



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

KUSKYRE

DATE (MM/DD/YYYY)
5/08/2020

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

PRODUCER NAME, CONTACT PERSON AND ADDRESS Hylant - Southeast Michigan 24 Frank Lloyd Wright Dr, Ste J4100 Ann Arbor, MI 48105	PHONE (A/C, No, Ext): (734) 741-0044	COMPANY NAME AND ADDRESS Travelers Casualty Ins Co Amer One Tower Square Hartford, CT 06183	NAIC NO: 19046
Contact name:		IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
FAX (A/C, No): (734) 741-1850	E-MAIL ADDRESS: AnnArbor-office@hylant.com		
CODE: OXW038	SUB CODE:	POLICY TYPE Business Owners Policy	
AGENCY CUSTOMER ID #: KILWCHO-01	LOAN NUMBER		POLICY NUMBER 6801H447146
NAMED INSURED AND ADDRESS Kilwins Chocolate Shoppe 107 E Liberty #109 Ann Arbor, MI 48104	EFFECTIVE DATE 5/22/2020	EXPIRATION DATE 5/22/2021	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
ADDITIONAL NAMED INSURED(S)	THIS REPLACES PRIOR EVIDENCE DATED:		

PROPERTY INFORMATION (ACORD 101 may be attached if more space is required) BUILDING OR BUSINESS PERSONAL PROPERTY

LOCATION / DESCRIPTION
Loc # 1, Bldg # 1, 107-109 E Liberty St, Ann Arbor, MI 48104, 107-109 E Liberty St Ann Arbor Mi

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 EVIDENCE OF PROPERTY INSURANCE 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.

COVERAGE INFORMATION	PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$ 390,000				DED: 500
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE	YES	NO	N/A	If YES, LIMIT: <input checked="" type="checkbox"/> Actual Loss Sustained; # of months: 12
BLANKET COVERAGE				If YES, indicate value(s) reported on property identified above: \$
TERRORISM COVERAGE				Attach Disclosure Notice / DEC
IS THERE A TERRORISM-SPECIFIC EXCLUSION?				
IS DOMESTIC TERRORISM EXCLUDED?				
LIMITED FUNGUS COVERAGE				If YES, LIMIT: DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)				
REPLACEMENT COST	<input checked="" type="checkbox"/>			
AGREED VALUE				
COINSURANCE		<input checked="" type="checkbox"/>		If YES, 0%
EQUIPMENT BREAKDOWN (If Applicable)	<input checked="" type="checkbox"/>			If YES, LIMIT: DED:
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg				If YES, LIMIT: DED:
- Demolition Costs				If YES, LIMIT: DED:
- Incr. Cost of Construction				If YES, LIMIT: DED:
EARTH MOVEMENT (If Applicable)				If YES, LIMIT: DED:
FLOOD (If Applicable)				If YES, LIMIT: DED:
WIND / HAIL INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:				If YES, LIMIT: DED:
NAMED STORM INCL <input type="checkbox"/> YES <input type="checkbox"/> NO Subject to Different Provisions:				If YES, LIMIT: DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS				

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

ADDITIONAL INTEREST

CONTRACT OF SALE	LENDER'S LOSS PAYABLE	LOSS PAYEE	LENDER SERVICING AGENT NAME AND ADDRESS
MORTGAGEE			
NAME AND ADDRESS Kilwins Chocolates Franchise Inc & Kilwin's Quality Confections Inc 150 Bay View Road Petoskey, MI 49770			AUTHORIZED REPRESENTATIVE <i>Mill M. Zelt</i>

**ADDITIONAL REMARKS SCHEDULE**

AGENCY Hylant - Southeast Michigan		NAMED INSURED Kilwins Chocolate Shoppe 107 E Liberty #109 Ann Arbor, MI 48104	
POLICY NUMBER 6801H447146			
CARRIER Travelers Casualty Ins Co Amer	NAIC CODE 19046	EFFECTIVE DATE: 05/22/2020	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 28 FORM TITLE: EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

Special Conditions:

Includes Restaurant and Persishable Goods Premier Endorsement- MP T3 66 08 15- Food Contamination \$25,000

Remarks:

Restaurant and Perishable Goods Premiere Endorsement MP T3 66 08 15 (attached)

Spoilage Included per MP T3 66 08 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Restaurant and Perishable Goods 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: \$ 10,000

Food Contamination Costs Limit of Insurance: \$ 25,000

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 c. 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. 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.



