



November 15, 2016

Fairway Four Townhomes Owners Association, Inc  
c/o Barrett Miller  
PO Box 2710  
Telluride, CO 81435

RE: Package Policy  
Policy #6806G958449

Dear Barrett,

Thank you for choosing to renew the enclosed policy with us at Insurance of the San Juans. Please take the time to review it carefully and let us know if you have any questions or changes to the coverages. Also enclosed is a Certificate of Insurance for the above policy.

Your Travelers Casualty Insurance Company of America policy, with an effective date of 12/31/2016 and a renewal date of 12/31/2017, is enclosed. An invoice for the premium will be sent by Travelers Casualty Insurance Company of America. Please send the payment directly to them.

While we'll routinely be communicating regarding your account, please plan to contact Barbara Bailey, Account Executive, or me whenever you need a change in coverage or when you might need to submit a claim. Barbara is quite familiar with your account and will personally monitor any transactions for your policies. We're certain you will find this service to be an important benefit of dealing with our agency.

Please feel free to call (970)252-8580 *any* time you have questions regarding your insurance coverages.

Sincerely,

*Barbara Bailey*  
for Clifford Hansen  
Principal



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Insurance of the San Juans 1825 E Main Street, Suite B  Montrose CO 81401	<b>CONTACT NAME:</b> Barbara Bailey <b>PHONE (A/C, No, Ext):</b> (970) 252-8580 <b>E-MAIL ADDRESS:</b> barbara@insurancesanjuans.com <b>FAX (A/C, No):</b> (970) 252-1983
<b>INSURED</b> Fairway Four Townhomes Po Box 2710  Telluride CO 81435-2710	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Travelers Casualty Insurance Company <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
	<b>NAIC #</b> 19046

**COVERAGES****CERTIFICATE NUMBER:** CL16111513859**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			6806G958449	12/31/2016	12/31/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 Hired/borrowed \$ 2,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>COMMERCIAL PROPERTY</b>			6806G958449	12/31/2016	12/31/2017	BUILDINGS - INDIVIDUAL \$1,287,500 BUILDINGS - BLANKET \$7,725,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

Fairway Four Townhomes Owners  
Association, Inc.  
c/o ASAP Accounting  
PO Box 2710  
Telluride, CO 81435

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

C Hansen/ASHLEY



INS OF THE SAN JUANS  
(970) 252-8580

**Your insurance policy is just the beginning.  
Experience the benefits of being a Travelers customer.**

For more than 160 years, we've had the privilege to insure some of America's most successful and enduring businesses. We count your business among them, and we'd like to help ensure your success for years to come by sharing our experience and expertise.

We realize that risk is a reality for every business; *the key is how you manage it*. That's why we've made it our mission to provide insurance solutions that help manage risk and protect your business. At Travelers, our experience confirms that proactive preparation is a business advantage.

Please join us and make the most of the many benefits that come with being a Travelers customer. For example:

#### **Exclusive Access**

As our customer, you have exclusive access to resources to help you prepare for – *and possibly prevent* – an unexpected disaster. These resources can help you learn how to build a business continuity plan, a must for every business, manage a supply chain and identify cyber risks. You've worked hard to build your business, don't let an unexpected incident jeopardize it.

#### **Service that Simplifies**

We know you're busy, that's why Travelers.com is the one stop to make managing your insurance easier. Travelers e-Pay gives you flexibility to review your notices and bills online, enroll in automatic recurring payments, make and schedule payments, manage your account profile and enroll multiple users to access your accounts.

#### **24/7 Claim Availability**

Running a business isn't a 9 – 5 job. That's why we're available around the clock if you ever need to file a claim.

At Travelers, we believe small business is the heartbeat of our communities, and for that, we applaud you and all the entrepreneurs across America who dare to dream.

Thank you again for choosing Travelers. On behalf of the entire team, we hope your purchase continues to bring peace of mind and confidence. Please visit [www.travelers.com/small](http://www.travelers.com/small) to take advantage of all the benefits doing business with Travelers has to offer.

All the best,

Your dedicated team at Travelers



**Report Claims Immediately by Calling\***  
**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

## **CONDOMINIUM PAC**

**CONDO - 1-4 UNITS PER FIRE DIVISION**



### **A Custom Insurance Policy Prepared for:**

**FAIRWAY FOUR TOWNHOMES  
ASSOCIATION INC  
C/O ASAP ACCOUNTING  
PO BOX 2710  
TELLURIDE CO 81435-2710**

**Presented by: INS OF THE SAN JUANS**



One Tower Square, Hartford, Connecticut 06183

## RENEWAL CERTIFICATE

**COMMON POLICY DECLARATIONS**  
CONDOMINIUM PAC  
BUSINESS: CONDO - 1-4 UNI

**POLICY NO.:** 680-6G958449-16-42  
**ISSUE DATE:** 11/04/2016

**INSURING COMPANY:**  
TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

**1. NAMED INSURED AND MAILING ADDRESS:**

FAIRWAY FOUR TOWNHOMES  
ASSOCIATION INC  
C/O ASAP ACCOUNTING  
PO BOX 2710  
TELLURIDE CO 81435-2710

**2. POLICY PERIOD:** From 12/31/2016 to 12/31/2017 12:01 A.M. Standard Time at your mailing address.

**3. LOCATIONS:**

PREM. NO.	BLDG. NO.	OCCUPANCY
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**ADDRESS** (same as Mailing Address  
unless specified otherwise)

SEE IL TO 20 02 05

**4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES**

COVERAGE PARTS AND SUPPLEMENTS	INSURING COMPANY
Businessowners Coverage Part	ACJ
Directors & Officers Coverage Supplement	ACJ

**5. The COMPLETE POLICY** consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.

**6. SUPPLEMENTAL POLICIES:** Each of the following is a separate policy containing its complete provisions.

POLICY	POLICY NUMBER	INSURING COMPANY
--------	---------------	------------------

DIRECT BILL

**7. PREMIUM SUMMARY:**

Provisional Premium	\$ 11,473.00
Due at Inception	\$
Due at Each	\$

**NAME AND ADDRESS OF AGENT OR BROKER**

**COUNTERSIGNED BY:**

INS OF THE SAN JUANS  
1825 E MAIN ST STE B

CHC46

MONTROSE

CO 81401

Authorized Representative

IL TO 25 08 01 (Page 1 of 01)

DATE: 11/04/2016

Office: DENVER CO

DOWN



One Tower Square, Hartford, Connecticut 06183

**BUSINESSOWNERS COVERAGE PART DECLARATIONS**

CONDOMINIUM PAC

POLICY NO.: 680-6G958449-16-42

ISSUE DATE: 11/04/2016

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:

From 12-31-16 to 12-31-17 12:01 A.M. Standard Time at your mailing address

FORM OF BUSINESS: CORPORATION

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

**COMMERCIAL GENERAL LIABILITY COVERAGE**

OCCURRENCE FORM	LIMITS OF INSURANCE	
General Aggregate (except Products-Completed Operations Limit)	\$	4,000,000
Products-completed Operations Aggregate Limit	\$	4,000,000
Personal and Advertising Injury Limit	\$	2,000,000
Each Occurrence Limit	\$	2,000,000
Damage to Premises Rented to You	\$	300,000
Medical Payments Limit (any one person)	\$	5,000

**BUSINESSOWNERS PROPERTY COVERAGE**

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 2,500 per occurrence.  
Building Glass: \$ 2,500 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE  
IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

MP T0 01 02 05 (Page 1 of 2)

**BUSINESSOWNERS PROPERTY COVERAGE**

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 001

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 002

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 003

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 004

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 005

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

**PREMISES LOCATION NO.:** 001

**BUILDING NO.:** 006

	<b>COVERAGE</b>		<b>LIMIT OF INSURANCE</b>		<b>VALUATION</b>		<b>COINSURANCE</b>		<b>INFLATION</b>
<b>BUILDING</b>		\$	1,287,500		RCP*		N/A		GUARD 0.0%
	*Replacement Cost Plus								

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.

