not reduce the Limit of Insurance.

Joint or Disputed Loss Agreement

Paragraph E. Conditions, 3. Joint or Disputed Loss Agreement, e. Arbitration is deleted and replaced with the following:

e. Arbitration

- (1) If any of the circumstances in E.3.c.(2)(a) and E.3.c.(2)(b) exist, then the commercial property insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.
- (2) You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial property insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.
- (3) If we and commercial property insurers agree to submit to arbitration as described in paragraph E.3.e.(1) above, the insured will incur no delay in receiving payment in the manner specified in paragraph E.3.d.

BOILER AND MACHINERY

- (4) Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

Definitions

- A. Paragraph F. Definitions, 1. "Breakdown" b. (2) is deleted and replaced with the following:

- (2) Defects, erasures, errors, limitations or viruses in "Computer Equipment" and programs; or

- B. The following definition is added to Paragraph F. Definitions of this Policy:

"Suit" means a civil proceeding and includes:

1. An arbitration proceeding in which damages are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which damages are claimed and to which you submit with our consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OKLAHOMA CHANGES – REPLACEMENT COST

This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection
BOILER AND MACHINERY COVERAGE FORM Comprehensive
BOILER AND MACHINERY COVERAGE FORM Blanket

The following provision is added to the **Valuation Conditions**:

We will pay, subject to the Limit of Insurance, no more than the actual cash value of the damaged property until the actual repair or replacement is complete. However, if the actual cash value amount is insufficient to initiate and/or continue repair or replacement of the damaged property, we will advance to you, as the need arises, the additional amount(s) necessary to initiate and/or continue the repair or replacement, up to the difference between actual cash value and the replacement cost of the damaged property and subject to the applicable Limit of Insurance.

In addition, if Ordinance or Law Coverage is included, we will provide payments under Increased Cost of Construction in advance of the completion of repair or replacement of the property, if such advance pay-

ments are necessary for initiating or continuing the repair or replacement.

Under this loss settlement procedure, the following special provisions apply:

1. You shall promptly forward us the evidence of the agreement with the party repairing or replacing the damaged property, showing the cost and estimated completion date of the repairs or replacement.
2. The total of all advances and other payments will not exceed the amount of loss that we and you have agreed will be reimbursed. We will send you the balance, if any, of the loss payment that we and you have agreed will be reimbursed, after you forward to us evidence of the completion of repairs to or replacement of the damaged property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS CHANGES – FUNGUS, DECAY, WET OR DRY ROT,
OR MOLD**

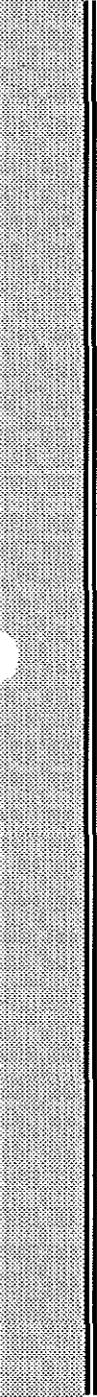
This endorsement modifies insurance provided under the following:

EnergyMax 21 Equipment Breakdown Protection

Paragraph B. Exclusions 12. is deleted and replaced with the following:

- B. 12.** Depletion, deterioration, corrosion, erosion, wear and tear, or rust. However if a "Breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded.

**INTERLINE
ENDORSEMENTS**



**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) 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.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

(Boiler And Machinery; Crime & Fidelity)

This endorsement modifies insurance provided under the following:

**BOILER AND MACHINERY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART**

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value

applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- D. Except as provided in E., the **Appraisal** Condition is replaced by the following:
If we and you disagree on the value of the property or the amount of loss ("loss"), either may
- make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, 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 ("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.
- E. The **Appraisal** Condition in:
1. Business Income (And Extra Expense) Coverage Form CP 00 30; and
 2. Business Income (Without Extra Expense) Coverage Form CP 00 32;
- is replaced by the following:
If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A

decision agreed to by any two will be binding.
Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and
umpire equally.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIRGINIA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

The **Appraisal** Condition is replaced by the following:

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. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, the insured or the insurer may apply in writing, for the appointment of an umpire, to the judge of the circuit court of the county or city in which the damaged or destroyed property was located at the time of loss. The appraisers will state separately the value of the property and amount of

loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss. Any outcome of the appraisal will not be binding on either party. Each party will:

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

However, if we make written demand for an appraisal of the loss, we will reimburse you for the reasonable cost of your chosen appraiser, and for your portion of the cost of the umpire.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEVADA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
FORM
STANDARD PROPERTY POLICY

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. Concealment or misrepresentation of a material fact; or
2. Fraud;
committed by an insured ("insured") at any time and relating to a claim under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

In our determination of the actual cash value of Covered Property at the time of loss or damage, we will take into account factors such as depreciation, deterioration and obsolescence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIANA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact or
2. Fraud committed by an insured at any time and relating to a claim under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – FRAUD OR MISREPRESENTATION