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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



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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. Theft of Clients' Property Coverage

- (1) If **Additional Coverage – Employee Dishonesty** is provided within this Coverage Form, the following coverage is added and is subject to the **Additional Coverage – Employee Dishonesty** provisions:

Theft Of Clients' Property Coverage

We will also pay for loss of or damage to "money", "securities" and "other property" sustained by your "client" resulting directly from "theft" committed by any of your "employees", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- (a) That your "client" owns or leases; or
- (b) That your "client" holds for others;

while the property is on your "client's" premises. However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization, including your "client". Any claim for loss that is covered under this coverage must be presented by you.

- (2) With respect to the coverage provided by this Additional Coverage, Paragraph A.6.d.(6) under **Additional Coverage – Employee Dishonesty** is replaced with the following:
The most we will pay for the coverage provided under this Additional Coverage in any one occurrence is \$10,000.
- (3) With respect to the coverage provided by

this Additional Coverage, Paragraph D. **DEDUCTIBLES** is replaced by the following:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500. We will then pay the amount of loss or damage in excess of the deductible subject to the limit in paragraph (2) above. No other deductible applies to theft of clients' property coverage.

(4) With respect to the coverage provided by this Additional Coverage, Paragraph A.2.b. and A.2.c. is replaced with the following:

b. Automobiles, motortrucks and other vehicles subject to motor vehicle registration.

(5) With respect to coverage provided under this Additional Coverage Paragraph A.2. **Property Not Covered** does not apply, except for Subparagraphs a., b., e., g. and j.

(6) With respect to coverage provided under this Additional Coverage the following definitions are added to Paragraph G. **PROPERTY DEFINITIONS:**

(a) **"Other property"** means any tangible property other than "money" and "securities" that has intrinsic value.

(b) **"Client"** means any entity for whom you perform services under a written agreement.

g. 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.

h. 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



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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; 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 increased 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 –Boil-Water Order**
 - (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" at the described premises caused by or resulting from a "boil-water order" due to a Covered Cause of Loss.
 - (2) The most we will pay under this Coverage Extension is \$10,000 at each described premises for the sum of all covered loss of Business Income and Extra Expense arising out of all "boil-water orders" occurring during each separate 12 month period of this policy beginning with the effective date of this endorsement.
 - (3) The coverage for Business Income and Extra Expense will begin 24 hours after the time the "boil-water order" goes into effect and will apply for a period of seven consecutive days after coverage begins.
 - (4) This Coverage Extension does not apply to any "boil-water order" while access to the described premises is prohibited by action of civil authority.
 - (5) With respect to this Coverage Extension, the following definition is provided:

"Boil-water order" means an advisory, notice, order or other communication issued by a governmental, health or water authority, requiring that water at the described premises should be boiled before consumption or use, due to actual or potential contamination.
 - b. **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.

c. 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:



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- (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.
- d. 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.
- e. 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.
- f. 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.

g. 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.

h. Food Contamination Costs

- (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 "food contamination expense" you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be required by a "Public Health Authority" due to discovery of, suspicion of, or exposure to "food contamination" at the described premises.
- (2) The following exclusions do not apply to this Coverage Extension if such excluded causes of loss result in any "food contamination" to which this Coverage Extension applies:
 - (a) Exclusion **B.2.d.(7)(d)**, changes in flavor, color, texture or finish;
 - (b) Exclusion **B.2.d.(8)**, contamination by other than "pollutants";
 - (c) Exclusion, **B.2.k.**, Pollution; and

In addition, any Exclusion of Loss Due to Virus or Bacteria endorsement which is applicable to this Coverage Form does not apply to "food contamination" that results from a "communicable disease" to which this Coverage Extension applies.
- (3) We will not pay any fines or penalties levied against you by the "Public Health Authority" as a result of the discovery or suspicion of "food contamination" at the described premises.