POLICY NUMBER: 680-6G958449-16-42

EFFECTIVE DATE: 12/31/2016

ISSUE DATE: 11/04/2016

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

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

IL T0 19 02 05	COMMON POLICY DECLARATIONS
* IL T0 25 08 01	RENEWAL CERTIFICATE
* MP T0 01 02 05	BUSINESSOWNERS COVERAGE PART DECLARATIONS
* IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07	COMMON POLICY CONDITIONS
* IL T0 20 02 05	ADDITIONAL LOCATIONS

BUSINESSOWNERS

MP T1 30 02 05	TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART - DELUXE PLAN
MP T1 02 02 05	BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM
MP T1 03 02 05	AMENDATORY PROVISIONS CONDOMINIUM ASSOCIATION COVERAGE
* MP T3 63 03 15	POWER PAC PREMIER ENDORSEMENT
* MP T3 06 02 07	SEWER OR DRAIN BACK UP EXTENSION
MP T3 25 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
* MP T3 30 02 05	REPLACEMENT COST PLUS
MP T3 37 02 05	NON-COMPENSATED OFFICERS INCLUDED FOR EMPLOYEE DISHONESTY
* MP T3 47 10 06	EXTENDED BUSINESS INCOME
MP T3 50 11 06	EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION
MP T3 56 02 08	AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS PERSONAL PROP COV ENHANCEMENTS
* MP T1 55 02 05	EMPLOYEE DISHONESTY AND FORGERY OR ALTERATION INCREASED LIMIT
* MP T1 71 04 09	BUILDING OWNERS ENDORSEMENT
* MP T3 23 08 06	FUNGUS, ROT, BACTERIA AND OTHER CAUSES OF LOSS CHANGES

COMMERCIAL GENERAL LIABILITY

CG T0 34 11 03	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01 10 01
CG T0 59 10 91	TABLE OF CONTENTS - DIRECTORS AND OFFICERS ENDORSEMENT FORM CG D0 28
CG 00 01 10 01	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D2 37 11 03	EXCLUSION - REAL ESTATE DEVELOPMENT ACTIVITIES - COMPLETED OPERATIONS
CG D2 55 11 03	AMENDMENT OF COVERAGE - POLLUTION
CG D3 09 11 03	AMENDATORY ENDR- PRODUCTS-COMPLETED OPERATIONS HAZARD
CG D4 71 01 15	AMENDMENT OF COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY
* CG D0 28 10 91	DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT COMMUNITY ASSOCIATIONS

\* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.



POLICY NUMBER: 680-6G958449-16-42

EFFECTIVE DATE: 12/31/2016

ISSUE DATE: 11/04/2016

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D0 37 04 05	OTHER INSURANCE - ADDITIONAL INSURED
CG D1 86 11 03	XTEND ENDORSEMENT
CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
CG D4 13 04 08	AMEND COVG - POLLUTION-EQUIP EXCEPTION
* MP T1 25 11 03	HIRED AUTO AND NON-OWNED AUTO LIABILITY
CG D2 43 01 02	FUNGI OR BACTERIA EXCLUSION
CG D2 56 11 03	AMENDMENT OF COVERAGE - PROPERTY DAMAGE
CG D2 88 11 03	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG D3 26 10 11	EXCLUSION - UNSOLICITED COMMUNICATION
CG D3 56 05 14	MOBILE EQUIPMENT REDEFINED - EXCLUSION OF VEHICLES SUBJECT TO MOTOR VEHICLE LAWS
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS
CG D7 46 01 15	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION
CG D0 76 06 93	EXCLUSION - LEAD
CG D1 42 01 99	EXCLUSION - DISCRIMINATION
CG D2 42 01 02	EXCLUSION - WAR
CG T4 78 02 90	EXCLUSION - ASBESTOS

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03	LIMITATION WHEN TWO OR MORE POLICIES APPLY
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INTERLINE ENDORSEMENTS

IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 15	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T3 82 05 13	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
IL 01 25 11 13	COLORADO CHANGES - CIVIL UNION
IL 01 69 09 07	COLORADO CHANGES - CONCEALMENT, MISREPRESENTATION OR FRAUD
IL 02 28 09 07	COLORADO CHANGES - CANCELLATION AND NONRENEWAL

\* TEXT IN THIS FORM HAS CHANGED, OR THE FORM WAS NOT ON POLICY BEFORE.

ADDITIONAL LOCATIONS  
CONDOMINIUM PACPOLICY NO.: 680-6G958449-16-42  
ISSUE DATE: 11/04/2016THIS SCHEDULE OF LOCATIONS AND BUILDINGS APPLIES  
TO THE COMMON DECLARATIONS FOR THE PERIOD

12/31/2016to 12/31/2017

PREMISES LOCATION NUMBER	BUILDING NUMBER	OCCUPANCY	ADDRESS
001	001	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435
001	002	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435
001	003	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435
001	004	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435
001	005	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435
001	006	CONDO - 1-4 UNITS	308 ADAMS RANCH RD MOUNTAIN VILLAGE CO 81435

# BUSINESSOWNERS





**BUSINESSOWNERS**

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

## Power Pac Premier Endorsement

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

### SCHEDULE

Computer Fraud and Funds Transfer Fraud Limit of Insurance: \$ **NOT COVERED**

The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following **Additional Coverage** is added to paragraph **A.6.:**

#### **Blanket Coverage Limit of Insurance**

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance for the sum of all covered loss at each described premises under the coverages described in paragraphs **a.** through **d.** below. You may apportion this limit among these coverages as you choose.

Unless otherwise stated, this Blanket Coverage Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for the following coverages.

#### **a. Accounts Receivable**

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) on or away from each described premises, including while in transit, caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

This coverage applies as described in Paragraphs **A.7.a.(2)** and **A.7.a.(3)** and is subject to the provisions that apply to those Paragraphs.

#### **b. Excess Debris Removal**

- (1) Within the Blanket Coverage Limit of Insurance, we will pay your expense to remove debris of Covered Property, other

than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

- (3) When the debris removal expense exceeds the 25% limitation in **Additional Coverage – Debris Removal in Section A.6.c.(3)** or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to the Blanket Coverage Limit of Insurance for debris removal expense in any one occurrence, at each described premises.

#### **c. Spoilage Coverage**

- (1) Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph (3) below and not excluded in Paragraph (4) below.

- (2) This Additional Coverage does not apply to Perishable Stock while located:

- (a) On buildings;
- (b) In the open; or
- (c) In vehicles.

