



Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13601-3329
 www.harleysvillegroup.com

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

COP00000070491F

*Common
 Package:
 Property*

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: COP00000070491F
Policy Period: 08/01/2010 to 08/01/2011
CORRECTED RENEWAL

COMMERCIAL LINES COMMON POLICY DECLARATIONS

Named Insured and Mailing Address:

NEW YORK STATE BRIDGE AUTHORITY
 C/O JOHN SEWELL
 PO Box 1010
 Highland, NY 12528-8010

Agent:

ASSOCIATES OF GLENS FALLS INC

 P O BOX 190

 GLENS FALLS, NY 12801

Agency Code:
Phone Number: (518)793-3444

Policy Period: 08/01/2010 to 08/01/2011

at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description:
 BRIDGE AUTHORITY

Form of Business:
 GOVERNMENT AGENCY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ 0

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Coverage Part	Premium
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	
Crime and Fidelity Policy Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Commercial Liability Umbrella Policy	

Sub-Total \$
 Fees and Surcharge - See Schedule GU-7015 (If Applicable) \$
 Total \$

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:
 SEE SCHEDULES **GU-7004** and **GU-7009**

GU-7000 (Ed. 4-09)

New York Free Trade Zone
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 Issued: 01/25/2011

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Harleysville

Good people to know

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LOCATION SCHEDULE

Premis. No.	Bldg. No.	Address
-------------	-----------	---------

- | | | |
|-----|-----|--|
| 001 | ALL | Rip Van Winkle Bridge
Catskill, NY 12414-0000 |
| 002 | ALL | Kingston-Rhinecliff Bridge
Kingston, NY 12401-0000 |
| 003 | ALL | Mid-Hudson Bridge
Highland, NY 12528-0000 |
| 004 | ALL | Newburgh-Beacon Bridge
Beacon, NY 12508-0000 |
| 005 | ALL | Bear Mountain Bridge
Fort Montgomery, NY 10922-0000 |





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FEEES AND SURCHARGE SCHEDULE

New York Fire Fee

\$

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FORM SCHEDULE

ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form	Edition	Description
		POLICY FORMS
PJ0013	0209	Policy Jacket
* GU7001	0409	Policy Change Document - OOS Version only
* GU7005	0409	Location Schedule
* GU7015	0409	Fees and Surcharge Schedule
IL7123	0498	Exclusion of Certain Computer-Related Losses
		COMMERCIAL OUTPUT POLICY FORMS
CL0100	0399	Common Policy Conditions
CL0140	0205	Amendatory Endorsement - New York
CL0600	0108	Certified Terrorism Loss
CL0605	0108	Certified Terrorism Loss Disclosure of Premium
CL0700	0207	Virus Or Bacteria Exclusion
CO0278	0402	Amendatory Endorsement - New York
CO0285	1001	Anti-Arson Application Requirement - New York
CO1000	1002	Commercial Output Program Property Coverage Part
CO1001	0402	Commercial Output Program - Income Coverage Part
CO1006	0402	Crime Cov Part - Empl Fraud/Dishonest Money&Securities
CO1271	0402	Monthly Limitation - Income Coverage
CO1281	0402	Waiting Period - Income Coverage
CO1293	1103	Limited Fungus and Related Perils Coverage
CO1294	1103	Limited Fungus and Related Perils Cov-Equipment Brkdwn
COP7104	1106	Equipment Breakdown Coverage Part
COP7113	1106	Commercial Output Property Endorsement
COP7119	0205	Commercial Output Amendatory Endorsement





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POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.
 ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form	Edition	Description
		POLICY FORMS
GU1197	0706	Harleysville Insurance Privacy Pledge
ST7555	1104	Important Notice to Policyholders
ST7613	1008	Trans of Your Pol to Another Comp Within Harleysville
ST7748	1009	Virus or Bacteria Exclusion- Notice to Policyholders

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COMMERCIAL OUTPUT PROGRAM DECLARATIONS

See Schedule of Coverages

Agent #

BUSINESS DESCRIPTION
BRIDGE AUTHORITY

MORTGAGE HOLDERS:

SEE SCHEDULE GU-7007 IF APPLICABLE

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO ALL COVERAGES:

SEE SCHEDULES GU-7004 AND GU-7009

TOTAL PREMIUM FOR THIS COVERAGE PART \$





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COP-7117
 (Ed. 4-09)

**SCHEDULE OF COVERAGES
 COMMERCIAL OUTPUT PROGRAM**

(The information required to complete this schedule will be shown below or on the "Schedule of Coverages")

Limit of Insurance

Catastrophe Limit – The most "we" pay for any combination of or total of losses arising under one or more coverages in any one occurrence is:

\$ 31,391,799

PROPERTY COVERAGE PART

LIMITS

– Building Property Limit – The most "we" pay for loss at any one "covered location" is:

\$ 27,197,243

– Business Personal Property Limit – The most "we" pay for loss at any one "covered location" is:
 or

\$ 2,939,201

– Combined Blanket Limit – The most "we" will pay for loss at any one "covered location" is:

N/A

COVERAGE EXTENSIONS

- Consequential Loss
- Debris Removal, Additional Expense
- Emergency Removal
- Emergency Removal Expense
- Fraud and Deceit
- Damage From Theft
- Off Premises Utility Services Interruption
- Limit

Subj. to Policy Limits
 \$ 50,000
 365 Days
 \$ 5,000
 \$ 5,000
 Subj. to Policy Limits
 \$ 100,000

SUPPLEMENTAL COVERAGES

- Brands or Label Expense
- Expediting Expenses
- Fire Department Service Charges
- Inventory and Appraisal Expense

\$ 50,000
 \$ 50,000
 \$ 25,000
 \$ 50,000

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– Ordinance or Law (Undamaged Parts of a Building)	Subj. to Policy Limits
– Ordinance or Law (Increased Cost to Repair/ Cost to Demolish and Clear Site)	\$ 100,000
– Personal Effects	\$ 15,000
– Pollutant Cleanup And Removal	\$ 50,000
– Recharge of Fire Extinguishing Equipment	\$ 50,000
– Rewards	
– Sewer Backup and Water Below the Surface	\$ 50,000
– Trees, Shrubs, and Plants	\$ 50,000
– Underground Pipes, Piliings, Bridges, and Roadways	\$ 250,000