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** General Condition is replaced by the following:

MISREPRESENTATION OR BREACH OF CONDITION OR WARRANTY

1. A misrepresentation or warranty made by you or on your behalf in the negotiation of or application for this Coverage Part will void this policy if:
 - a. It is material;
 - b. It is made with the intent to deceive;
 - c. We rely on it; and
 - d. We are deceived to our injury.
2. A breach of warranty or condition will void the policy if such breach exists at the time of loss and contributes to the loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KANSAS CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud;

committed by an insured at any time and relating to an insurance application, rating, claim or coverage under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The following is added to the Common Policy Conditions:
- MULTI-YEAR POLICIES**
- We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.
- C.1. Except as provided in C.2. below, the **Appraisal Condition**, if any, is replaced by the following:
- If we and you disagree on the value of the property or the amount of loss ("loss"), either party may make a written request for an appraisal of the loss ("loss"). However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss ("loss") appraised. If so agreed, 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 ("loss"). If they fail to agree, they will submit their differences to the umpire.
 - An appraisal decision will not be binding on either party.
 - If there is an appraisal, we will still retain our right to deny the claim.
 - Each party will:
 - Pay its chosen appraiser; and
 - Bear the other expenses of the appraisal and umpire equally.
- C.2. The **Appraisal Condition** in Business Income Coverage Form (And Extra Expense) **CP 00 30** Business Income Coverage Form (Without Extra Expense) **CP 00 32** and Capital Assets Program Coverage Form (Output Policy), **OP 00 01**, Paragraph **A.7. Business Income And Extra Expense** is replaced by the following:
- If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, 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 amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire.
 - An appraisal decision will not be binding on either party.
 - If there is an appraisal, we will still retain our right to deny the claim.
 - Each party will:
 - Pay its chosen appraiser; and
 - Bear the other expenses of the appraisal and umpire equally.
- D.1. This Paragraph, **D.2.**, does not apply to the following:
Farm Liability Coverage Form
Legal Liability Coverage Form
2. The 2-year limitation in the Legal Action Against Us Condition is changed to 5 years.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH DAKOTA CHANGES – EXAMINATION OF YOUR BOOKS AND RECORDS

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The **Examination Of Your Books And Records** Common Policy Condition is replaced by the following:

EXAMINATION OF YOUR BOOKS AND RECORDS

1. Except as provided in 2. below, 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.
2. Any audit conducted to determine the premium due or to be refunded must be completed within 180 days after:
 - a. The expiration date of the policy; or
 - b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year;unless you agree in writing to extend the audit period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONTANA CHANGES – CONFORMITY WITH STATUTES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

A. The following Condition is added:

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

However, with respect to insurance provided under the Commercial Automobile Coverage Part, while a covered "auto" is away from Montana:

1. We will increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to

the limit or limits specified by any law governing motor carriers of passengers or property.

2. We will provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.
 3. No one will be entitled to duplicate payments for the same elements of loss.
- B. Any provision of this policy or Coverage Part (including endorsements which modify the policy or Coverage Part) that does not conform to the minimum requirements of a Montana statute is amended to conform to such statute.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud;
committed by you or any other insured ("insured") at any time and relating to coverage under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Loss Payment

1. With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
2. With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item E. **Loss Payment** in the Commercial Inland Marine Loss Conditions:

a. Claims Handling

- (1) Within 15 days after we receive written notice of claim, we will:
 - (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - (b) Begin any investigation of the claim; and
 - (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- (2) We will notify you in writing as to whether:
 - (a) The claim or part of the claim will be paid;
 - (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
 - (c) More information is necessary; or
 - (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in (2)(a) through (2)(d) above, within:

- (i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

- b. We will pay for covered loss or damage within 5 business days after:

- (1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in a. and b. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

- (1) Declared a disaster under the Texas Disaster Act of 1975; or

- (2) Determined to be a catastrophe by the State Board of Insurance.
- d. The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.
- B. With respect to the Commercial Inland Marine Coverage Part the following is added:
We will not be liable for any part of a "loss" that has been paid or made good by others.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLORIDA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

The following replaces the second paragraph of the Legal Action Against Us condition:

LEGAL ACTION AGAINST US

Legal action against us involving direct physical loss or damage to property must be brought within 5 years from the date the loss occurs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OKLAHOMA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
FORM
STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the **Standard Property Policy CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. The **Concealment, Misrepresentation Or Fraud** condition is replaced by the following:
Except as provided in Paragraphs C. and D., we do not provide coverage in any case of fraud by you as it relates to this Coverage Part at any time. We also do not provide coverage if you or any other insured ("insured"), at any time, intentionally conceal or misrepresent a material fact concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. Your interest in the Covered Property; or
 4. A claim under this Coverage Part.
- C. The **Concealment, Misrepresentation Or Fraud** condition in the Commercial Auto Coverage Part is replaced by the following:
We do not provide coverage in any case of fraud by you at any time as it relates to this Coverage Part. We also do not provide coverage if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:
1. This Coverage Part;
 2. The covered "auto";
 3. Your interest in the covered "auto"; or
 4. A claim under this Coverage Part.
- However, this provision does not apply, but only up to the compulsory or financial responsibility limits required by Oklahoma law, if an "accident" results in a third party liability claim against the "insured" under this Coverage Part.
- D. Under the Kidnap/Ransom And Extortion Coverage Form, the **Concealment, Misrepresentation Or Fraud** condition is replaced by the following:
We do not provide coverage in any case of fraud by you as it relates to this insurance at any time. We also do not provide coverage if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:
1. This insurance;
 2. A person insured under this insurance;
 3. The "property" covered under this insurance;
 4. Your interest in the "property" covered under this insurance; or
 5. A claim under this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – PROPERTY CLAIMS SETTLEMENT IN THE EVENT OF A CATASTROPHE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART

- A. The provisions of this endorsement apply to a claim for direct physical loss or damage to Covered Property, provided that:
1. The claim is for loss or damage that results from a catastrophe declared by the Superintendent of Insurance; and
 2. The catastrophic event is a Covered Cause of Loss.
- B. The word loss, as used in this endorsement, includes "loss" as defined in certain coverage forms.
- C. The following provisions, C.1. and C.2., are added to the policy and supersede any provisions to the contrary:
1. If you reported your claim to us:
 - a. Before the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date the catastrophe was declared;
 - b. After the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date on which you reported the claim.
 2. However, the time periods specified in C.1. above will be extended by the period of time taken to resolve the following situations:
 - a. We suspect the claim is fraudulent and commence an investigation to make such a determination;
 - b. You do not provide the necessary information regarding the nature of the claim, following our request for such information; or
 - c. You filed suit against us in connection with the claim before expiration of the applicable 90-day period.
- D. All other provisions of this policy continue to apply in the event of a catastrophe, including the Suit Against Us and Appraisal conditions.
- E. This endorsement does not invalidate our right to deny your claim, nor the right of either party to seek judgment in a court having jurisdiction.

OKLAHOMA NOTICE

The following statement is added to the policy:

WARNING:

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MONTANA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR
FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

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

1. Concealment or misrepresentation of a material
fact; or
2. Fraud;

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

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

1. Concealment or misrepresentation of a material
fact; or
2. Fraud;

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH DAKOTA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

- A. Except as provided in Paragraph B. of this endorsement, the Appraisal Loss Condition is replaced by the following:

APPRAISAL

If we and you disagree on the value of the property or the amount of the loss both parties may agree to an appraisal of the loss. If both parties so agree, then 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 the amount of loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

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

If we submit to an appraisal, we will retain our right to deny the claim.

- B. The Appraisal Condition in Capital Assets Program Coverage Form (Output Policy), OP 00 01,

Paragraph A.7. Business Income And Extra Expense is replaced by the following:

APPRAISAL

If we and you disagree on the amount of net income and operating expense or the amount of the loss, both parties may agree to an appraisal of the loss. If both parties so agree, then 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 amount of net income and operating expense and the amount of the loss. If they fail to agree, they will submit their differences to the umpire. Any outcome of the appraisal will not be binding on either party. Each party will:

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

If we submit to an appraisal, we will retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 2. and 3. of the **Cancellation Common Policy Condition** are replaced by the following:
- 2. All Policies In Effect For 60 Days Or Less**
- If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:
- a. 10 days before the effective date of cancellation if we cancel for:
- (1) Nonpayment of premium; or
 - (2) Discovery of fraud by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.
- 3. All Policies In Effect For More Than 60 Days**
- a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
- (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2) Discovery of fraud or material misrepresentation by:
 - (a) Any insured or his or her representative in obtaining this insurance; or
 - (b) You or your representative in pursuing a claim under this policy.
 - (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if

that failure materially increases any of the risks insured against.

- (6) A determination by the Commissioner of Insurance that the:
- (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the **Cancellation Common Policy Condition**:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may can-

cel this coverage for any reason, except as provided in b. and c. below.

- b. We may not cancel this policy solely because the first Named Insured has:
- (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
- (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential

unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below:
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
- (3) We have:
 - (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair

and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.
 - d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Capital Assets Program Coverage Form (Output Policy);
 - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.
3. We are not required to send notice of nonrenewal in the following situations:
- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
 - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
 - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
 - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
 - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
 - f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS CHANGES –
NOTICE OF CLAIM OR SETTLEMENT**

This endorsement modifies insurance provided under the following:

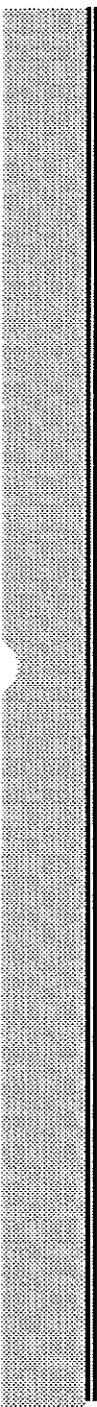
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PHARMACISTS PROFESSIONAL LIABILITY COVERAGE FORM
VETERINARIANS PROFESSIONAL LIABILITY COVERAGE PART
CATASTROPHE UMBRELLA POLICY
EMPLOYEE BENEFITS LIABILITY

PROVISIONS

If a claim is made against you under a casualty policy, we must notify you of the initial offer to compromise or settle the claim. We must do so within 10 business days after the date on which the offer is made.