- (3) With respect to this Additional Coverage, covered cause of loss means the following:

- (a) **Breakdown or Contamination**, meaning:

- (i) Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
- (ii) Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises; or

- (b) **Power Outage**, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- (4) The following exclusions apply to this Additional Coverage:

- (a) We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (i) Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
- (ii) Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the described premises; or
- (iii) Intentional decision of an electric utility company or other source of electric power not to provide sufficient power or the

inability of such company or source to provide sufficient power, due to lack of fuel, governmental order or lack of generating capacity to meet the demand.

- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;
- (e) Paragraph **B.1.f.** War and Military Action;
- (f) Paragraph **B.1.g.** Water; and
- (g) Paragraph **B.1.h.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

- (5) With respect to this Additional Coverage, Perishable Stock means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to loss or damage if the controlled temperature or humidity conditions change.

**d. Valuable Papers and Records**

Within the Blanket Coverage Limit of Insurance, when a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for direct physical loss of or damage to "valuable papers and records" that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

This coverage applies as described in Paragraphs **A.7.s.(2)** and **A.7.s.(3)** and is subject to the provisions that apply to those Paragraphs.

With respect to property of others covered under this Additional Coverage, the owner may have other insurance covering the same

property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance.

2. With respect to **Extended Business Income**, the time frame referenced in Paragraph **A.3.c.(2)(b)** is increased from sixty consecutive days to ninety consecutive days.
3. The limit applicable to the **Additional Coverage – Arson and Theft Reward** is increased by \$25,000.
4. The limit applicable to the **Additional Coverage – Claim Data Expense** is increased from \$5,000 to \$25,000.
5. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Building is increased from \$500,000 to \$1,000,000.
6. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Business Personal Property is increased from \$250,000 to \$500,000.
7. With respect to the **Additional Coverage – Ordinance or Law**, coverage is extended to include tenant improvements and betterments as described in Paragraph **A.1.b.(3)** if:
  - (1) You are a tenant; and
  - (2) A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
8. The limit applicable to the **Additional Coverage – Outdoor Trees, Shrubs, Plants and Lawns** is increased from \$3,000 to \$5,000.
9. The following **Additional Coverages** are added to Paragraph **A.6.**:

**a. Brands or Labels**

If a limit of insurance is shown in the Declarations for Business Personal Property and if branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs **(1)** and **(2)** above.

Payments under this Additional Coverage are subject to and not in addition to the applicable Limits of Insurance.

**b. Contract Penalty Clause**

- (1) We will pay contract penalties you incur as a result of your failure to deliver your products or services within the time required under the terms of a written contract. But this Additional Coverage only applies if the failure is solely due to direct physical loss of or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.
- (2) The most we will pay under this Additional Coverage is \$1,000 for the sum of all covered contract penalties arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.

**c. Identity Fraud Expense**

- (1) We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2) With respect to this Additional Coverage:

**(a) Expenses means:**

- (i) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (iii) Lost income resulting from:
  - a) Time taken off work to complete fraud affidavits; or

- b) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;  
up to a total payment of \$5,000, subject to a maximum of \$200 per day;
  - (iv) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
  - (v) Reasonable attorney fees to:
    - a) Defend lawsuits brought against an Insured Person by merchants, vendors, suppliers, financial institutions or their collection agencies;
    - b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
    - c) Challenge the accuracy or completeness of any information in a consumer credit report;
  - (vi) Charges for long distance telephone calls to:
    - a) Merchants;
    - b) Law enforcement agencies;
    - c) Financial institutions or similar credit grantors; or
    - d) Credit agencies; or
  - (vii) Reasonable fees for professional financial advice or professional credit advice.
- (b) Identity Fraud means:**
- The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and
- (c) Insured Person means:**
- (i) For sole proprietorships;  
The individual who is the sole proprietor of the Named Insured shown in the Declarations;
  - (ii) For partnerships;  
Any individual that is a partner of the Named Insured shown in the Declarations;
  - (iii) For corporations or any other type of organization;  
The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or
  - (iv) For religious institutions;  
The individual who is the senior pastoral "employee" of the Named Insured shown in the Declarations.
- (3) The following additional exclusions apply to this Additional Coverage:**
- We will not pay for:
- (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
    - (i) An Insured Person;
    - (ii) Any person aiding or abetting an Insured Person; or
    - (iii) Any authorized representative of an Insured Person;  
whether acting alone or in collusion with others;
  - (b) Expenses incurred that are not related to the identity of an individual; or
  - (c) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of Loss other than Expenses.
  - (d) An Identity Fraud discovered during such time that an individual was not an Insured Person.
- (4)** This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
- (5)** Regardless of the amount of the Businessowners Property Coverage Deductible shown in the Declarations, the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.
- (6)** The most we will pay under this Additional



Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy beginning with the effective date of this endorsement.

- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

**d. Lease Assessment**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, we will pay for your share of any assessment charged:
- (a) To all tenants by the building owner;
  - (b) Pursuant to a written lease agreement; and
  - (c) As a result of direct physical loss or damage by a Covered Cause of Loss to building property you occupy.

- (2) The most we will pay for loss under this Additional Coverage is \$2,500 in any one occurrence.

**e. Lost Key Consequential Loss**

- (1) We will pay for consequential loss to keys and locks if a master key to buildings, rooms or compartments that are Covered Property, or house Covered Property, at the described premises is lost or damaged from a Covered Cause of Loss. We will pay for the necessary costs you incur to:
- (a) Replace keys; and
  - (b) Either:
    - (i) Readjust existing locks to accept new keys; or
    - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks.
- (2) Paragraph **B.2.h.** does not apply to this Additional Coverage, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees.
- (3) Paragraph **B.2.m.** does not apply to this

Additional Coverage.

- (4) The most we will pay for loss or damage under this Additional Coverage is \$2,500 at each described premises.

**f. Unauthorized Business Card Use**

- (1) We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge card accounts issued in your business name, including:

- (a) Fund transfer cards;
- (b) Charge plates; or
- (c) Telephone cards.

- (2) With respect to this Additional Coverage, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

- (3) The most we will pay under this Additional Coverage in any one occurrence is \$5,000, regardless of the number of premises involved.

**g. Utility Services – Direct Damage**

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".

- (2) With respect to this Additional Coverage, Paragraphs **G.3.b.** and **G.22.b** are deleted.

- (3) The most we will pay for loss or damage under this Additional Coverage is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

- (4) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

10. The following Additional Coverage is added, but only with respect to described premises to which no Ordinance or Law – Coverage A applies other than as provided under Paragraph

**A.6.k.:**

**Ordinance or Law – Coverage A – Coverage For Loss to the Undamaged Portion of the Building**

- (1) If a Limit of Insurance is shown in the Declarations for Building, in the event of damage by a Covered Cause of Loss we will pay for loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building.
- (2) The coverage provided by this Additional Coverage apply only if both (2)(a) and (2)(b) are satisfied and are then subject to the qualifications set forth in (3).

(a) The ordinance or law:

- (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(ii) Is in force at the time of loss.

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

- (b) (i) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has

also sustained covered direct physical damage.

- (3) In the situation described in (2)(b)(ii) above, we will not pay the full amount of loss otherwise payable under the terms of this Additional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this Additional Coverage.