SUPPLEMENTAL MARINE COVERAGES

– Accounts Receivable	\$ 50,000
– Electrical or Magnetic Disturbance of Computers	\$ 100,000
– Power Supply Disturbance of Computers	\$ 100,000
– Virus and Hacking Coverage	
- Limit any one occurrence	\$ 50,000
- Limit any 12 month period	\$ 50,000
– Fine Arts	\$ 100,000
– Off Premises Computers	\$ 25,000
– Property On Exhibition	\$ 50,000
– Property In Transit	\$ 50,000
– Sales Representative Samples	\$ 50,000
– Software Storage	\$ 50,000
– Valuable Papers	\$ 100,000

ADDITIONAL PROPERTY SUBJECT TO LIMITATIONS

– Furs (theft)	\$ 10,000
– Jewelry (theft)	\$ 10,000
– Stamps, Tickets, Letters of Credit	\$ 5,000

DEDUCTIBLE

Deductible Amount	\$ 1,000
Refer to Deductible Endorsements, if Applicable	

INCOME COVERAGE PART

COVERAGE

Earnings, Rents, and Extra Expense

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LIMIT

Income Coverage Limit - The most
 "we" pay for loss at any one "covered location"
 is: \$ 2,000,000

COVERAGE EXTENSIONS

- Interruption by Civil Authority 30 Days
 - Period of Loss Extension 90 Days

SUPPLEMENTAL COVERAGES

- Computer Virus and Hacking
 - Limit any one occurrence \$ 25,000
 - Limit any 12 month period \$ 75,000
 - Waiting Period 12 Hours
 - Dependent Locations \$ 100,000
 - Off Premises Utility
 Service Interruption
 - Limit \$ 10,000
 - Waiting Period 12 Hours
 - Contract Penalty
 - Limit Any One Occurrence \$ 25,000
 - Limit any 12 month period \$ 100,000
 - Pollutants Cleanup and Removal \$ 25,000
 - Property In Transit, On Exhibition, or Custody
 of Sales Representatives \$ 10,000

COVERAGE OPTIONS

Waiting Period 24 Hours
 Monthly Limitation 1/3

EQUIPMENT BREAKDOWN COVERAGE PART

EQUIPMENT BREAKDOWN COVERAGE

	LIMITS	COINSURANCE
Property Damage	\$ 29,508,902	N/A %
Income Coverages	\$ 100,000	N/A %
Income Coverages Period of Loss Extension	30 DAYS	
Coinsurance only applies to Scheduled Locations		
Coverage Options		
Earnings, Rents and Extra Expense		

COVERAGE EXTENSIONS/SUPPLEMENTAL COVERAGES

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	LIMIT
-- Expediting Expense	\$ 250,000
-- Pollutants	\$ 75,000
-- Ordinance or Law (Undamaged Parts of a Building)	\$ 250,000
-- Ordinance or Law (Increase Cost to Repair / Cost to Demolish and Clear Site)	\$ 250,000
-- Off Premises Utility Service Interruption	\$ 250,000
-- Defense Costs	\$ covered

DEDUCTIBLES

Property Coverages	\$ 5,000
Income Coverages (\$, hrs., ADV, or Combined)	\$ 5,000
Other (describe)	

CRIME COVERAGE PART

LIMITS

Employee Fraud and Dishonesty Coverage Limit - The most "we" pay for loss in any one occurrence is:	\$ 100,000
Deductible Amount:	\$ 1,000
Money and Securities Coverage Limit - The most "we" pay for loss in any one occurrence at "covered locations" is:	\$ 150,000
Limit - The most "we" pay for loss in any one occurrence away from "covered locations" is:	\$ 150,000
Deductible Amount:	\$ 1,000

LOCATION COVERAGE

Blanket Location Coverage-Coverage(s) indicated
Above under Limits applies to all "covered locations"

COVERAGE EXTENSIONS

LIMIT

Employee Fraud and Dishonesty - Outside the Coverage Territory	\$ 150,000 90 Days
Money and Securities - Conveyance by Armored Vehicle	\$ 150,000

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SUPPLEMENTAL COVERAGE

LIMIT

Inventory and Proof of Loss Expense: \$ 5,000
Loss Sustained Prior To The Policy Period: covered

OPTIONAL COVERAGES AND ENDORSEMENTS

See Schedules GU7004 and GU7009

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COMMON POLICY CONDITIONS

1. **Assignment** -- This policy may not be assigned without "our" written consent.
2. **Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** -- "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

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AMENDATORY ENDORSEMENT NEW YORK

1. Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

Cancellation, Nonrenewal, and Conditional Renewal --

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by written notice to "you" at the address shown on the policy and to "your" authorized agent or broker. "Our" notice will specify the grounds for cancellation. Proof of delivery or mailing is sufficient proof of notice. If "we" cancel this policy for nonpayment of premium, "our" notice will include the amount of premium due.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect for more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel only for one or more of the following reasons:

- 1) the premium has not been paid when due;
- 2) "your" conviction of a crime arising out of acts increasing the hazard insured against;
- 3) discovery of fraud or material misrepresentation in obtaining the policy or in the presentation of a claim thereunder;
- 4) after issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;

- 5) material physical changes in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which result in the property becoming uninsurable in accordance with "our" objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

- 6) a determination by the Superintendent of Insurance that continuation of "our" present premium volume would jeopardize "our" solvency or be hazardous to the interests of "our" policyholders, creditors, or the public;
- 7) a determination by the Superintendent that a continuation of the policy would violate, or would place "us" in violation of, any provision of New York Insurance Laws; or
- 8) where "we" have reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that "you" will destroy, or permit to be destroyed, "your" property for the purpose of collecting the insurance proceeds.

If "we" cancel this policy for any of the reasons listed in a. 1) through 8), "we" will mail or deliver written notice at least 15 days before cancellation is effective.

If "we" cancel this policy for any other reason during the first 60 days this policy is in effect, "we" will mail or deliver written notice at least 20 days before cancellation is effective.



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If "we" cancel this policy for reason 8) above, "we" will advise "you" that "you" must act within ten days if "you" desire a review by the Insurance Department. "We" will also simultaneously notify the Insurance Department of "our" cancellation of "your" policy.

- b. "We" may not renew or not renew with the same "terms", conditions, or rates, this policy by written notice to "you" at the address shown in the policy and to "your" authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice. These nonrenewal or conditional renewal requirements will not apply when "you", an agent or broker authorized by "you", or another insurer of "yours" has mailed or delivered written notice to "us" that the policy has been replaced or is no longer desired.

If "we" do not renew this policy, "we" will mail or deliver written notice at least 60 days, but not more than 120 days, before the end of the policy period or the anniversary date. "Our" notice will specify the grounds for nonrenewal.