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- (4) The most we will pay under this Coverage Extension for the sum of all covered loss and expenses during each separate 12 month period of this policy beginning with the effective date of this endorsement is the Limit of Insurance shown in the Schedule above for Food Contamination.
- (5) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.
- (6) The following **PROPERTY DEFINITIONS** are added with respect to this Coverage Extension:
- (a) **"Communicable Diseases"** a viral or bacterial micro-organism that induces or is capable of inducing physical illness or disease.
- (b) **"Food Contamination"** means a condition in your food which has caused, or is suspected of causing, food poisoning of one or more of your patrons. Such "food contamination" must result from:
- (i) Tainted food purchased by you;
 - (ii) Food which has been improperly processed, stored, handled or prepared in the course of your "operations"; or
 - (iii) A "Communicable Disease" transmitted by one or more of your "employees".
- (c) **"Food Contamination Expense"** means:
- (i) Your costs to clean and sanitize your machinery and equipment as directed by the "Public Health Authority";
 - (ii) Your costs to replace your food declared contaminated by the "Public Health Authorities";
 - (iii) Your extra costs of advertising including, but not limited to, the expense of telephone, radio, television, newspaper and other media announcements.
 - (iv) Your expense to provide necessary medical tests or vaccinations for your "employees" who are potentially infected by the "food contamination". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation policy.
- (d) **"Public Health Authority"** means any governmental authority having jurisdiction over your "operations" relating to health and hygiene standards necessary to protect the general public.
- (e) **"Period of Restoration"**
- With respect to this Coverage Extension means the period of time that:
- (i) Begins 24 hours after you receive notification from the "Public Health Authority" that your "operations" are to be temporary closed; and
 - (ii) Ends with the notifications from the same "Public Health Authority" that your "operations" can be resumed.
- i. **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 Coverage Extension in any one occurrence is \$50,000 at each described premises.

j. 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.

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- (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.

k. 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.

l. Spoilage Coverage

- (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 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 Coverage Extension does not apply to Perishable Stock while located:
 - (a) On buildings;
 - (b) In the open; or
 - (c) In vehicles.
- (3) With respect to this Coverage Extension,

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 Coverage Extension:

(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 Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (5) With respect to this Coverage Extension, 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.
- (6) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of premises involved.

m. 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.

n. 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 \$50,000 at each described premises, but we will not pay more than \$100,000 in any one occurrence, regardless of the number of premises involved.

o. 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 \$50,000, regardless of the number of described premises involved. Amounts payable under any coverage, including any Additional Coverage or



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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.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

A. The COMMON POLICY CONDITIONS are revised as follows:

Paragraphs 1., 2., 3. and 5. of the **Cancellation Common Policy Condition** are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by giving us or our authorized agent notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured, with postage fully prepaid, written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.
5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is revised as follows:

1. The following is added to Paragraph E.4. **Loss Payment – Building and Personal Property Loss Condition** and Paragraph F.11. **Mortgageholders Property Condition**:
If a municipality has elected to apply the provisions of 1998 Michigan Public Act 217, a part of our payment for fire, explosion, vandalism, windstorm or hail, or riot or civil commotion loss or damage to your covered real property in that municipality will be withheld if the loss or damage is subject to the provisions of the Act. The withheld amount will be paid either to:

- (a) The municipality;
- (b) You and the mortgageholder, if any; or
- (c) With your consent, the licensed contractor hired by you to perform repair, replacement, or removal services on the lost or damaged real property;

according to the provisions of Public Act 217. We will notify you, any mortgageholder and the municipality of any loss subject to the provisions of Public Act 217.

If a municipality has elected to apply the provisions of MICH. COMP. LAWS § 500.3011, any further payment for claims for loss or damage to your covered property caused by fire or explosion of \$2,000 or more will be withheld if you have failed to submit a required report to the fire or law enforcement authority designated by the municipality.