- (4) We will not pay under this Additional Coverage for:

- (a) Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or

- (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet rot or dry rot.

**(5) Specific or Blanket Insurance**

**(a) Specific Insurance**

With respect to the building insured on a "specific insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(b)(i) and (6)(b)(ii) below.

**(b) Blanket Insurance**

With respect to the building insured on a "blanket insurance" basis that has sustained covered direct physical damage, we will pay under this Additional Coverage for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building as described in paragraph (6)(c) and (6)(d) below.

- (c) As used in this Additional Coverage, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance.

- (d) This Additional Coverage is included in the Limit of Insurance shown in the Declarations as applicable to the covered building. This Additional Coverage does not increase the Limit of Insurance.

**(6) Loss Payment**

- (a) The following loss payment provision is subject to the apportionment procedures set forth in Paragraphs (2) and (3) above.
- (b) When there is a loss in value of an undamaged portion of a building to which this Additional Coverage applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

**Specific Insurance**

- (i) If Replacement Cost coverage applies on a "specific insurance" basis and the property is being repaired or replaced, on the same or another premises, we

will not pay more than the lesser of:

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

- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

- (ii) If Replacement Cost coverage applies on a "specific insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "specific insurance" basis to real property, we will not pay more than the lesser of:

- a) The actual cash value of the building at the time of loss; or

- b) The Limit of Insurance shown in the Declarations as applicable to the covered building.

**(c) Blanket Insurance**

If Replacement Cost coverage applies on a "blanket insurance" basis and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

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

- (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered

- building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
- a) The total reported building and structure value; by
  - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (d) If Replacement Cost coverage applies on a "blanket insurance" basis and the property is not repaired or replaced, or if the optional Actual Cash Value is applicable on a "blanket insurance" basis to real property, we will not pay more than the lesser of:
- (i) The actual cash value of the building at the time of loss; or
  - (ii) The value individually stated for the covered building on the latest statement of values on file with us. If, at the time of loss, there is no statement of values on file with us or the value for the covered building or structure is not individually stated on the latest statement of values on file with us, the value of the building or structure will be determined by multiplying:
    - a) The total reported building and structure value; by
    - b) The proportion that the square footage of the individual building or structure bears to the total square footage of all buildings and structures contemplated in the total reported building and structure value.
- (7) The terms of this Additional Coverage apply separately to each building to which this Additional Coverage applies.
  - (8) Under this Additional Coverage we will not pay for loss due to any ordinance or law that:
    - (a) You were required to comply with before the loss, even if the building was undamaged; and
    - (b) You failed to comply with.
11. The following **Coverage Extensions** under Paragraph A.7. are changed as follows:
- a. **Business Income and Extra Expense From Dependent Property**
    - (1) Paragraph A.7.d.(4)(a) is replaced by the following:  
Applies to Dependent Property premises located worldwide, except within any country on which the United States government has imposed sanctions, embargoes, or any similar prohibition; and
    - (2) The limit applicable to the **Coverage Extension – Business Income and Extra Expense From Dependent Property** is increased from \$10,000 to \$50,000.
  - b. The limit applicable to the **Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises** is increased from \$250,000 to \$500,000.
  - c. The expiration days applicable to the **Coverage Extension – Newly Acquired or Constructed Property** for Business Income and Extra Expense is increased from 90 days to 180 days.
  - d. Two of the limits applicable to the **Coverage Extension – Electronic Data Processing** are changed as follows:
    - (1) The limit applicable to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media" while in transit or at premises other than the described premises is increased from \$25,000 to \$75,000.
    - (2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from \$25,000 to \$50,000.
  - e. The limit applicable to the **Coverage Extension – Non-owned Detached Trailers** is in-

creased from \$5,000 to \$25,000.

- f. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased from \$25,000 to \$50,000.

**12. The following Coverage Extensions are added to Paragraph A.7.:**

**a. Business Income and Extra Expense at Client or Virtual Office Premises**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your business activities occurring at a "client or virtual office premises" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at a "client or virtual office premises".

- (2) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph G. **PROPERTY DEFINITIONS** is replaced by the following:

**"Period of Restoration"** means the period of time that:

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the "client or virtual office premises"; and
- (b) Ends on the earlier of:
  - (i) The date when the property at the "client or virtual office premises" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii) The date when "client or virtual office premises" is resumed at a new permanent location; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
  - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or

- (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- (3) This Coverage Extension applies to "client or virtual office premises" located within the Coverage Territory.

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities at a "client or virtual office premises" in whole or in part, by using any other available:

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

- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:

- (a) At the premises of a "dependent property";
- (b) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies; or

- (c) In the due course of transit.

- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.

- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**b. Business Personal Property at Client or Virtual Office Premises**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property caused by or resulting from a Covered Cause of Loss while such property is located at a "client or virtual office premises".

- (2) This Coverage Extension also applies to personal property that is:

(a) Owned by an "employee"; and

(b) Used for your business;

while such property is located at a "client or virtual office premises" and sustains direct physical loss or damage caused by or resulting from a Covered Cause of Loss.

- (3) This Coverage Extension does not apply to property:

(a) Otherwise covered under the following Additional Coverages;

(i) Blanket Coverage Limit of Insurance - Accounts Receivable;

(ii) Blanket Coverage Limit of Insurance Valuable Papers and Records; or

(iii) Fine Arts.

(b) Otherwise covered under the following Coverage Extensions:

(i) Accounts Receivable;

(ii) Business Personal Property Off Premises;

(iii) Electronic Data Processing;

(iv) Sales Representative's Samples; or

(v) Valuable Papers and Records.

- (4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 regardless of the number of "client or virtual office premises" involved.

- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

**c. Civil Authority – Homicide or Suicide**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises due to a homicide or suicide occurring at such premises.

- (2) The coverage for Business Income and

Extra Expense will begin immediately after the time of that action and will apply for a period of one week after coverage begins.

**d. Computer Fraud and Funds Transfer Fraud**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to:

(a) Loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":

(i) To a person (other than a "messenger") outside those premises; or

(ii) To a place outside those premises.

(b) Loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account".

- (2) With respect to the coverage provided by this Coverage Extension, Paragraph B. Exclusions is amended as follows:

(a) Paragraph B.2.o. does not apply.

(b) Paragraph B.2.i. does not apply.

(c) The following exclusion is added:

We will not pay for loss or damage caused by or resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

- (3) With respect to this Coverage Extension, occurrence means an act or series of related acts involving one or more persons; or an act or event, or a series of related acts or events not involving any person is considered one occurrence.

- (4) The most we will pay under this Coverage Extension in any one occurrence is the limit of insurance shown in the above schedule, regardless of the number of premises involved.

**e. Covered Leasehold Interest – Undamaged Improvements and Betterments**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest as tenant in improvements and betterments, as defined in Section A.1.b.(3) of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:

- (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
- (b) Be permitted in accordance with the conditions of your written lease agreement.

(2) The most we will pay in any one occurrence under this Coverage Extension is:

- (a) The applicable Business Personal Property Limit of Insurance; or
  - (b) \$25,000;
- whichever is less.

**f. Deferred Payments**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to your interest in such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:

- (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
- (b) Caused by a Covered Cause of Loss; the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

(2) The value of your loss under this Coverage Extension will be determined as follows:

(a) In the event of partial loss to property, the value of your loss will be:

- (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
- (ii) The actual cash value of the repossessed damaged property.