If "we" decide not to renew this policy with the same "terms", conditions, or rates, "we" will mail or deliver written notice of conditional renewal at least 60 days, but not more than 120 days, before the end of the policy period or anniversary date. "Our" notice will state the reasons for conditional renewal and set forth the amount of any premium increase and the nature of any other proposed changes. This provision applies to renewal conditioned upon change of "limits", change in type of coverage, reduction of coverage, increased deductible, addition of exclusion, or upon increased premiums in excess of 10% (exclusive of any premium increase generated as a result of increased exposure units or as a result of experience rating or loss rating).

If "we" notify "you" of "our" intent not to renew or not to renew with the same "terms", conditions, and rates:

- 1) at least 30 days but less than 60 days prior to the expiration date of the policy, coverage will continue on the same "terms" and conditions as the expiring policy and at the lower of the current rates or the prior policy period rates, until 60 days after the notice is mailed or delivered to "you". If "we" offer to renew with different "terms", conditions, or rates and "you" elect to renew the coverage, the "terms", conditions, and rates set forth in the conditional notice apply as of the renewal date;
- 2) less than 30 days prior to the expiration date of the policy, coverage will continue on the same "terms" and conditions as the expiring policy, and at the lower of the current rates or the prior policy period rates, until 60 days after the notice is mailed or delivered to "you". If "we" offer to renew with different "terms", conditions, or rates and "you" elect to renew the coverage, the "terms", conditions, and rates set forth in the conditional notice apply after the expiration of the 60 day period; or
- 3) on or after the expiration date of the policy; coverage will continue on the same "terms" and conditions as the expiring policy for another required policy period, and at the lower of the current rates or the prior policy period rates.

Required policy period means a period of one year from the date as of which a covered policy is renewed or first issued.

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- c. As an alternative, "we" may notify "you", in writing, at the address shown in the policy and "your" authorized agent or broker of "our" intent not to renew or not to renew with the same "terms", conditions, and rates by giving written notice at least 60 days, but not more than 120 days, before the expiration date of the policy. In that case, coverage will continue on the same "terms", conditions, and rates until either:

- 1) the expiration date; or
- 2) 60 days after "we" give a second notice which indicates "our" decision to either not renew this policy or that this policy will be continued with changes in policy "terms", conditions, and rates;

whichever is later.

"Our" second notice will state either the reasons for nonrenewal or the reasons for conditional renewal and set forth the amount of any premium increase and the nature of any other proposed changes.

- d. This item applies to the Commercial Liability Coverage only, if applicable. If the policy period is extended, the aggregate "limits" of this policy will be increased in proportion to any policy period extension, and the last sentence under How Much We Pay will be deleted.
- e. "Your" return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.
2. Under Common Policy Conditions, Change, Modification, or Waiver of Policy Terms is deleted and replaced by the following:

Change, Modification, or Waiver of Policy Terms -- A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid. If "we" adopt a revision which broadens coverage under this edition of "our" policy without an additional premium during the policy period, or within six months before this coverage is effective, the broadened coverage will apply. If a change in forms or endorsements reduces coverage or "limits", "we" must notify "you" as provided under the nonrenewal "terms" contained in this policy.

If this policy has no expiration date, "we" may substitute or "we" may add, at each anniversary date, forms that are then authorized for use.

3. Under Common Policy Conditions, Examination of Books and Records is deleted and replaced by the following:

Examination of Books and Records -- "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

- a. "We" will perform an audit to determine the final premium for policies if the initial premium is based on an estimate of "your" exposure base. This audit will be performed within 180 days after the expiration of the policy, unless the policy is continuous or for a period longer than one year, in which case the audit will be performed within 180 days of the anniversary date. This audit may not be waived except when the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500.
- b. "We" will, as soon as is practical after such audit, refund or credit "your" account for any return premium due "you", or bill and make a good faith effort to collect any additional premium due "us" as a result of the audit.



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- c. If "you" fail to cooperate with "us" in "our" attempt to conduct such audit, including failure to return any questionnaires or self-audit worksheets, "we" may nonrenew this policy upon completion of the current policy period, in accordance with the provisions of section 3426 of the Insurance Law, due to "our" inability to establish a proper premium for "you".

CL 0140 02 05

CERTIFIED TERRORISM LOSS

1. The following definitions are added.
 - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:
 - 1) to be an act of terrorism;
 - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
 - 3) to have resulted in damage:
 - a) within the United States; or
 - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
 - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
 - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
 - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
 - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
 - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.



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This endorsement changes the policy
-- PLEASE READ THIS CAREFULLY --

CERTIFIED TERRORISM LOSS DISCLOSURE OF PREMIUM AND FEDERAL SHARE OF INSURED LOSSES

(The entries required to complete this endorsement will be shown below, on the "declarations", or on the "schedule of coverages".)

SCHEDULE

Certified Terrorism Loss Premium \$ 0

Additional information, if any, concerning terrorism premium:

1. The portion of "your" premium that is attributed to coverage for "certified terrorism loss" is shown in the Schedule above.
2. Coverage for "certified terrorism loss", to the extent that such coverage is provided by this policy or Coverage Part, will be partially reimbursed by the United States Government, Department of Treasury under a federal program. Under that program, the United States pays 85% of insured losses for "certified terrorism loss" that exceeds the statutorily established deductible that "we" retain. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed one hundred billion dollars in a Program Year (January 1 through December 31), the Treasury will not make payment for any portion of the amount of such losses that exceeds one hundred billion dollars.

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a Program Year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a Program Year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

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VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

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This endorsement changes
the policy
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AMENDATORY ENDORSEMENT NEW YORK

1. Under Definitions, the definition of "pollutant" is deleted and replaced by the following:

"Pollutant" means any solid, liquid, gaseous, or thermal irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of.

2. Under Supplemental Coverages, item 10. Rewards is deleted.
3. Under Perils Excluded, the following War and Military Action exclusion, wherever it appears, is deleted:

War and Military Action – "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

The deleted exclusion is replaced by the following:

War and Military Action – "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or

- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

4. Under Perils Excluded, Computer Virus or Computer Hacking, item 2.c. of the Property Coverage Part, is amended to include the following:

But if computer virus and hacking results in a covered peril, "we" cover the loss or damage caused by that covered peril.

5. Under Perils Excluded, Criminal, Fraudulent, Dishonest, or Illegal Acts, item 2.e. of the Property Coverage Part and items 2.a. of the Crime Coverage Parts, if applicable, are amended to include the following:

However, this exclusion does not apply to an otherwise covered fire loss suffered by an insured who did not cooperate in or contribute to the act that caused the loss.