If a claim under a casualty policy is settled, we must notify you within 30 days of the settlement.

POLICYHOLDER NOTICES

A vertical grey bar with a fine dot pattern runs down the left side of the page, starting from the top and ending near the bottom. It is positioned to the left of the main text.

POLICYHOLDER NOTICES



Dear Valued Customer,

Travelers Boiler & Machinery appreciates your Equipment Breakdown Insurance business. We understand that life and business are dynamic and the best way to serve you is to deliver highly-rated and customized services that behave the same way – evolving to keep in synch with life and business as they change.

Travelers Boiler & Machinery offers the following exceptional services as part of your insurance coverage:

ENGINEERING SERVICES

Proactive Boiler Inspections and Object Management

Travelers Boiler & Machinery performs inspections on boilers and pressure vessels as required by jurisdictions across the country. Travelers can help you with the identification of any boilers or pressure vessels which require inspection according to state or city laws. If your business has this equipment, we can perform the inspection. Speak with your Equipment Breakdown professional for more information.

Help Line Support for Inspections

When life is out of synch our Help Line staff is available to provide you with assistance on any questions, problems, or concerns about our engineering services. **To schedule an inspection or seek help with inspections, call toll-free at 1-800-425-4119.** We also provide you with dedicated support via fax at 1-877-764-9535 and offer our assistance via email at boilinsp@travelers.com. Support by phone, fax, and email are available between 8:00 a.m. to 5:00 p.m. Eastern Time.

Risk Control and Loss Prevention Information Warehouse

With 100 years of experience in the Equipment Breakdown Insurance business, Travelers Boiler & Machinery wants to share with you the broad range of innovative risk control and loss prevention solutions we have developed over the years. Travelers Boiler & Machinery also shares information such as preventive maintenance guidelines for machinery and equipment as well as workplace safety topics beyond just Boiler & Machinery. Our information can be accessed by calling **1-800-425-4119** or viewing our website at www.travelers.com/riskcontrol.

CLAIM SERVICES

24/7/365 Claim Reporting

Travelers Boiler & Machinery offers you a variety of ways to report your claim and the peace of mind of knowing our local claim professionals manage claims with a blend of skill, tenacity, and common sense.

To report an Equipment Breakdown (Boiler and Machinery) loss:

- **Contact Your Agent**
- **Call toll-free at 1-800-238-6225; or**
- **Fax your loss information to us toll free at 1-877-QUIK-FAX (1-877-784-5329).**

Sharing our Experience

During the claim investigation process, our Claim Support Manager, claim staff and field engineers act as technical resources and help you by suggesting reputable repair companies and contractors in your area so you can get back up and running quickly. Speak with your claim professional for more information.

NOTICE TO MICHIGAN POLICYHOLDERS

THIS POLICY IS EXEMPT FROM THE FILING REQUIREMENTS OF SECTION 2236 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.2236.

**IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER
COMPENSATION**

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

IMPORTANT NOTICE – POLICYHOLDER INFORMATION – ARKANSAS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

In the event you need to contact someone about this policy, please contact your agent as shown on your policy or in the material accompanying the policy. If you need additional assistance, you may contact us at the address listed below:

Travelers
One Tower Square
Hartford, CT 06183

Telephone: 1-800-328-2189

If you feel we have failed to provide you with reasonable and adequate service, feel free to contact:

Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201

Telephone: (501) 371-2640 or (800) 852-5494

IMPORTANT NOTICE – COMPLAINTS – ILLINOIS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

If you are having problems you may contact your insurance agent directly or you may contact the company at:

Mail: Consumer Affairs
One Tower Square, 5MS
Hartford, CT 06183

Phone: (860) 277-1561 or

Email: consumeraffairs@travelers.com

The address of the consumer complaint division of the Illinois Division of Insurance is:

IDFRP Division of Insurance
Consumer Division
320 W Washington St
Springfield, IL 62767

Complaints may also be filed electronically to the Illinois Division of Insurance at <http://www.idfpr.com/DOI/Main/consumer.asp>

IMPORTANT NOTICE – DISCLOSURE OF LOCAL GOVERNMENT TAXES – KENTUCKY

In compliance with Kentucky Administrative Regulation 806 KAR 2:092 we are providing the amount of Kentucky local government tax being charged to you and the taxing jurisdiction to which the tax is due. Any applicable collection fee is included in the tax.