(b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

(3) The following is added to **A.2. Property And Costs Not Covered**, but only with respect to this Coverage Extension.

Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;

(4) The most we will pay in any one occurrence under this Coverage Extension is \$25,000.

**g. Limited Building Coverage – Tenant Obligation**

(1) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".

(2) This Coverage Extension does not apply to any otherwise covered:

- (a) Building glass; or
- (b) Tenants improvements and betterments as described in Paragraph A.1.b.(3).

(3) The most we will pay under this Cover-

age Extension in any one occurrence is \$50,000 at each described premises.

**h. Personal Property In Transit Outside of the Coverage Territory**

- (1) When the Declarations show that you have coverage for Business Personal Property you may extend that insurance to apply to direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss in transit anywhere in the world outside of the Coverage Territory provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.
- (2) If property covered under this Coverage Extension is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.
- (3) Subject to the Limit of Insurance indicated in paragraph (10) below we will also pay for:
  - (a) Any general average or salvage charges you incur with respect to losses to covered waterborne shipments;
  - (b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and
  - (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your "employees" or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.
- (4) The following exclusion is added to paragraph B.2. but only with respect to coverage provided by this Coverage Extension: Electrical and/or Mechanical Derangement.
- (5) Paragraphs B.1.b. and B.1.g. do not apply to this Coverage Extension.

- (6) The following is added to paragraph B.2.h. and B.2.m. but only with respect to coverage provided by this Coverage Extension:

This exclusion does not apply to property in the custody of a carrier for hire.

- (7) The following is added to paragraph B.2.i. but only with respect to coverage provided by this Coverage Extension:

This exclusion does not apply to insurance covered under this Coverage Extension if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.

- (8) This Coverage Extension does not apply to property otherwise covered under the following:

- (a) Overseas Fine Arts Additional Coverage;
- (b) Electronic Data Processing Coverage Extension;
- (c) Overseas Business Travel or Business Personal Property at Client or Virtual Office Premises Overseas Coverage Extension;
- (d) Overseas Valuable Papers and Records Coverage Extension; or
- (e) Personal Property In Transit Outside of the Coverage Territory Coverage Extension once the property has been accepted for delivery at its final destination.

- (9) The following is added to A.2. **Property And Costs Not Covered**, but only with respect to this Coverage Extension. Covered Property does not include:

- (a) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
- (b) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
- (c) Property while in the following areas:  
Afghanistan, Burma (Myanmar), Cuba, Iran, Iraq, Jordan, Kenya, Lebanon, Libya, Nigeria, North Korea,



Pakistan, Republic of Yemen, Somalia, Sudan, Syria, Russia, the Commonwealth of Independent States (C.I.S.) and countries that formerly comprised the U.S.S.R;

- (d) Property in transit while over land in Mexico; or
  - (e) Shipments by a government postal service except by registered mail.
- (10) The most we will pay under this Coverage Extension is \$5,000 for the sum of all covered losses arising out of all Covered Causes of Loss occurring during each policy period beginning with the effective date of this endorsement. This amount applies regardless of the number of locations involved.
- (11) Paragraph E.4.e.(10) with respect to this Coverage Extension is replaced with the following:
- Personal property in transit at:
- (a) The amount of invoice; or
  - (b) In the absence of an invoice, the least of the following:
    - (i) The value of the Covered Property;
    - (ii) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
    - (iii) The cost of replacing that property with substantially the same property; plus
  - (c) The amount of any prepaid freight charges and other shipping costs or charges that are incurred while the property is in transit.
- (12) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.
- i. Property in Transit**
- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused

by or resulting from a Covered Cause of Loss to Covered Property while in the due course of transit at your risk within the Coverage Territory.

- (2) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to:
  - (a) Shipments by a government postal service, except by registered mail;
  - (b) Export shipments once:
    - (i) The shipment is loaded onboard the export conveyance; or
    - (ii) Coverage under an Ocean Marine or other insurance policy covering the shipment begins; whichever is earlier;
  - (c) Import shipments until:
    - (i) The shipment is unloaded from the importing conveyance; or
    - (ii) Coverage under an Ocean Marine or other insurance policy covering the property ends; whichever is later;
  - (d) Property of others for which you are responsible while acting as a common or contract carrier, freight forwarder, freight consolidator, or freight broker or public warehouseman;
  - (e) Property within a conveyance or container caused by "theft" while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the "theft" is by forcible entry of which there is visible evidence; or
  - (f) The transporting conveyance.
- (3) With respect to this Coverage Extension, the "period of restoration" definition under Paragraph G. **PROPERTY DEFINITIONS** is replaced by the following:
 

**"Period of Restoration"** means the period of time that:

  - (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss in the due course of transit;
  - (b) Ends on the date when the property

in the due course of transit should be repaired, rebuilt or replaced with reasonable speed and similar quality; and

- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
  - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- (4) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume your business activities in the due course of transit in whole or in part, by using any other available:
  - (a) Source of materials; or
  - (b) Outlet for your products.
- (5) This Coverage Extension does not apply to loss caused by or resulting from loss or damage to property:
  - (a) At the premises of a "dependent property";
  - (b) At any location to which the Business Income and Extra Expense at Client or Virtual Office Premises Coverage Extension applies; or
  - (c) At any location to which the Business Income and Extra Expense Newly Acquired Premises Coverage Extension applies.
- (6) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$25,000. This limit applies regardless of the number of locations involved.
- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

**j. Sales Representative's Samples**

- (1) When a Limit of Insurance is shown in the

Declarations for Business Personal Property, you may extend that insurance to apply to:

- (a) Samples of your stock in trade (including containers); and
- (b) Similar property of others;

while such property is in the custody of your sales representatives, or agents, or yourself while acting as a sales representative, including while in transit.

- (2) We will not pay for loss or damage caused by "theft" of Covered Property from an unattended vehicle. But we will pay for "theft" of Covered Property from an unattended vehicle if at the time of the "theft", all the vehicle's doors, windows and compartments were closed and locked and there are visible signs that the "theft" was a result of forced entry.
- (3) The most we will pay for loss or damage for property in the custody of any one sales representative in any one occurrence is \$25,000.

**k. Undamaged Parts of Stock in Process**

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to the reduction in value of the undamaged remaining parts of "stock" which becomes unmarketable when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock".
- (2) The most we will pay under this Coverage Extension in any one occurrence is \$25,000.

**l. Utility Services – Time Element**

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
  - (a) "Water Supply Services";
  - (b) "Communication Supply Services"; or

(c) "Power Supply Services".

- (2) We will only pay for loss of Business Income you sustain and Extra Expense you incur after 48 consecutive hours following the direct physical loss or damage to the following property not on the described premises;

- (a) "Water Supply Services";  
 (b) "Communication Supply Services"; or  
 (c) "Power Supply Services".

This Coverage Extension does not apply to any reduction of income after service has been restored to your premises.