Subject to all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to that person's insurable interest in the property, less any payment made to a mortgagee or other party with a legal secured interest in the property. "We" retain all rights set forth in the Subrogation condition of this policy with regard to action against the perpetrator of the act that caused the loss.

6. Under What Must Be Done In Case Of Loss, Notice is deleted and replaced by the following:

Notice – In case of loss:

- a. "you" or someone acting on "your" behalf must give "us" or any of "our" agents in the state prompt notice, including sufficient information to identify "you", the property insured, and the time and place of the loss or damage ("we" may request written notice);
- b. "you" must give notice to the police when the act that causes the loss is a crime; and
- c. "you" must give notice to the credit card company if the loss involves a credit card.

7. Under Loss Payment, the following provision is added:

Estimate of Damages to Real Property – If, in the process of adjusting a claim, "we" have prepared an estimate of damages to real property or had such an estimate prepared for "our" own purposes, "you" may request a copy. If "you" request it, "we" will provide a copy of the estimate to "you", or to someone else "you" designate in writing, within 30 days after "your" request or within 30 days after the estimate is prepared, whichever is later.

8. Under Other Conditions, Misrepresentation, Concealment, or Fraud is deleted and replaced by the following:

Misrepresentation, Concealment, or Fraud – This policy is void if, when applying for coverage and as an inducement to issue the policy, "you" or someone "you" authorize, misrepresented to "us" a past or present fact that is material to the risk.

"We" do not provide coverage for an "insured" who has, before or after a loss:

- a. willfully concealed or misrepresented:
 - 1) a material fact or circumstance with respect to this insurance; or
 - 2) an "insured's" interest herein; or
- b. engaged in fraudulent conduct or sworn falsely with respect to this insurance or the subject thereof.

No misrepresentation will be considered material unless "our" knowledge of the facts misrepresented would have led "us" to refuse to issue the policy.

9. Under other Conditions, the following condition is added:

Tax Liens – For any covered loss by fire, if "we" have received a certificate of lien from any tax district pursuant to New York statutes, "we" will deduct the amount of the lien from the amount payable to "you" and pay that amount to the tax district. When "we" pay the lien amount to the tax district, "we" will be released from any obligation to pay that amount to "you". Payment of the lien amount within 30 days of "our" receipt of the certificate of lien will be a conclusive presumption that the lien amount was valid and properly paid.

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ANTI-ARSON APPLICATION REQUIREMENTS NEW YORK

1. Under Other Conditions, Misrepresentation, Concealment, or Fraud is amended to include the following:

"We" will not provide coverage if "you" or any insured has willfully concealed or misrepresented a material fact or circumstance in the anti-arson application.

2. Under Other Conditions, the following condition is added:

Anti-Arson Application Requirements --

If "we" cancel or do not renew this policy according to the "terms" of this condition, "we" will do so by written notice to "you" at the address shown on the "declarations". Proof of delivery or mailing is sufficient proof of notice.

- a. **New Policies** -- "You" will be furnished an anti-arson application, if applicable. Unless "you" return the completed, signed, and affirmed anti-arson application to "us", "our" broker, or agent within 45 days of the effective date of the coverage, "we" will cancel such coverage by giving "you", the mortgagee, if any, and "your" agent notice at least 20 days before the cancellation is effective.

- b. **Renewal Policies** -- "You" or "your" agent will be furnished an anti-arson application, if applicable, at least 45 days, but not more than 60 days, before the policy expiration date.

If "you" fail to return the completed, signed, and affirmed anti-arson application to "us" by the expiration date of the policy, "we" will cancel the policy by giving "you" and "your" agent notice at least 15 days before the cancellation is effective.

3. Under Common Policy Conditions, Assignment is amended to include the following:

If the assignment results from a transfer of a financial interest in real property totaling 25% or more, "we" may require the submission of a completed anti-arson application.

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COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Commercial Output Program. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the "schedule of coverages".
 2. The words "we", "us", and "our" mean the company providing this coverage.
 3. "Accident" means direct physical loss as follows:
 - a. mechanical breakdown;
 - b. rupturing or bursting of moving parts of machinery caused by centrifugal force;
 - c. loss caused by arcing or electrical currents other than lightning;
 - d. explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease or that are operated under "your" control;
 - e. loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment; or
 - f. loss to hot water boilers or heaters caused by any condition or occurrence within such equipment.
4. "Business" means the usual business operations occurring at "covered locations" including the tenantability of "covered locations" when the selected coverage option includes "rents".
 5. "Computers" means:
 - a. "hardware" owned by "you" or in "your" care, custody, or control; or
 - b. "software".
 6. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by "you" or not, into a "computer", a Web site, or a "computer" network and that results in but is not limited to:
 - a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. observation, scanning, or copying of "data records", "programs and applications", and "proprietary programs";



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- d. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - e. denial of access to or denial of services from "computers", "computer" network, or Web site including related "software".
7. "Computer virus" means the introduction into a "computer", "computer" network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
- a. deletion, destruction, generation, or modification of "software";
 - b. alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
 - c. damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
 - d. denial of access to or denial of services from "computers", "computer" network, or Web site including related "software".
8. "Covered equipment", unless otherwise specified in a schedule, means equipment:
- a. that generates, transmits, or utilizes energy; or
 - b. which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
- b. buildings, structures, or compartments that cover or house "covered equipment";
 - c. foundations that support "covered equipment";
 - d. sewage and other underground piping and vessels, water piping, or sprinkler system piping. However, "we" cover:
 - 1) boiler feedwater and condensate return piping; and
 - 2) water piping for heating, air conditioning, or refrigeration systems;
 - e. "mobile equipment", including but not limited to draglines or other excavation equipment;
 - f. aircraft or watercraft and their motors, equipment, and accessories;
 - g. automobiles, motor trucks, tractors, trailers, and similar conveyances and their motors, equipment, and accessories. However, any property that is stationary, permanently installed at a "covered location", and receives electrical power from an external power supplier will not be considered an automobile, motor truck, tractor, or trailer; or
 - h. "computers".
9. "Covered location" means any location or premises where "you" have buildings, structures, or business personal property covered under this coverage.

Such equipment must be covered property, except as specifically provided for under Utility Service Interruption coverage and the Spoilage Coverage Part.

"Covered equipment" does not mean:

- a. equipment manufactured by "you" for sale;

However, if the Scheduled Locations Endorsement is added to this policy, "covered location" means a location that is described on the Location Schedule.