2. The following is added to the **Legal Action Against Us Loss Condition**:
The time for commencing an action against us is tolled from the time you notify us of the loss or damage until we formally deny liability for the claim.
3. Paragraph E.2. **Appraisal Loss Condition** is replaced by the following:
If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and independent appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
 If there is an appraisal, we will still retain our right to deny the claim.



GENERAL LIABILITY





GENERAL LIABILITY

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	ADDITIONAL PREMIUM
Hired Auto Liability	\$ 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;



COMMERCIAL GENERAL LIABILITY

- 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".

CYBERFIRST ESSENTIALS





CYBERFIRST ESSENTIALS

**CYBERFIRST ESSENTIALS
COVERAGE PART DECLARATIONS**

**POLICY NO.: 680-1H447146-18-42
ISSUE DATE: 04-11-18**

THIS COVERAGE IS PROVIDED ON A CLAIMS-MADE BASIS. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDITION TO, THE LIMITS OF INSURANCE.

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

Policy Period: From 05-22-18 to 05-22-19 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

Information Security Retroactive Date: 05-22-16

The CyberFirst Essentials Coverage Part consists of these Declarations, the CyberFirst Essentials General Provisions Form and the Coverage Form shown below.

**ITEM 1. COVERAGE
CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**

ITEM 2. LIMITS OF INSURANCE:
Aggregate Limit \$ 25,000
Each Wrongful Act Limit \$ 25,000

ITEM 3. DEDUCTIBLE:
Each Wrongful Act Deductible \$ 0

ITEM 4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BREACH ESSENTIALS ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM

SCHEDULE OF CYBER FIRST-PARTY LIMIT AND DEDUCTIBLE

	<u>Limit</u>	<u>Deductible</u>
Cyber First-Party Limit and Deductible	\$ 10,000	\$

PROVISIONS

A. INTRODUCTION

The following is added to the Introductory Note in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

THE LIMITS OF INSURANCE WILL BE REDUCED BY THE PAYMENT OF YOUR SECURITY BREACH NOTIFICATION AND REMEDIATION EXPENSES, YOUR PAYMENT CARD EXPENSES AND YOUR CRISIS MANAGEMENT SERVICE EXPENSES COVERED BY YOUR CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM.

B. CYBER FIRST-PARTY COVERAGES

1. The following is added to Paragraph 1., **Insuring Agreement**, of **SECTION I – INFORMATION SECURITY LIABILITY COVERAGE** in the **CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**:

Security Breach Notification And Remediation Expenses And Payment Card Expenses Coverage

We will reimburse you for loss to which this insurance applies that is "your security breach notification and remediation expenses" or "your payment card expenses" directly attributed to a "security breach" that:

- (1) Is caused by an "information security wrongful act" committed on or after the Information Security Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period;
- (2) Occurs during the policy period; and

(3) Is first reported to us during the policy period or within 90 days after the end of the policy period.

But we will not reimburse you for "your payment card expenses" that are "payment card contract penalties" or "chargebacks" unless you have agreed to pay such "payment card contract penalties" or "chargebacks" in a "merchant service agreement" you entered into before such "security breach" occurred.

Each "security breach" in a series of "related security breaches" will be deemed to occur on the date the first "security breach" in that series occurs.

A "security breach" will be deemed to have been first reported to us on the date that we first receive a written notice of such "security breach" from any insured or any authorized government entity.

In the event of a "foreign cyber first-party loss" that is "your security breach notification and remediation expenses" or "your payment card expenses" incurred and paid by a "foreign insured organization", we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign cyber first-party loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance:

- (1) "Your security breach notification and remediation expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your security breach notification and remediation expenses";



- (2) "Your payment card expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your payment card expenses";

under this **Security Breach Notification and Remediation Expenses And Payment Card Expenses Coverage**.