Taxing Jurisdiction	Amount of Local Government Tax	
BOWLING GREEN	\$	2
FORT THOMAS	\$	11
FRANKFORT	\$	14
HOPKINSVILLE	\$	27
LEXINGTON-FAYETTE	\$	33
LOUISVILLE-JEFFERSON	\$	48
NEWPORT	\$	93
NICHOLASVILLE	\$	3

BOILER AND MACHINERY INSURANCE IMPORTANT CHANGES IN YOUR COVERAGE

ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes in the Boiler and Machinery Policy. No coverage is provided by this summary nor can it be construed to replace any provision of the policy. You should read your policy and review your Declarations Pages for complete information on the coverage you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Some of the language of the new policy has been restated and repunctuated for clarity and readability but with no change in coverage intent.

The areas within the policy that broaden, reduce or clarify coverage are highlighted below.

EnergyMax 21

Equipment Breakdown Protection

BROADENINGS AND NARROWINGS OF COVERAGE

Broadenings of Coverage

Utility Interruption coverage has been broadened to include refrigeration and waste treatment services.

Brands and Labels coverage has been broadened to provide coverage for the expenses incurred in stamping the word SALVAGE on damaged merchandise or removing brands and labels on damaged merchandise.

Contingent Time Element coverage has been added to the Coverage Extensions, providing optional coverage extensions to Business Income and/or Extra Expense for loss to "Covered Equipment" that is not owned or operated by the Insured and that causes a loss at a Covered Premises shown in the Declarations.

"Data" or "Media" coverage has been added to the Coverage Extensions, providing optional coverage for loss of income and/or extra expenses incurred to research, recreate, replace or restore damaged "Media" or lost or corrupted "Data".

An exception has been added to the Ordinance or Law exclusion that provides coverage for electrical supply and emergency generating equipment that is required by law to be present in order to operate.

The exclusion for loss caused by falling objects has been restricted to objects falling from aircraft or missiles.

The exclusion for any loss that continues beyond the date the damaged property is repaired or replaced has been deleted.

The exclusion for delay in rebuilding, repairing or replacing property or resuming operations due to the interference of strikers has been deleted.

A new valuation condition has been added to provide coverage for any loss in value of an extended warranty or maintenance or service contract.

The condition regarding valuation if property is not repaired or replaced is extended from 18 months to 24 months.

Selling Price valuation has been extended to all property held by the Insured for sale.

Pair, Sets or Parts coverage has been added to provide coverage for loss in value of undamaged property.

The definition of "Covered Equipment" has been expanded to provide coverage for ovens, stoves, furnaces, incinerators, pots, kilns, conveyors, cranes and hoists.

The exclusion for non-metallic pressure or vacuum equipment under the definition of "Covered Equipment" has been reduced to provide coverage for equipment constructed and used in accordance with codes accepted by the National Board of Boiler and Pressure Vessel Inspectors.

The exclusion for buried pressure vessels and piping has been reduced to exclude only buried pressure vessels and piping that require excavation to inspect, remove, repair or replace.

Coverage for "Diagnostic Equipment" is available as an optional coverage and will be identified for coverage with an entry on the Declarations.

Narrowings of Coverage

Sinkhole collapse has been added to the list of examples of Earth Movement that are excluded.

Water exclusion has been broadened to match terminology used in standard property policies. The exclusion has been expanded to exclude all types of rising water as well as mudslides, mudflow, water damage caused by backup of sewers, drains or drainage piping. Loss caused by Water is excluded regardless if coverage is available under another policy. This will delete overlap coverage with options that are commonly found available under property policies.

The exclusion for fire or explosion has been expanded to also exclude fire or explosion within electrical equipment. This will delete overlap coverages with standard property policies.

Loss caused by Hail or Windstorm is excluded regardless if coverage is available under another policy. This will delete overlap coverage with standard property policies.

Loss caused by impact of aircraft, missile or vehicle and caused by molten material have been added to the exclusion for loss caused by specified perils. Loss caused by these perils is only excluded if there is coverage under another policy.

With respect to Utility Interruption coverage, the exclusion for loss caused by listed perils has been expanded to exclude the perils of Objects falling from an aircraft or missile, Freeze from weather, Impact of aircraft, missiles, vehicles, Molten material and Sabotage.

The exclusion for neglect by the Insured to save and preserve "Covered Property" has been expanded to apply to all coverages.

Defense coverage has been moved from the Coverage section to the Conditions section of the policy. This coverage is now subject to the "Total Limit per Breakdown".

Water Damage limitation has been changed to apply to all "Covered Equipment".

A new condition, Insurance Under Two or More Coverages, has been added to clarify how we will apply coverage when multiple coverages are involved in a loss.

A new exclusion under the Definition of "Covered Equipment" has been added to exclude astronomical telescopes, cyclotrons, nuclear reactors, particle accelerators, satellites and/or spacecraft (including satellites or spacecraft contents and/or their launch sites.)