"Covered location" does not mean vehicles containing covered property, except vehicles on or within 1,000 feet of the premises of any covered building or structure.

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10. "Data records" means files, documents, and information in an electronic format and that are stored on "media".
11. "Dependent locations" means locations that are operated by others and that "your" "business" depends on, as described below. Dependent locations includes but is not limited to:
- contributing locations, these are "your" suppliers' locations or locations of suppliers that deliver services or materials to others for "your" account. Contributing locations do not include suppliers of:
 - water;
 - telecommunications, including but not limited to Internet service providers; or
 - power;
 - recipient locations, these are locations that receive "your" products;
 - leader locations, these are locations that attract customers to "your" "business"; or
 - manufacturing locations, these are locations that make products for delivery to "your" customers under contract of sale.
12. "Fine arts" means bona fide works of art of rarity, historical value, or artistic merit, including but not limited to paintings, etchings, pictures, tapestries, and art glass windows.
13. "Flood" means flood, surface water, waves, tidal water, or the overflow of a body of water, all whether driven by wind or not. This includes spray that results from any of these whether driven by wind or not.
14. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but not limited to:
- mainframe and mid-range computers and servers;
 - personal computers and workstations;
 - laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
 - peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
15. "Limit" means the amount of coverage that applies.
16. "Media" means an instrument that is used with "hardware" and on which "data records", "programs and applications", and proprietary programs can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
17. "Mobile equipment" means:
- contractors' equipment or similar equipment of a mobile or floating nature;
 - self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - vehicles designed for highway use that are unlicensed and not operated on public roads.
18. "Money" means currency, bullion, coins, bank notes in current use, and traveler's checks, register checks, and money orders held for sale to the public.
19. "Off-site server" means a server for "your" Web site that is being maintained or operated by and that is located at the premises of:
- an independent contractor acting as "your" Web host; or
 - "your" Internet service provider that is acting as "your" Web host.

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20. "One accident" means:

When an initial "accident" causes or results in other "accidents", all of the "accidents" will be considered "one accident". All "accidents" that are the result of the same occurrence will be considered "one accident".

21. "Perishable stock" means personal property preserved and maintained under controlled conditions and susceptible to loss or damage if the controlled conditions change.

22. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including but not limited to acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

23. "Programs and applications" means operating programs and applications that "you" purchase and that are:

- a. stored on "media"; or
- b. pre-installed and stored in "hardware".

Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.

24. "Proprietary programs" means proprietary operating programs and applications that "you" developed or that "you" had developed specifically for "you" and that are:

- a. stored on "media"; or
- b. installed and stored in "hardware".

25. "Rents" means "your" actual loss of:

- a. rental income from a "covered location" as furnished or equipped by "you", less any expenses that do not continue;

- b. the fair rental value of any part of a "covered location" that "you" occupy, less any expenses that do not continue; and
- c. other charges for which a tenant is legally obligated and which "you" would otherwise be obligated.

26. "Restoration period" means:

- a. The time it should reasonably take to resume "your" "business" to a similar level of service starting from the date of a physical loss of or damage to property at a "covered location" that is caused by a covered peril and ending on the date:
 - 1) the property should be rebuilt, repaired, or replaced; or
 - 2) business is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

- b. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:

- 1) regulates the construction, use, or repair of any property; or
- 2) requires the demolition of any property, in part or in whole, not damaged by a covered peril.

However, except as provided under Supplemental Income Coverage, Pollutant Cleanup and Removal, "we" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else 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 ordinance, law, or decree must be in force at the time of loss.

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c. Only as regards coverage described under Dependent Locations in the Supplemental Income Coverages, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage to a "dependent location" caused by a covered peril, and ending on the date:

- 1) the property at the "dependent location" should be rebuilt, repaired, or replaced; or
- 2) business is resumed at a new, permanent location.

This is not limited by the expiration date of the policy.

d. Only as regards coverage described under Off Premises Utility Service Interruption; and Property In Transit, On Exhibition, or In the Custody Of Sales Representatives in the Supplemental Income Coverages, "restoration period" also means the time it should reasonably take to resume "your" "business" starting from the date of direct physical loss of or damage caused by a covered peril to:

- 1) property not located at a "covered location" and that is owned by a utility, a landlord, or another utility supplier;
- 2) the "off-site server" for "your" Web site or the location that houses the "off-site server" for "your" Web site;
- 3) property in transit, on exhibition, or in the custody of sales representatives;

and ending on the date the property should be rebuilt, repaired, or replaced. This is not limited by the expiration date of the policy.

27. "Schedule of coverages" means:

- a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and

b. declarations or supplemental declarations which pertain to this coverage.

28. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property. This includes, but is not limited to, stock certificates; tokens, tickets, revenue, or stamps (whether represented by actual stamps or unused value in a meter) in current use; and evidences of debt used in connection with charge, credit, or debit cards that are not issued by "you", but does not include "money".

29. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

30. "Software" means:

- a. "media";
- b. "data records";
- c. "programs and applications"; and
- d. "proprietary programs".

31. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. business personal property in the open; or
- b. to the interior of buildings or structures, or business personal property inside buildings or structures unless the exterior of the roof or walls are first damaged by a falling object.



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Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

32. "Spoilage" means any detrimental change in physical state of "perishable stock". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.
33. "Terms" are all provisions, limitations, exclusions, conditions, and definitions that apply.
34. "Theft" means any act of stealing, including burglary or robbery.
35. "Valuable papers" means documents, manuscripts, or records that are inscribed, printed, or written. This includes, but is not limited to, abstracts, books, deeds, drawings, films, maps, or mortgages.
36. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow. It does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

- a. completed additions;
- b. fixtures, machinery, and equipment which are a permanent part of a covered building or structure;
- c. outdoor fixtures;
- d. personal property owned by "you" and used to maintain or service a covered building or structure or its premises. This includes air-conditioning equipment; fire extinguishing apparatus; floor coverings; and appliances for refrigerating, cooking, dish washing, and laundering;
- e. if not covered by other insurance, buildings and additions to buildings under construction, alteration, and repair including:
- 1) materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings; and
 - 2) "your" contractual liability for the interest of contractors and sub-contractors in buildings and additions to buildings under construction, alteration, and repair such as materials, equipment, supplies, and temporary structures, on or within 1,000 feet of a "covered location", intended and designated for use in the construction, alteration, and repair of buildings or additions to buildings;
- f. building glass;
- g. the following property if it is located on or within 1,000 feet of a covered building or structure:
- 1) radio and television towers, antennas, satellite dishes, masts, lead-in wiring, and guy wires. This includes foundations and any other property that is permanently attached to any of these types of property;

PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

"We" cover direct physical loss to covered property at a "covered location" caused by a covered peril.