Crisis Management Service Expenses Coverage

We will reimburse you for "your crisis management service expenses" that:

- (1) Arise out of loss to which this insurance applies that is caused by an "information security wrongful act" committed on or after the Information Security Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period;
- (2) Are first incurred by you during the policy period; and
- (3) Are reported to us during the policy period or within 90 days after the end of the policy period.

Each "information security wrongful act" in a series of "related information security wrongful acts" will be deemed to have been committed on the date the first "information security wrongful act" in that series is committed.

Any of "your crisis management service expenses" that:

- (1) Are first incurred by you after the end of the policy period; and
- (2) Relate to any of "your crisis management service expenses" that are first incurred by you during the policy period;

will be deemed to have been incurred by you during the policy period.

In the event of a "foreign cyber first-party loss" that is "your crisis management service expenses" incurred and paid by a "foreign insured organization", we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign cyber first-party loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance, "your crisis management service expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your crisis management service expenses"

under this **Crisis Management Service Expenses Coverage**.

2. The following replaces the third paragraph of Paragraph 1.a., **Defense Of Claims Or Suits**, of **SECTION I – COVERAGE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

We may, at our discretion, investigate any "wrongful act" or "claim" and settle any "claim" or "suit". But our right and duty to defend ends when we have used up the:

- a. Aggregate Limit in the payment of:
- (1) Judgments, settlements or "defense expenses"; and
- (2) Loss that is "your cyber first-party loss"; or
- b. Each Wrongful Act Limit in the payment of judgments, settlements or "defense expenses".

3. The following replaces the last paragraph of Paragraph 2., **Supplementary Payments**, of **SECTION I – COVERAGE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Our duty to make such payments ends when we have used up the:

- a. Aggregate Limit in the payment of:
- (1) Judgments, settlements or "defense expenses"; and
- (2) Loss that is "your cyber first-party loss"; or
- b. Each Wrongful Act Limit in the payment of judgments, settlements or "defense expenses".

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – INFORMATION SECURITY LIABILITY COVERAGE** in the **CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**:

PCI Attestation Of Compliance

"Your payment card expenses" if:

- (1) You have not attested compliance with the "payment card security standards" by completing and signing a "PCI attestation of compliance" within the twelve months immediately preceding the "security breach"; or

- (2) You fraudulently or intentionally misrepresent that you are in compliance with the "payment card security standards" in completing the "PCI attestation of compliance".

C. LIMITS OF INSURANCE

- 1. The following is added to **SECTION III – LIMITS OF INSURANCE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Subject to the Aggregate Limit, the Cyber First-Party Limit shown in the Schedule Of Cyber First-Party Limit And Deductible is the most we will pay for the sum of all loss that is "your cyber first-party loss."

- 2. The following replaces the first paragraph of Paragraph 2. of **SECTION III – LIMITS OF INSURANCE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

The Aggregate Limit is the most we will pay for the sum of all:

- a. "Damages" and "defense expenses" for the combined total of all "claims" or "suits" for loss; and
- b. Loss that is "your cyber first-party loss"; to which the insurance provided under one or more of "your cyber liability coverage forms" applies.

D. DEDUCTIBLE

- 1. The following is added to the last sentence of Paragraph 1. of **SECTION IV – DEDUCTIBLE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

The Each Wrongful Act Deductible does not apply to payments we make for loss that is "your cyber first-party loss".

- 2. The following is added to **SECTION IV – DEDUCTIBLE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

We will not reimburse you for any of "your cyber first-party loss" to which this insurance applies until the amount of such loss exceeds the deductible shown in the Schedule Of Cyber First-Party Limit And Deductible. We will then reimburse you for the amount of such loss in excess of the deductible, up to the limit of insurance shown in the Schedule.

E. CYBER LIABILITY CONDITIONS

- 1. The following is added to Paragraph 14., **Currency**, of **SECTION V – CYBER LIABILITY**

CONDITIONS in the CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM:

Payments for loss that is "your cyber first-party loss" will be in currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

- 2. The following is added to **SECTION V – CYBER LIABILITY CONDITIONS** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Duties In The Event Of A Security Breach

- a. You must see to it that we are notified in writing as soon as practicable of a "security breach" which may result in "your security breach notification and remediation expenses" or "your payment card expenses". Such notice should include:

- (1) How, when and where the "security breach" occurred; and
- (2) The nature and extent of fees, costs or expenses incurred and paid by you which can be directly attributed to a "security breach".