- (3) With respect to this Coverage Extension, Paragraphs **G.3.b** and **G.22.b** are deleted.
- (4) The most we will pay for loss under this Coverage Extension is \$25,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

**m. Water or Sewage Back Up and Sump Overflow**

- (1) When the Declarations show that you have coverage for Building or Business Personal Property, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (2) When the Declarations show that you have coverage for Business Income and Extra Expense, you may also extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by or resulting from water or sewage that backs up or overflows from a sewer, drain or sump that is inside a building at the described premises.
- (3) Paragraph **B.1.g.(3)** does not apply to this Coverage Extension.
- (4) The most we will pay under this Coverage Extension in any one occurrence is \$25,000, regardless of the number of de-

scribed premises involved. Amounts payable under any coverage, including any Additional Coverage or Coverage Extension, do not increase this limit.

**13. The following is added to Paragraph E. PROPERTY LOSS CONDITIONS:**

**Pairs, sets or parts:**

- (1) In case of loss to any part of a pair or set we may at our option:
- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
- (b) Pay the difference between the value of the pair or set before and after the loss.
- (2) In case 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.

**14. The following is added to Paragraph F. COMMERCIAL PROPERTY CONDITIONS:**

**Unintentional Errors In Description**

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

**15. The following definitions are added to Paragraph G. PROPERTY DEFINITIONS:**

- a. "Client or Virtual Office Premises" means the interior of that portion of any building occupied by an "employee", including:

- (1) An "employee's" residence; or  
 (2) A client's business location.

Client or virtual office premises does not include any location that is described in the Declarations or reported to or accepted by us for coverage under this Coverage Form.

- b. "Fraudulent instruction" means:

- (1) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- (2) A written instruction (other than those described in Paragraph **A.6.i.**) issued by you, which was forged or altered by

someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

- (3) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.
- c. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- d. **"Messenger"** means you, or a relative of yours, or any of your partners or "members",

or any "employee" while having care and custody of property outside the premises.

- e. **"Transfer account"** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
  - (1) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - (2) By means of written instructions (other than those described in Paragraph A.6.i.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.



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

## **REPLACEMENT COST PLUS**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM**

### **A. SCHEDULE**

**Premises  
Location  
Number**

**Building  
Number**

**ALL**

**ALL**

### **B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:**

**1.** For the described premises shown in the schedule above, Paragraph **E.4.e.(1)** is replaced by the following, but only with respect to building valuation:

**(1)** At replacement Cost (without deduction for depreciation).

**(a)** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

**(b)** We will not pay on a replacement cost basis for any loss or damage:

**(i)** Until the lost or damaged property is actually repaired or replaced; and

**(ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

**(c)** We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs **(i)**, **(ii)** or **(iii)** subject to Paragraph **(d)** below:

**(i)** The cost to replace, on the same premises, the lost or damaged property with other property:

**a)** Of comparable design, material and quality; and

**b)** Used for the same purpose;

**(ii)** The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

**(iii)** Up to 125% of the Limit of Insurance shown in the Declarations for Building at the described premises.

If a building is rebuilt at a new premises, the cost described in Paragraph **(i)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

**(d)** The cost of repair or replacement does not include the increased cost

attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

- (e) Paragraph F.10. does not apply to buildings at the described premises shown in the schedule above.
2. The following condition is added with respect to this endorsement:

## REPORTING PROVISIONS

**You agree to report to us, within 90 days of the start of construction or acquisition, the full replacement cost of:**

- a. Additions to or alterations of the above buildings;**
- b. Personal property owned by you to maintain or service the above building or premises; and**
- c. Permanently attached fixtures, machinery and equipment.**

If you do not do so and the total replacement cost of such unreported items is more than \$10,000, any loss occurring thereafter will be adjusted with a penalty equal to the percentage that the total replacement cost of the unreported items bears to the total replacement cost of the building at the time of loss.



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

## **EXTENDED BUSINESS INCOME**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

1. With respect to **Extended Business Income** under **Business Income and Extra Expense**, the time frame referenced in Paragraph A.3.c.(2)( b) is increased by 90 consecutive days.



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

## **EMPLOYEE DISHONESTY AND FORGERY OR ALTERATION INCREASED LIMIT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

**A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:**

- 1. The limit applicable to the Additional Coverage – Employee Dishonesty is increased from \$25,000 to \$ 150,000.**
- 2. The limit applicable to the Additional Coverage – Forgery or Alteration is increased from \$25,000 to \$ 150,000.**



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

## BUILDING OWNERS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

### SCHEDULE

Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.	Prem. Loc. No.	Bldg. No.
001	001	001	002	001	003	001	004	001	005
001	006								

Schedule of Limits of Insurance under Paragraph **A.2.** of this endorsement:

\$ 250,000 in any one occurrence at each described premises

\$ 250,000 in any one occurrence regardless of the number of described premises involved

**A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:**

1. The limit applicable to the **Additional Coverage – Debris Removal**, as referenced in Paragraph **A.6.c.(4)**, is increased from \$25,000 to \$50,000.

2. Paragraph **A.6.k.(6)** is replaced by the following:

(6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is the amount shown in the above Schedule, at each described premises. But, we will not pay more than the amount shown in the above Schedule, in any one occurrence regardless of the number of described premises involved.

3. The following **Additional Coverages** are added:

**a. Lessor's Leasehold Interest**

- (1) We will pay for the cost of Covered Leasehold Interest you sustain due to the cancellation of lease contracts by your tenants. The cancellation must result from direct physical loss of or damage to your Covered Property at

the premises described in the Schedule above caused by or resulting from a Covered Cause of Loss during the term of the policy.

**(2) Covered Leasehold Interest:**

(a) Means the difference between the:

- (i) Rent you were collecting at the described premises prior to the loss; and
- (ii) "Rental Value" of the described premises after loss or damage has been repaired or rebuilt; and

(b) Does not mean refunds or rebates of:

- (i) Prepaid rent;
- (ii) Security or other deposits made by your tenants; or
- (iii) Insurance, taxes or other payments made on your behalf by tenants.

- (3) The most we will pay under this Additional Coverage is the smallest of:

(a) Your Covered Leasehold Interest for the 12 months immediately

following the "Period of Restoration" plus the 60 days of Extended Business Income but ending with the normal expiration date of each cancelled lease; or

- (b) \$25,000 for all Covered Leasehold Interest of all your tenants canceling their leases arising out of an occurrence at a described premises.

**b. Tenant Move Back Expenses**

- (1) We will reimburse you for expenses you pay for Covered Move Back Costs of your tenants who temporarily vacate a portion of the building at the premises described in the Schedule above. The vacancy must have occurred while the portion of the building rented by your tenant could not be occupied due to direct physical loss of or damage to your Covered Property caused by or resulting from a Covered Cause of Loss during the term of the policy. The move back must take place within 60 days after the portion of the building rented by your tenant has been repaired or rebuilt and is ready for occupancy.
- (2) Covered Move Back Costs means only documented, reasonable and necessary costs of:
  - (a) Packing, insuring and transporting business personal property;
  - (b) Re-establishing electric utility and communication services, less refunds from discontinued services;
  - (c) Assembling and setting up fixtures and equipment; or

- (d) Unpacking and reshelving stock and supplies.

- (3) If your tenants have valid and collectible insurance for Covered Move Back Costs, we will pay only for the amount of Covered Move Back Costs in excess of the amount payable from such other insurance.
- (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of an occurrence at a described premises.