BUILDING PROPERTY

1. **Covered Building Property** -- Covered Building Property means buildings and structures and:

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- 2) awnings or canopies; and
 - 3) fences;
- h. signs, whether or not they are attached to covered buildings, or structures; or
 - i. foundations of buildings, structures, machinery, or boilers.
- 2. Building Property That Is Not Covered --**
Except as provided under Supplemental Coverages - Underground Pipes, Piling, Bridges and Roadways, Covered Building Property does not include:
- a. pilings, piers, wharves, docks, or retaining walls;
 - b. underground pipes, flues, or drains; and
 - c. bridges, walkways, roadways, and other paved surfaces.
- b. leased personal property which "you" have a contractual responsibility to insure;
 - c. "your" interest in personal property of others to the extent of "your" labor, material, and services;
 - d. "computers", if not covered by other insurance;
 - e. personal property which will become a part of "your" installation, fabrication, or erection project while:
 - 1) at the site of installation, fabrication, or erection; or
 - 2) while in temporary storage awaiting installation, fabrication; or erection.

Coverage under this provision is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location";

BUSINESS PERSONAL PROPERTY

- 1. Covered Business Personal Property --**
Covered business personal property means "your" business personal property in buildings or structures at a "covered location" or in the open (or in vehicles) on or within 1,000 feet of a "covered location". This includes:
- a. "your" use interest as a tenant in improvements to the buildings or structures. Improvements are fixtures, alterations, installations, or additions:
 - 1) to a building or structure "you" occupy but do not own; and
 - 2) made or acquired at "your" expense and which cannot be legally removed by "you".
- "We" also cover "your" interest as a tenant in undamaged improvements that "you" lose because "your" lease has been canceled by the lessor as a result of damage to the building or structure "you" occupy but do not own. The damage to the building must be caused by a covered peril;
- f. "mobile equipment", if not covered by other insurance. Coverage under this provision is not restricted to buildings or structures at a "covered location" or within 1,000 feet of a "covered location"; and
 - g. personal property of others. This means personal property of others that is in "your" care, custody, or control.

Personal property of others includes property that is sold under an installation agreement where "your" responsibility continues until the property is accepted by the buyer.

"Our" payment for loss to personal property of others will only be for the benefit of the owners of the personal property.
- 2. Business Personal Property That Is Not Covered --** Covered business personal property does not include:
- a. "off-site server"; and



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- b. except as provided under Supplemental Marine Coverages;
 - 1) personal property in transit as described under Property In Transit;
 - 2) "fine arts" as described under Fine Arts;
 - 3) "computers" while away from a "covered location" as described under Off Premises Computers;
 - 4) property while temporarily on display or exhibit as described under Property On Exhibition;
 - 5) samples of "your" stock as described under Sales Representative Samples; and
 - 6) duplicate or back-up "software" as described under Software Storage.

- 4. **Automobiles and Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed and used for over-the-road transportation of people or cargo.

"We" do cover:

- a. "mobile equipment" described under Business Personal Property; and
- b. automobiles and vehicles that "you" manufacture, process, or warehouse. However, "we" do not cover automobiles or vehicles held for sale, lease, loan or rental.

- 5. **Checked Luggage** -- "We" do not cover loss resulting from "theft" or disappearance of a laptop, palmtop, notebook PC, or any portable "computer" while in transit as checked luggage.

PROPERTY NOT COVERED

- 1. **Airborne or Waterborne Property** -- "We" do not cover airborne or waterborne personal property unless the property is being transported by regularly scheduled airlines or ferry service.
- 2. **Aircraft or Watercraft** -- "We" do not cover aircraft or watercraft (and their motors, equipment, and accessories) that are operated principally away from a "covered location". However, "we" do cover:
 - a. aircraft or watercraft (and their motors, equipment, and accessories) that "you" manufacture, process, warehouse, or hold for sale; and
 - b. rowboats or canoes out of water at a "covered location".
- 3. **Animals** -- "We" do not cover animals, including but not limited to birds and fish, unless owned by others and boarded by "you". "We" do cover animals "you" own and hold for sale while inside of buildings.

- 6. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.

- 7. **Cost of Excavation** -- "We" do not cover the cost of excavations, grading, filling, or backfilling. However, if a covered loss occurs to covered property below the surface of the ground, "we" cover costs that are a necessary part of the repairing, rebuilding, or replacement of the property.

- 8. **Crops While Outside of Buildings** -- "We" do not cover grain, hay, straw, or other crops while outside of buildings.

- 9. **Exports and Imports** -- "We" do not cover exported or imported property that is covered under any ocean marine cargo insurance policy or any similar policy that anyone has obtained covering exports and imports.

- 10. **Land, Water, and Growing Crops** -- "We" do not cover:
 - a. land, including but not limited to land on which the covered property is located;

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- b. underground or surface water; or
 - c. growing crops.
11. **Money, Securities, Accounts, and Valuable Papers** -- Except as provided elsewhere in this policy, "we" do not cover "money", "securities", accounts, bills, and the cost to reproduce, replace, or restore "valuable papers" and lost information.
12. **Outdoor Trees, Shrubs, Plants, or Lawns** - Except as provided under Supplemental Coverages - Trees, Shrubs, and Plants, "we" do not cover trees, shrubs, plants, or lawns (other than stock).
13. **Property More Specifically Insured** -- "We" do not cover property which is more specifically insured in whole or in part by any other insurance. "We" do cover the amount in excess of the amount due from the more specific insurance whether "you" can collect on it or not.
14. **Property of Others** -- "We" do not cover property of others for which "you" are responsible as:
- a. a carrier for hire; or
 - b. an arranger of transportation. This includes carloaders, consolidators, brokers, freight forwarders, or shipping associations.
15. **Property You Have Sold** -- "We" do not cover property that "you" have sold after it has been delivered. This does not include property which "you" have sold under an installation agreement.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

The following coverage extensions are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Consequential Loss** -- "We" pay for "your" consequential loss of undamaged business personal property. Consequential loss means the loss of value of an undamaged part or parts of a product which becomes unmarketable. It must be unmarketable due to a physical loss to another part or parts of the product caused by a covered peril.
2. **Debris Removal** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril. This coverage does not include costs to:
 - a. extract "pollutants" from land or water; or
 - b. remove, restore, or replace polluted land or water.