Other Changes

A clarification has been added that "Covered Property" must be located at the Covered Premises described in the Declarations.

A clarification has been added to describe how Coverage Extensions are triggered and how the sublimits will be applied.

The Coverage Extensions have been reordered to list the traditional coverages of Business Income, Extra Expense, Spoilage and Utility Interruption first. All other Coverage Extensions follow after these 4 and are listed alphabetically.

Extended Business Income is deleted as a separate Coverage Extension. It is now included in the Definition of "Period of Restoration".

Under the Spoilage coverage, a clarification is added that coverage applies to owned property, as well as property that is not owned but for which the Insured is legally liable. A second clarification is added that loss caused by excess as well as lack of power, light, heat, steam or refrigeration is covered.

Off Premises Service Interruption coverage has been renamed Utility Interruption. Terminology has been added to clarify the intent to cover services regardless if the supplier generates or provides the service. The 8-hour fixed waiting period requirement to trigger Utility Interruption coverage has been changed to a variable field that will be completed on the Declarations.

Ordinance or Law Coverage (including Demolition and Increased Cost of Construction) has been reworded to more closely agree with industry standard wordings for both Property and Boiler and Machinery policies. No coverage change is intended. Wording has also been added to clarify that coverage is included for loss of income or extra expenses if Business Income and/or Extra Expense coverages are provided.

The testing exclusion has been changed to use generic terminology.

A clarification has been added that self-insurance risk retention plans are considered to be another policy of insurance.

An additional exclusion for any other indirect result of a "Breakdown" to "Covered Equipment" has been added for clarification purposes.

Ammonia Contamination, Hazardous Substance and Water Damage have been moved to the Limitation section of the policy.

Deductible wording has been changed for clarification purposes.

Valuation wording has been added to clarify how "Covered Property" will be valued at various stages of process.

Salvage value wording has been added to clarify how we will treat salvage in the event of a loss.

An additional condition, No Benefit to Bailee, has been added to clarify that no Bailee shall benefit from the coverages provided.

An additional condition, Currency, has been added to clarify that US currency applies to all locations, including Canadian.

The Values condition has been modified to clarify that values should be reported separately by location and by coverage.

The Suspension condition has been modified to clarify that if a suspension occurs, a pro rata premium will be returned to the Insured.

Additional Insured and Mortgage Holders Conditions have been deleted. These conditions will be addressed through endorsement when necessary.

The definition for "Accident" has been replaced with a definition for "Breakdown".

An exclusion for explosion within the furnace of a chemical recovery type boiler or within the gas passages from the furnace to the atmosphere has been added for clarification purposes.

The exclusion for depletion, deterioration, corrosion, erosion or wear and tear has been moved from the Definitions section, under the definition of "accident", to the Exclusion section of the policy. Rust, fungus, decay, wet or dry rot or mold have been added to the list of excluded conditions to match standard property terminology. This is for clarification purposes. Coverage is still provided if a "Breakdown" ensues from these conditions.

Exclusions to the definition of "Breakdown" have been added for Malfunction and Leakage for clarification purposes.

A new exclusion under the Definition of "Breakdown" has been added that excludes any defects, erasures, errors, limitations or viruses in "Computer Equipment", including the inability to recognize or process dates. This is for clarification purposes and was previously addressed via Endorsement.

Definitions for "Computer Equipment", "Data", "Diagnostic Equipment", "Ordinary Payroll", "Period of Restoration", "Production Machines", "Stock" and "Total Limit per Breakdown" have been added for clarification purposes.

IMPORTANT NOTICE – FILING COMPLAINTS WITH THE INDIANA DEPARTMENT OF INSURANCE

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Questions regarding your policy or coverage should be directed to:

**Travelers
(800) 328-2189**

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer, you may contact the Department of Insurance by mail, telephone or email:

State of Indiana Department of Insurance
Consumer Services Division
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204
Consumer Hotline: (800) 622-4461; (317) 232-2395
Complaints can be filed electronically at www.in.gov/idoi

IMPORTANT NOTICE – RISK MANAGEMENT PLANS – FLORIDA

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Florida loss control insurance statutes require insurers to provide commercial policyholders, at their request, with guidelines for risk management plans. Travelers' Risk Control Department has available guidelines to assist you with your accident prevention activities. These guidelines are available to you free of charge.

A risk management plan shall include safety measures for different exposures, including, as applicable, pollution and environmental hazards; disease hazards; accidental occurrences; fire hazards and fire prevention and detection; liability for acts from the course of business; slip and fall hazards; product injury; and hazards unique to a particular class or category of insureds. Training in safety management techniques and safety management counselling services are also available.

If you would like to request assistance with risk management or your safety program, please call our Risk Control Department at 407-388-3307. For access to over 1,600 safety and health resources, including training programs, checklists, management guides, etc. visit our Risk Control Customer Portal at <http://www.travelers.com/riskcontrol>.