**c. Utility Services – Direct Damage**

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
    - (a) "Water Supply Services";
    - (b) "Communication Supply Services"; or
    - (c) "Power Supply Services".
  - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$10,000 at each described premises.
  - (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
4. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased by \$50,000.



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

## **FUNGUS, WET ROT, DRY ROT AND OTHER CAUSES OF LOSS CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS PROPERTY COVERAGE PART**

### **A. SCHEDULE**

**Limited "Fungus", Wet Rot or Dry Rot Coverage:**

**Direct Damage Limit of Insurance**

\$15,000    **OR**    ☐ \$25,000    ☒ \$50,000    ☐ \$100,000    ☐ \$250,000

**B. The EXCLUSIONS contained in Section B. of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:**

**1. The following exclusion is added to B.1.:**

**"Fungus", Wet Rot or Dry Rot**

- a. We will not pay for loss or damage, or any increase in the amount of loss or damage, caused directly or indirectly by or resulting from the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot.**

But if "fungus", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

**(1) When "fungus", wet rot or dry rot results from fire or lightning; or**

**(2) To the extent that coverage is provided in the Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot in Section C.1. below of this endorsement with respect to loss or damage by a cause of loss other than fire or lightning.**

**2. The exclusions contained in B.2. are amended as follows:**

**a. Under exclusion B.2.d.(2), reference to fungus, wet rot or dry rot, mold is deleted.**

**b. Exclusion B.2.f. is deleted and replaced by the following:**

We will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity,

moisture or vapor that occurs over a period of 14 days or more.

**C. The Additional Coverages contained in Section A.6. of the BUSINESSOWNERS PROPERTY COVERAGE FORM are amended as follows:**

**1. The following Additional Coverage is added:**

**Additional Coverage – Limited "Fungus", Wet Rot or Dry Rot**

**a. The coverage described in b. and c. below only applies when the "fungus", wet rot or dry rot is the result of a "specified cause of loss", other than fire or lightning, that occurs during the policy period and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.**

**b. Limited "Fungus", Wet Rot or Dry Rot – Direct Damage**

**(1) We will pay for direct physical loss or damage to Covered Property caused by "fungus", wet rot or dry rot, including:**

**(a) The cost of removal of the "fungus", wet rot or dry rot;**

**(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and**

**(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that**

"fungus", wet rot or dry rot are present.

- (2) The coverage described in b.(1) above is limited to \$15,000, or the limit of insurance shown in the Schedule of this endorsement for Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage under this coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet rot or dry rot, we will not pay more than a total of this annual limit even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.
  - (3) The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet rot or dry rot, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the Covered Property.
  - (4) If there is covered loss or damage to Covered Property that is not caused by "fungus", wet rot or dry rot, loss payment will not be limited by the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage, except to the extent that "fungus", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited "Fungus", Wet Rot or Dry Rot Coverage – Direct Damage.
- c. Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense
- The following Limited "Fungus", Wet Rot or Dry Rot Coverage provisions for Business Income and Extra Expense apply only if Business Income and/or Extra Ex-

pense coverage applies to the described premises and only if the suspension of "operations" satisfies all of the terms of the applicable Business Income and/or Extra Expense coverage:

- (1) If the loss which results in the "fungus", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (2) If a covered suspension of "operations" is caused by loss or damage at the described premises by other than "fungus", wet rot or dry rot, but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay, regardless of when such a delay occurs during the "period of restoration", but such coverage is limited to 30 days. The days need not be consecutive.

The coverage provided under this Limited "Fungus", Wet Rot or Dry Rot Coverage – Business Income and Extra Expense is included in, and not in addition to any limit or description of coverage for Business Income shown on the Businessowners Coverage Part Declarations or under the Extra Expense Additional Coverage.

- d. The terms of this Limited Coverage do not increase or reduce the coverage under the Water Damage, Other Liquids, Powder or Molten Damage Additional Coverage Extension or the coverage provided for collapse of buildings or structures under the Collapse of Buildings exclusion.
- D. The DEFINITIONS contained in Section G. are amended as follows:
1. The definition of "Specified Causes of Loss" is deleted and replaced by the following:  
"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil

commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse as defined below; volcanic action; falling objects as limited below; weight of snow, ice or sleet; and water damage as defined below; all only as otherwise insured against in this Coverage Form.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this policy, "specified causes of loss" also includes such cause of loss, but

only to the extent such cause of loss is insured against under this Coverage Form.

2. The following definition is added:

**"Fungus"** means any type or form of fungus, including but not limited to mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**E. Ordinance or Law Coverage Change**

Under:

1. The ordinance or law coverage in Section A.6.i. Increased Cost of Construction of the Businessowners Property Coverage Form;
2. Ordinance or Law Coverage endorsement MP T1 35; and
3. Any other Ordinance or Law coverage or Ordinance or Law – Increased "Period of Restoration" coverage provided under this Coverage Part;

the following exclusion is added:

This coverage does not apply to:

- a. Loss caused by or resulting from the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot; or
- b. Costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus", wet rot or dry rot.

## GENERAL LIABILITY





## **GENERAL LIABILITY**



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

## **DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT COMMUNITY ASSOCIATIONS**

THIS ENDORSEMENT PROVIDES CLAIMS MADE COVERAGE. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF INSURANCE. PLEASE READ THE ENTIRE FORM CAREFULLY.

### **DECLARATIONS:**

1. Named Insured: **FAIRWAY FOUR TOWNHOMES  
ASSOCIATION INC**
2. Address: **PO BOX 2710  
  
TELLURIDE CO 81435-2710**
3. Coverage Period: **12/31/2016 to 12/31/2017**
4. Limit of Insurance: \$ **1,000,000** Each Claim  
\$ **1,000,000** Aggregate
5. Premium: \$ **INCLUDED**
6. Special Provisions, if any:

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in Item 1 of the Declarations above, and any other person or organization qualifying as a Named Insured under this endorsement. The words "we," "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

### **PROVISIONS**

#### **I. Insuring Agreement – Directors and Officers Condominium and Community Associations Liability**

- A.** We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of any "wrongful act" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "wrongful act" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay is limited as described in LIMITS OF INSURANCE (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance by any payment, including but

not limited to any payment toward judgment, settlement or "defense expense."

- B.** This insurance applies to "wrongful acts" committed at any time prior to the end of the coverage period, but only if:

- (1) The "wrongful act" took place in the "coverage territory"; and
- (2) A claim for compensatory damages because of the "wrongful act" is first made against any insured, in accordance with paragraph C. below, during the coverage period or any Extended Reporting Period we provide under CONDITIONS-Extended Reporting Period (Section IV).

- C.** A claim by a person or organization seeking compensatory damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim is received by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph A. above.

All claims arising out of the same or related "wrongful acts" will be deemed to have been made at the time the first of these claims is made against any insured.