"We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

COVERAGE EXTENSIONS

The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.



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However, "we" pay up to an additional \$50,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

"We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

3. **Emergency Removal** -- "We" pay for any direct physical loss to covered property while it is being moved or being stored to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.
4. **Emergency Removal Expenses** -- "We" pay up to \$5,000 for "your" expenses to move or store covered property to prevent a loss caused by a covered peril. This coverage applies for up to 365 days after the property is first moved, but does not extend past the date on which this policy expires.

The "limit" for Emergency Removal Expenses is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

5. **Fraud and Deceit** -- "We" pay up to \$5,000 for "theft" of covered property when "you", "your" agents, customers, or consignees are fraudulently induced to part with the covered property:
 - a. to persons who falsely represent themselves as the proper persons to receive the property; or
 - b. by the acceptance of fraudulent bills of lading or shipping receipts.

6. **Damage From Theft** -- "We" cover direct physical damage caused by "theft" or attempted "theft" to:
 - a. a building that "you" do not own and that contains "your" business personal property; or
 - b. personal property not owned by "you" within such building and that is used to maintain or service the building or structure or its premises.

This coverage extension only applies to a location where "you" are a tenant and the terms of "your" lease make "you" liable for damage caused by "theft" or attempted "theft".

7. **Off Premises Utility Service Interruption**

- a. **Coverage** -- "We" cover direct physical loss or damage caused by the interruption of an off premises utility service when the interruption:
 - 1) results in the direct physical loss or damage to covered property located at a "covered location"; and
 - 2) is a result of direct physical loss or damage by a covered peril to property that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:
 - a) power or gas;
 - b) telecommunications, including but not limited to Internet access; or
 - c) water, including but not limited to waste water treatment.

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b. **Overhead Transmission Lines** -- If the "schedule of coverages" indicates that overhead transmission lines are excluded, coverage under this extension does not include loss to overhead transmission lines that deliver utility service to "you". Overhead transmission lines include, but are not limited to:

- 1) overhead transmission and distribution lines;
- 2) overhead transformers and similar equipment; and
- 3) supporting poles and towers.

c. **Perishable Stock Exclusion** -- Coverage under this extension does not include loss of "perishable stock" due to "spoilage" that results from:

- 1) complete or partial lack of electrical power; or
- 2) fluctuation of electrical current.

d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Coverage Extension is \$50,000.

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

Unless otherwise stated, each supplemental coverage:

- a. applies to covered property in or on buildings or structures at a "covered location" or in the open (or in vehicles) within 1,000 feet of a "covered location"; and
- b. is not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

SUPPLEMENTAL COVERAGES

The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

1. **Brands or Labels Expense** -- If covered business personal property is damaged and the damage is caused by a covered peril, "we" have the option to take all or any part of the damaged business personal property at the agreed or appraised value. "You" may stamp salvage or remove any brands or labels from the property or its containers. "You" must not damage the property or containers when "you" remove the brands or labels. "You" must re-label the merchandise or its containers if required by law.

The most "we" pay in any one occurrence for "your" expenses for stamping or removing brands or labels is \$50,000.



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2. **Expediting Expenses** -- When a covered peril occurs to covered property, "we" pay for reasonable expenses necessary to expedite permanent repairs or replacement and make temporary repairs to damaged covered property. Expediting expenses include additional labor or overtime, and transportation costs.

The most "we" pay for all expediting expenses in any one occurrence is \$50,000.

3. **Fire Department Service Charges** -- "We" pay up to \$25,000 to cover "your" liability, assumed by contract or agreement prior to the loss, for fire department service charges.

This coverage is limited to charges incurred when the fire department is called to save or protect covered property from a covered peril.

No deductible applies.

4. **Inventory and Appraisal Expense** -- "We" pay up to \$50,000 for reasonable expenses, for the taking of inventory and appraisals, incurred by "you" at "our" request to assist "us" in the determination of the amount of a loss caused by a covered peril.

"We" do not pay for:

- a. any expenses incurred under the Other Conditions, Appraisal section of this coverage; or
 - b. any public adjusters' fees or attorneys' fees.
5. **Ordinance or Law (Undamaged Parts of a Building)** -- When a covered peril occurs to a covered building or structure, "we" pay for the value of undamaged parts of a covered building or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:
- a. requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a covered peril;

- b. regulates the construction or repair of a building or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- c. is in force at the time of loss.

"We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

6. **Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site)** --

- a. **Increased Cost to Repair** -- When a covered peril occurs to a covered building or structure, "we" cover the:
 - 1) increased cost to repair, rebuild, or reconstruct damaged portions of a covered building or structure; and
 - 2) increased cost to repair, rebuild, or reconstruct undamaged portions of a covered building or structure whether or not those undamaged portions need to be demolished;

as a result of the enforcement of building, zoning, or land use ordinance, law, or decree and is in force at the time when a covered peril occurs to a covered building or structure.

If a covered building or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.

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- "We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.
- b. **Cost to Demolish and Clear Site --** "We" cover the cost to demolish and clear the site of undamaged parts of the covered building or structure that is damaged or destroyed by a covered peril. The demolition must be a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time when a covered peril occurs to a covered building or structure.
- c. **We Do Not Cover --** "We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that:
- 1) requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants"; or
 - 2) "you" were required to comply with before the covered peril occurred to a covered building or structure, even if the building or structure was undamaged and "you" failed to comply with the ordinance, law, or decree.
- d. **What We Pay If The Building Is Repaired or Replaced --** If the covered building or structure is repaired or replaced, "we" pay the lesser of:
- 1) the amount "you" actually spend to demolish and clear the site, plus the actual increased cost to repair, rebuild, or construct the property but not for more than a building or structure of the same height, floor area, and style; or
 - 2) \$100,000.
- e. **What We Pay If The Building Is Not Repaired or Replaced --** If the covered building or structure is not repaired or replaced, "we" pay the lesser of:
- 1) the amount "you" actually spend to demolish and clear the site; plus the cost "you" would have incurred to replace the damaged or destroyed property with other property:
 - a) of like kind, and quality;
 - b) of the same height, floor area, and style; and
 - c) used for the same purpose; or
 - 2) \$100,000.
7. **Personal Effects --** "We" cover direct physical loss caused by a covered peril to personal effects owned by "you", "your" officers, "your" partners, or "your" employees.
- The most "we" pay for loss to personal effects in any one occurrence or at any one "covered location" is \$15,000.
8. **Pollutant Cleanup and Removal --** "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period. The expenses are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.
- The most "we" pay for each site or "covered location" is \$50,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12 month period of this policy.