NOTICE – IMPORTANT INFORMATION REGARDING YOUR INSURANCE – VIRGINIA

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Should you need to contact anyone about this insurance for any reason, please contact your agent. If you have additional questions you may contact Travelers at:

One Tower Square
Hartford, CT 06183
1-800-328-2189

Travelers.com

If you have been unable to contact or obtain satisfaction from our company or your agent, you may contact the Virginia State Corporate Commission's Bureau of Insurance at:

State Corporation Commission, Virginia Bureau of Insurance
PO Box 1157
Richmond, VA 23218

Toll free: 1-877-310-6560
Richmond, VA area: 804-371-9741

Email: bureauofinsurance@scc.virginia.gov

Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available.

IMPORTANT NOTICE – CONTACT INFORMATION – MISSOURI

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Questions regarding your policy or coverage should be directed to your agent or us at:

Travelers
One Tower Square
Hartford, CT 06183
(800) 328-2189
Travelers.com

IMPORTANT NOTICE – CONTACT INFORMATION – FLORIDA

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

Please review your policy carefully. Should you have any questions concerning coverages, billings, additions or deletion, please contact your agent. Should you feel the need for additional information or wish to make a complaint, we offer the following number:

For information or to make a complaint, call:
1-800-328-2189



NOTICE TO POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

POLICY OVERPRINT PAGE 1 OF 1

POLICY NUMBER: M5J-BM21-4245R337-TIL-12

RATER: HF3F ISSUE DATE: 04/24/12

APARTMENT BLDGS

EFFECTIVE DATE: 03/31/12

EXPIRATION DATE: 03/30/14

INSUREDS NAME: CIBA RESIDENTIAL

NEW/RENEWAL: N

PAYMODE: N

SOLICITOR CODE:

AUDIT FREQUENCY: N

SAI: 7490B0062

RESPONSIBILITY: F

MSI: Y

WATCH FILE: 0

RATING MODE: G

SURVEY CODE: 2

SPECIAL CODE: BA

REINSURANCE: N

PROGRAM CODE: N94

AUTO FILINGS:

FEDERAL TAX ID:

PREMIUM SUMMARY

S.B.	ACCOUNT MONTH	EFF. DATE	PREMIUM	NON PREMIUM	TOTAL
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TOTAL:

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29

PREMIUM SPLIT FORM PAGE 1 OF 2

POLICY NUMBER: M5J-BM21-4245R337-TIL-12

RATER: HF3F ISSUE DATE: 04/24/12

ACCOUNT MONTH	EFFECTIVE DATE	COMM ITEM	COMM ITEM	COMM ITEM	COMM ITEM
		NC PREM	NC B7	NC B8	NC G8
		PREMIUM	PREMIUM	PREMIUM	PREMIUM

TOTAL:

B7=WVBMIPS B8=KYBMFS G8=FIGA08B

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV CBX29

PREMIUM SPLIT FORM PAGE 2 OF 2
POLICY NUMBER: M5J-BM21-4245R337-TIL-12
RATER: HF3F ISSUE DATE: 04/24/12

ACCOUNT MONTH	EFFECTIVE DATE	COMM ITEM NC H2 PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM
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TOTAL:

H2=FLCATEM

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29



One Tower Square, Hartford, Connecticut 06183

CHANGE ENDORSEMENT

Named Insured:
CIBA CUSTOM & INDUSTRIAL

Policy Number: M5J-BM21-4245R349-TIL-12
Policy Effective Date: 03/31/12
Issue Date: 05/08/12
Premium \$

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Effective from 03/31/12 at the time of day the policy becomes effective.

THIS INSURANCE IS AMENDED AS FOLLOWS:

NAMED INSURED ENDORSEMENT, IL T8 00, 01-00, IS AMENDED AS FOLLOWS:

THE NAMED INSURED IS AMENDED TO READ:

THE MEMBER OF COMMERCIAL INDUSTRIAL BUILDING OWNER'S ALLIANCE, INC.
("CIBA") HOLDING VALID EVIDENCE OF COMMERCIAL PROPERTY INSURANCE TO
WHICH THIS FORM IS ATTACHED AS ISSUED BY CIBA INSURANCE SERVICES, INC.
ON BEHALF OF THE COMPANY

PREMIUM IS PAYABLE AS FOLLOWS:

\$
\$

NAME AND ADDRESS OF AGENT OR BROKER:
R-T SPECIALTY INS SERV (CBX29)
3400 W OLIVE AVE 3RD FLOOR
BURBANK, CA 91505

COUNTERSIGNED BY:

Authorized Representative

DATE: _____



POLICY NUMBER: M5J-BM21-4245R349-TIL-12
EFFECTIVE DATE: 03-31-12
ISSUE DATE: 06-08-12

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL T0 07 09 87	CHANGE ENDORSEMENT
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T0 30 12 90	NON-STANDARD PAYMENT SCHEDULE
IL T8 00	GENERAL PURPOSE ENDORSEMENT