- b. You must:

- (1) Authorize us to obtain records and other information;
- (2) Cooperate with us in the investigation of the "security breach"; and
- (3) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply.

Duties In The Event Of An Information Security Wrongful Act That Causes A Foreign Cyber First-Party Loss

In the event an "information security wrongful act" causes a "foreign cyber first-party loss", the first Named Insured must comply with all conditions of this policy as if the insured that incurred and paid such "foreign cyber first-party loss" is not a "foreign insured organization".



F. DEFINITIONS

The following is added to the **DEFINITIONS** Section in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

"Chargebacks":

- a. Means "payment card" charge reversals because of the fraudulent use of "payment cards" or "identity information".
- b. Includes transaction fees assessed to process such "payment card" charge reversals.

"Merchant service agreement" means a contract between you and an acquiring bank or other acquiring institution that establishes the terms and conditions for accepting and processing "payment card" transactions.

"Payment card" means a credit card, debit card or charge card issued by a financial institution.

"Payment card contract penalties":

- a. Means fines or penalties incurred by you after a "security breach" because of non-compliance with the "payment card security standards".
- b. Does not include:
 - (1) Fines or penalties assessed because of not promptly reporting a "security breach";
 - (2) Fines or penalties assessed because of failure to properly validate system security according to the "payment card security standards"; or
 - (3) Any interchange fees or changes in interchange fee schedules.

"Payment card security standards" means:

- a. The most current edition of security standards contained in:
 - (1) The Payment Card Industry Data Security Standards program (PCI DSS);
 - (2) Visa's Cardholder Information Security Program (CISP);
 - (3) MasterCard's Site Data Protection program (SDP);
 - (4) American Express's Data Security Operating Policy; or
 - (5) Discover's Information Security and Compliance program (DISC); or
- b. Other security standards similar to those in Paragraphs a.(1) through a.(5) above that

you have agreed to in a "merchant service agreement" with a financial institution;

that apply to you.

"PCI attestation of compliance" means the declaration of compliance status with the Payment Card Industry Data Security Standards program found in the "PCI self-assessment questionnaire" that applies to you.

"PCI forensic investigation" means a professional review of your computer systems by a "qualified forensic investigator" to determine your compliance with the "payment card security standards".

"PCI self-assessment questionnaire" means the questionnaire, developed by the Payment Card Industry Security Standards Council, that assists you in self-evaluation of your compliance with the "payment card security standards".

"Qualified forensic investigator" means an organization approved by the applicable "payment card" issuing bank to conduct forensic investigations after a "security breach".

"Qualified security assessor" means a person or organization certified by the Payment Card Industry Security Standards Council to assess compliance with "payment card security standards".

"Related security breaches" means two or more "security breaches" that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situation, events, transactions, or causes.

"Security breach" means unauthorized access to, or acquisition of, "identity information" owned, licensed, maintained or stored by you.

"Security breach notification law" means any law or regulation that requires an organization to notify persons that their nonpublic personal information was or may have been accessed or acquired without their authorization.

"Software and hardware upgrade and scanning services expenses" means:

- a. Fees, costs or expenses for a "PCI forensic investigation" arising out of a written notification by a "payment card" issuing bank, merchant bank, acquiring bank or other acquiring institution that you are a likely common point of purchase source of a "security breach" or otherwise involved in a "security breach" to determine if you are in compliance with the "payment card security standards";

- b. Costs or expenses to purchase and install anti-virus software, point-of-sale systems software, firewall protection software, or firewall protection hardware that satisfies the requirements of the "payment card security standards", if, after a "security breach", it is determined through a "PCI forensic investigation" that you are out of compliance with the "payment card security standards"; or
- c. Costs for the scanning services of a "qualified security assessor" to certify that your upgraded software and hardware systems meet the requirements of the "payment card security standards", but only for the first such scanning services after your software or hardware systems, or both, are upgraded.