**D. Exclusions**

The insurance provided by this endorsement does not apply to:

- (1) "Bodily injury," "property damage," "personal injury," or "advertising injury."
- (2) Punitive or exemplary damages.
- (3) Damages resulting from:
  - a. "Wrongful acts" which result in any insured gaining personal profit, remuneration or advantage to which such insured is not legally entitled.
  - b. Any dishonest, fraudulent, criminal or malicious act, error or omission committed by or with the knowledge or consent of any insured.
  - c. The failure of any person to effect or maintain acceptable amounts, forms, conditions or provisions of any insurance or bonds.
  - d. Any violation of the Employee Retirement Income Security Act of 1974, the Pension Reform Act of 1974, or similar provisions of any Federal, state or local statutory or common law.
  - e. Operations (including but not limited to construction, design, survey and engineering services) performed by or on behalf of the builder, sponsor or developer of the property designated in the Declarations.
  - f. The failure of any insured to enforce the rights of the Named Insured against the builder, sponsor or developer of the property designated in the Declarations.
  - g. Discrimination.
  - h. The "wrongful act" of any developer/sponsor who is an officer or

member of the condominium, or other community association, board of directors.

- i. Any claim or "suit" made by any insured against another insured.
  - j. Employment-related practices, policies, acts or omissions.
- (4) Damages resulting from:
- a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" or asbestos.
  - b. Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" or asbestos.
  - c. Any claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants" or asbestos.
- "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
- (5) Damages resulting from:
- a. Any claim made or "suit" brought prior to or pending as of the inception date of the coverage period, as shown in the Declarations. However, if this insurance is a renewal of the same or similar coverage provided by us, this exclusion applies to claims made or "suits" brought prior to or pending as of the date such coverage was first provided by us.
  - b. Any subsequent claims made or "suits" brought which arise from or are based upon substantially the same matters as alleged in the pleadings of such prior or pending claims or "suits."

- c. Any act of any insured which gave rise to such prior or pending claim or "suit."
- d. Any claim or "suit" which may be reasonably anticipated as of the inception date of the coverage period, as shown in the Declarations.

## II. WHO IS AN INSURED

- A. If you are named in Item 1 of the Declarations above, you are an insured.
- B. Your directors, trustees or officers are also insureds, but only while acting within the scope of their duties for you. This includes:
  - 1. Those who currently are directors, trustees or officers;
  - 2. Those who were directors, trustees or officers when the "wrongful act" took place;
  - 3. Those who become directors, trustees or officers after the effective date of this insurance, but only for subsequent "wrongful acts."
- C. Your employees and members are insureds, but only while acting at your direction and within the scope of their duties for you.

## III. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - 1. Insureds;
  - 2. Claims made or "suits" brought;
  - 3. Persons or organizations making claims or bringing "suits."
- B. The Limit of Insurance shown in the Declarations above as "Aggregate" is the most we will pay for all damages and "defense expense" for all claims made during the Coverage Period shown in the Declarations.
- C. Subject to B. above, the Limit of Insurance shown as "Each Claim" is the most we will pay for damages and "defense expense" arising out of any one claim. For the purposes of determining the Limit of Insurance, all claims arising out of the same or related "wrongful acts" will be considered as one claim.

## IV. CONDITIONS

### A. Extended Reporting Period.

- 1. If this insurance is canceled or nonrenewed for any reason other than nonpayment of premium, we will provide an Extended Reporting Period of one year. This Extended Reporting Period does not extend the coverage period or change the scope of coverage provided. It applies only to claims for "wrongful acts" committed before the end of the coverage period.
- 2. The Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.
- 3. The Extended Reporting Period does not reinstate or increase the Limits of Insurance.

### B. Bankruptcy.

Bankruptcy or insolvency on the part of the insured will not relieve us of our obligations under this insurance.

### C. Insured's Duties In The Event Of A Wrongful Act, Claim Or Suit.

- 1. In the event of a "wrongful act", you must see to it that we are notified as soon as is practicable. To the extent possible, notice should include:
  - a. How, when and where the "wrongful act" took place;
  - b. The nature of the "wrongful act"; and
  - c. The names and addresses of injured parties and witnesses.

Notice of such a "wrongful act" does not constitute notice of a claim.
- 2. If a claim is received by any insured, you must immediately record the specifics of the claim and the date received, and notify us immediately. Written notice should be provided as soon as is practicable.
- 3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a "suit";

- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation of any "wrongful act," or the investigation, settlement or defense of the claim or "suit"; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to any insured because of damages to which this insurance applies.

- 4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

**D. Legal Action Against Us.**

No person or organization has a right under this insurance:

- 1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- 2. To sue us on this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**E. Other Insurance.**

This insurance is excess over any other valid and collectible insurance available to any insured, whether primary, excess, contingent, or on any other basis, unless such other insurance was purchased specifically to be excess over the limits of insurance this insurance provides.

**F. Changes.**

This endorsement contains all of the agreements between you and us concerning the insurance afforded under this endorsement. The first Named Insured shown in the Declarations is authorized to make changes in the

terms of this insurance with our consent. This endorsement's terms can be amended or waived only by endorsement issued specifically to amend this insurance.

**G. Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**H. Conformity To Statute.**

The terms of this insurance which are in conflict with the statutes of the state wherein this insurance is delivered are hereby amended to conform to such statutes.

**I. Representations.**

By accepting this insurance you agree:

- 1. The statements in the application are accurate and complete;
- 2. Those statements are based upon representations you made to us; and
- 3. We have issued this insurance in reliance upon your representations.

**V. DEFINITIONS**

- A.** "Advertising injury" means injury arising out of one or more of the following offenses:

- 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- 2. Oral or written publication of material that violates a person's right of privacy;
- 3. Misappropriation of advertising ideas or style of doing business; or
- 4. Infringement of copyright, title or slogan.

- B.** "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- C.** "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

- D.** "Defense expense" means fees charged by (an) attorney(s) designated or approved in writing by us and all other fees, costs, and expenses resulting from the investigation, ad-

justment, defense and appeal of a claim, "suit" or proceeding arising in connection therewith, if incurred by us or by an insured with our written consent.

- E. "Personal injury means injury, other than "bodily injury," arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
  2. Malicious prosecution;
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
  4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
  5. Oral or written publication of material that violates a person's right of privacy.
- F. "Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property;
  2. Loss of use of tangible property that is not physically injured; or
  3. Diminution of property value.
- G. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:
1. An arbitration proceeding in which such 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 such damages are claimed and to which you submit with our consent.
- H. "Wrongful act" means any actual or alleged error, mistake, misstatement or misleading statement, act, omission or neglect or breach of duty by any insured.



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

## **HIRED AUTO AND NONOWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **SCHEDULE**

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

#### **COVERAGE**

Hired Auto Liability

#### **ADDITIONAL PREMIUM**

\$ INCLUDED

Nonowned Auto Liability

\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

### **PROVISIONS**

#### **A. COVERAGE**

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

#### **B. EXCLUSIONS**

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions **a., b., d., e., f. and i.** and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:

- a. "Bodily injury" to:
  - (1) Any fellow "employee" of the insured arising out of and in the course of:
    - (a) Employment by the insured; or
    - (b) Performing duties related to the conduct of the insured's business.
- b. "Property damage" to:
  - (1) Property owned or being transported by, or rented or loaned to the insured; or
  - (2) Property in the care, custody or control of the insured.

#### **C. WHO IS AN INSURED**

**Section II – Who Is An Insured** is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

- 1. You;
- 2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
  - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
  - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
  - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
  - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
  - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
  - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

**D. AMENDED DEFINITIONS**

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph f.:

Paragraph f. does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

**E. ADDITIONAL DEFINITIONS**

**Section V – Definitions** is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
  - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
  - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".