NON-STANDARD PAYMENT SCHEDULE

POLICY NUMBER: M5J-BM21-4245R349-TIL-12
EFFECTIVE DATE: 03/31/12
ISSUE DATE: 06/08/12

PAYMENT DUE DATES

AMOUNT

IL TO 30 12 90 PAGE 1 OF 1

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29

CHANGE EFFECTIVE DATE: 03-31-12
CHANGE ENDORSEMENT NUMBER: 0001

POLICY NUMBER: M5J-BM21-4245R349-TIL-12

GENERAL PURPOSE ENDORSEMENT

NAMED INSURED IS AMENDED TO READ:

THE MEMBER OF COMMERCIAL INDUSTRIAL BUILDING OWNER'S ALLIANCE, INC. ("CIBA")
HOLDING VALID EVIDENCE OF COMMERCIAL PROPERTY INSURANCE TO WHICH THIS FORM IS
ATTACHED AS ISSUED BY CIBA INSURANCE SERVICES, INC. ON BEHALF OF THE COMPANY

OVERPRINT/CHANGE SLIP PAGE 1 OF 1
POLICY NUMBER: M5J-BM21-4245R349-TIL-12
RATER: HF3F ISSUE DATE: 06/08/12
OFFICES & STORES - ALL OTHER
EFFECTIVE DATE: 03/31/12
EXPIRATION DATE: 03/30/14
CHANGE EFFECTIVE DATE: 03/31/12

INSUREDS NAME: CIBA CUSTOM & INDUSTRIAL

PRORATA FACTOR: 1.000	SHORT RATE FACTOR: 1.000
NEW/RENEWAL: N	PAYMODE: N
SOLICITOR CODE:	AUDIT FREQUENCY: N
SAI: 2369X6138	RESPONSIBILITY: F
MSI: Y	WATCH FILE: 0
RATING MODE: G	SURVEY CODE: 2
SPECIAL CODE: BA	REINSURANCE: N
PROGRAM CODE: N91	AUTO FILINGS:
FEDERAL TAX ID:	

PREMIUM SUMMARY					
S.B.	ACCOUNT MONTH	EFF. DATE	PREMIUM	NON PREMIUM	TOTAL

TOTAL:

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29



PREMIUM SPLIT FORM PAGE 1 OF 1
POLICY NUMBER: M5J-BM21-4245R349-TIL-12
RATER: HF3F ISSUE DATE: 06/08/12

ACCOUNT MONTH	EFFECTIVE DATE	COMM ITEM NC PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM
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OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29



One Tower Square, Hartford, Connecticut 06183

CHANGE ENDORSEMENT

Named Insured:
CIBA RESIDENTIAL

Policy Number: M5J-BM21-4245R337-TIL-12
Policy Effective Date: 03/31/12
Issue Date: 06/08/12
Premium \$

INSURING COMPANY:
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Effective from 03/31/12 at the time of day the policy becomes effective.

THIS INSURANCE IS AMENDED AS FOLLOWS:

NAMED INSURED ENDORSEMENT, IL T8 00, 01-00, IS AMENDED AS FOLLOWS:

THE NAMED INSURED HAS BEEN AMENDED TO READ:

THE MEMBER OF COMMERCIAL INDUSTRIAL BUILDING OWNER'S ALLIANCE, INC.
("CIBA") HOLDING VALID EVIDENCE OF COMMERCIAL PROPERTY INSURANCE TO
WHICH THIS FORM IS ATTACHED AS ISSUED BY CIBA INSURANCE SERVICES, INC.
ON BEHALF OF THE COMPANY

PREMIUM IS PAYABLE AS FOLLOWS:

NAME AND ADDRESS OF AGENT OR BROKER:
R-T SPECIALTY INS SERV (CBX29)
3400 W OLIVE AVE 3RD FLOOR
BURBANK, CA 91505

COUNTERSIGNED BY:

Authorized Representative

DATE: _____

IL TO 07 09 87 PAGE 1 OF 1
OFFICE: DIAMOND BAR





POLICY NUMBER: M5J-BM21-4245R337-TIL-12
EFFECTIVE DATE: 03-31-12
ISSUE DATE: 06-08-12

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL TO 07 09 87	CHANGE ENDORSEMENT
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL TO 30 12 90	NON-STANDARD PAYMENT SCHEDULE
IL T8 00	GENERAL PURPOSE ENDORSEMENT



NON-STANDARD PAYMENT SCHEDULE

POLICY NUMBER: M5J-BM21-4245R337-TIL-12
EFFECTIVE DATE: 03/31/12
ISSUE DATE: 06/08/12

PAYMENT DUE DATES

AMOUNT



IL TO 30 12 90 PAGE 1 OF 1

OFFICE: DIAMOND BAR 189
PRODUCER NAME: R-T SPECIALTY INS SERV

CBX29