"Your crisis management service expenses":

- a. Means the reasonable fees, costs or expenses incurred and paid by you in:
 - (1) Retaining a public relations consultant or firm, or a crisis management consultant or firm; or
 - (2) Planning or executing your public relations campaign;
 to mitigate any actual or potential negative publicity generated from loss to which this insurance applies.

- b. Does not include fees, costs or expenses you incur to comply with any law or regulation.

"Your cyber first-party loss" means loss that is:

- a. "Your security breach notification and remediation expenses";
- b. "Your payment card expenses"; or
- c. "Your crisis management service expenses".

"Your payment card expenses":

- a. Means any of the following reasonable fees, costs or expenses incurred and paid by you which are directly attributed to a "security breach":
 - (1) "Software and hardware upgrade and scanning services expenses";
 - (2) "Payment card contract penalties"; or
 - (3) "Chargebacks".
- b. Does not include:
 - (1) Remuneration paid to your regular "employees" for work beyond their normal scheduled hours;

- (2) Fees, costs, or expenses of outside consultants retained by you, unless we agree to reimburse you for such fees, costs, or expenses;
- (3) Amounts that you voluntarily agree to pay to any person whose "identity information" was accessed or acquired without his or her authorization;
- (4) Fees, costs, or expenses in:
 - (a) Retaining a public relations consultant or firm, or a crisis management consultant or firm; or
 - (b) Planning or executing your public relations campaign;
 to mitigate any actual or potential negative publicity generated from the "security breach"; or
- (5) "Your security breach notification and remediation expenses".

"Your security breach notification and remediation expenses":

- a. Means any of the following reasonable fees, costs or expenses incurred and paid by you which can be directly attributed to a "security breach":
 - (1) Forensic fees, costs or expenses to determine the cause of the "security breach" and the persons whose "identity information" was accessed or acquired without their authorization.
 - (2) Fees, costs or expenses to develop documents or materials to notify the persons whose "identity information" was accessed or acquired without their authorization.
 - (3) Costs of mailings or other communications required to notify the persons whose "identity information" was accessed or acquired without their authorization.
 - (4) Costs of providing 365 days of credit monitoring services to persons whose "identity information" was accessed or acquired without their authorization, starting with the date that you first notify such persons of the "security breach".
 - (5) Costs of establishing and maintaining a call center to be used by persons whose "identity information" was accessed or acquired without their authorization.



CYBER LIABILITY

- (6) Any other fees, costs, or expenses necessary to comply with any "security breach notification law" that applies to you.
- b. Does not include:

 - (1) Remuneration paid to your regular "employees" for work beyond their normal scheduled hours.
 - (2) Fees, costs, or expenses of outside consultants retained by you, unless we agree to reimburse you for such fees, costs, or expenses.
 - (3) Fines or penalties imposed by law or that any insured has agreed to pay for any reason.
 - (4) Amounts that you voluntarily agree to pay to any person whose "identity information" was accessed or acquired without his or her authorization.
 - (5) "Your crisis management service expenses".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN MANDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS LIABILITY COVERAGE

PROVISIONS

1. The following replaces Paragraph 1. of the **Cancellation** Common Policy Condition:

The first Named Insured shown in the Declarations may cancel this policy by giving us or our authorized agent notice of cancellation.

2. The following replaces Paragraph 3. of the **Cancellation** Common Policy Condition:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

3. The following replaces Paragraph 5. of the **Cancellation** Common Policy Condition:

If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

4. The following condition is added and supersedes any other provision to the contrary:

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing shall be sufficient proof of notice.

5. The following is added to the **Duties In The Event Of A Claim Or Suit** Condition:

Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, will be considered notice to us. Failure to give notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.



EMPLOYMENT PRACTICES LIABILITY⁺





EMPLOYMENT PRACTICES LIABILITY⁺



**EMPLOYMENT PRACTICES LIABILITY⁺
WITH IDENTITY FRAUD EXPENSE
REIMBURSEMENT COVERAGE PART
DECLARATIONS**

POLICY NO.: 680-1H447146-18-42
ISSUE DATE: 04/11/2018

THIS FORM PROVIDES CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD: From 05/22/2018 to 05/22/2019 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Employment Practices Liability⁺ With Identity Fraud Expense Reimbursement Coverage Part consists of these Declarations and the Coverage Form shown below.

ITEM 1. LIMIT OF INSURANCE AND RETENTION FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE

Limit of Insurance: \$ 50,000
(Defense Expenses are included within the Limit of Insurance)

Retention Amount applicable to each Employment Practices Liability Claim: \$ 1,000

ITEM 2. LIMIT OF INSURANCE AND DEDUCTIBLE FOR IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

Limit of Insurance: \$ 2,500
Deductible Amount applicable to Identity Fraud Expense Reimbursement: \$ 0

ITEM 3. EMPLOYMENT PRACTICES LIABILITY COVERAGE EXTENDED REPORTING PERIOD

Subject to the terms and conditions of the Employment Practices Liability Coverage, an optional Extended Reporting Period may be purchased for: 12 months for 75% % of the Premium for the **Policy Period**.

ITEM 4. EMPLOYMENT PRACTICES LIABILITY CONTINUITY DATE

Continuity Date: 05/22/2016

ITEM 5. PREMIUM: INCLUDED

ITEM 6. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.



**INTERLINE
ENDORSEMENTS**





**INTERLINE
ENDORSEMENTS**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The **Cancellation** Common Policy Condition is amended as follows:

1. Paragraph 1. is replaced by the following:
The first Named Insured shown in the Declarations may cancel this Policy by giving us or our authorized agent notice of cancellation.
2. Paragraph 3. is replaced by the following:
We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.
3. Paragraph 5. is replaced by the following:
If this Policy is cancelled, we will send the first Named Insured any pro rata premium refund

due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following condition is added and supersedes any other provision to the contrary:

Nonrenewal

If we decide not to renew this Policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing shall be sufficient proof of notice.



Instructions for Registration & Orientation to Risk Management PLUS⁺ Online[®]

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS⁺ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities.

To register:

- 1) Go to www.rmplusonline.com.
- 2) In the Sign-In box, click **Register** .
- 3) Enter the password/passcode: TRVP160000 (Please note there are 4 letters followed by 6 numbers in the code)
- 4) Fill in the Registration Information and click **Submit** .
- 5) Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

- 1) Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
- 2) If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
- 3) You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

**IMPORTANT NOTICE – RISK MANAGEMENT PLUS+ ONLINE®
FROM TRAVELERS BOND & FINANCIAL PRODUCTS –
EMPLOYMENT PRACTICES LIABILITY HOTLINE**

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

Employment Practices Liability Hotline

As part of the services provided through Risk Management PLUS+ Online®, Travelers is pleased to provide its Employment Practices Liability+ with Identity Fraud Expense Reimbursement coverage policyholders with unlimited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day workplace issues.

To utilize the hotline, call **1-866-EPL-TRAV (1-866-375-8728)**.

Through this hotline, policyholders are eligible to receive free general guidance from the national employment law firm of Jackson Lewis, LLP. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Jackson Lewis LLP, one of the largest law firms in the country, exclusively dedicated to representing management on workplace issues. With more than 650 attorneys, in 46 offices countrywide, the firm has both a recognized expertise in workplace-related issues and a sensitivity to regional business environments.

From reviewing the proper steps for a sexual harassment investigation to discussing general factors to consider before you make day-to-day employment decisions, the firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing employment related claims. As part of this program, policyholders are also eligible to receive a 10 percent discount on Jackson Lewis' regular fees for matters beyond the scope of the hotline, such as those dealing with specific employees or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Jackson Lewis.

We encourage policyholders to take advantage of this no-cost hotline. For more information about the hotline, go to www.rmplusonline.com/EPLhotline.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.