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9. **Recharge of Fire Extinguishing Equipment** -- "We" pay up to \$50,000 to cover "your" incurred expenses to recharge "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment when the equipment is discharged:

- a. to fight a fire;
- b. as a result of a covered peril; or
- c. as a result of an accidental discharge.

However, "we" do not pay for "your" expenses to recharge equipment as a result of a discharge during testing or installation.

If it is less expensive to do so, "we" will pay "your" costs to replace "your" automatic fire extinguishing equipment or hand held fire extinguishing equipment rather than recharge the equipment.

10. **Rewards** -- "We" pay up to \$10,000 as a reward for information that leads to a conviction for arson, "theft", or vandalism. The conviction must involve a covered loss caused by arson, "theft", or vandalism.

The amount "we" pay is not increased by the number of persons involved in providing the information.

11. **Sewer Backup and Water Below the Surface** -- "We" cover direct physical loss caused by:

- a. water that backs up through a sewer or drain; or
- b. water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

The most "we" pay for loss caused by sewer backup and water below the surface in any one occurrence is \$25,000.

12. **Trees, Shrubs, and Plants** -- "We" cover direct physical loss (and debris removal expenses) to outdoor trees, shrubs, plants, and lawns at a "covered location". "We" only cover loss caused by:

- a. fire;
- b. lightning;
- c. explosion;
- d. riot or civil commotion;
- e. falling objects; or
- f. vandalism.

The most "we" pay for loss to trees, shrubs, and plants in any one occurrence is \$50,000.

Coverage under this supplemental coverage does not apply to property held for sale by "you".

13. **Underground Pipes, Pilings, Bridges, and Roadways** -- "We" cover direct physical loss caused by a covered peril to:

- a. pilings, piers, wharves, docks, or retaining walls;
- b. underground pipes, flues, or drains; and
- c. bridges, walkways, roadways, and other paved surfaces.

The most "we" pay under this Supplemental Coverage in any one occurrence or at any one "covered location" is \$250,000.

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SUPPLEMENTAL MARINE COVERAGES

The following Supplemental Marine Coverages indicate an applicable "limit". This "limit" may also be shown in the "schedule of coverages". If a different "limit" is indicated in the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Marine Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Marine Coverage provided below is separate from, and not part of the applicable "limit" for coverage described under Property Covered. The "limit" available for coverage described under a Supplemental Marine Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Marine Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Marine Coverage cannot be combined or added to the "limit" for any other Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension including a Supplemental Marine Coverage, Supplemental Coverage, or Coverage Extension that is added to this policy by endorsement.

The following supplemental marine coverages are not subject to and not considered in applying coinsurance when coinsurance conditions are added to this coverage.

1. **Accounts Receivable** -- "We" pay up to \$50,000 to cover losses and expenses that "you" incur as a result of a direct physical loss caused by a covered peril to "your" records of accounts receivable.

Losses and expenses under this coverage means:

- a. all sums due "you" from customers, provided "you" are unable to effect collection;
- b. interest charges on any loan used to offset impaired collections pending "our" payment of such sums;
- c. collection expenses in excess of normal collection costs made necessary because of loss or damage; and
- d. other reasonable expenses incurred by "you" in recreating records of accounts receivable following such loss or damage.

2. **Electrical or Magnetic Disturbance of Computers** -- "We" cover direct physical loss to "computers" caused by electrical or magnetic disturbance that results in electrical or magnetic damage to "computers" and damage to, disturbance of, or erasure of electronic records.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.

3. **Power Supply Disturbance of Computers** - "We" cover direct physical loss to "computers" caused by power supply disturbance such as interruption of power supply, power surge, blackout, or brownout.

This coverage is part of and not in addition to the applicable "limit" for coverage described under Property Covered.



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4. **Virus and Hacking Coverage** -- "We" cover direct physical loss to covered "computers", "your" "computer" network and "your" Web site caused by a "computer virus" or by "computer hacking". However, "we" do not cover:

- a. loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
- b. loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
- c. theft from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "computers", "your" computer network, or "your" Web site without any alteration or other physical loss or damage to the records or programs.

Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets; and

- d. except as provided under the Supplemental Income Coverages section of the Commercial Output Program - Income Coverage Part (if attached to this policy), denial of access to or services from "computers", "your" "computer" network, or "your" Web site.

The most "we" pay in any one occurrence under this Supplemental Marine Coverage is \$25,000.

The most "we" pay for all covered losses under this Supplemental Marine Coverage during each separate 12-month period of this policy is \$50,000.

5. **Fine Arts** -- "We" cover direct physical loss caused by a covered peril to "your" "fine arts" at a "covered location". "We" also cover "your" "fine arts" while:

- a. temporarily on display or exhibit away from a "covered location"; or
- b. in transit between a "covered location" and a location where the "fine arts" will be temporarily on display or exhibit.

The most "we" pay for loss to "fine arts" in any one occurrence or at any one "covered location" is \$100,000.

6. **Off Premises Computers** -- "We" cover direct physical loss caused by a covered peril to "computers" in the custody of "you", "your" officers, "your" partners, or "your" employees, while:

- a. away from a "covered location"; or
- b. in transit between a "covered location" and "you", "your" officers, "your" partners, or "your" employees.

The most "we" pay in any one occurrence for loss to off premises "computers" is \$25,000.

7. **Property on Exhibition** -- "We" cover direct physical loss caused by a covered peril to business personal property while temporarily on display or exhibit at locations "you" do not regularly occupy.

The most "we" pay in any one occurrence for loss to property on exhibition is \$50,000.

8. **Property in Transit** -- "We" cover direct physical loss caused by a covered peril to business personal property while in transit, regardless if the loss involves one or more vehicles, conveyances, containers, trailers, or any combination of these.

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a. **Property You Have Sold** -- "We" also cover direct physical loss caused by a covered peril to business personal property that "you" have sold and are shipping at the owner's risk. "We" only pay for loss to business personal property that "you" have sold when the shipment has been rejected by the owner because:

- 1) the property is damaged; and
- 2) the owner of the property has refused to pay "you".

b. **Rejected Shipments** -- "We" also cover direct physical loss caused by a covered peril to rejected shipments while in due course of transit back to "you" or while awaiting return shipment to "you".

c. **Bills of Lading** -- "You" may accept bills of lading or shipping receipts issued by carriers for hire that limit their liability to less than the actual cash value of the covered property.

d. **Perishable Stock** -- "We" do not cover loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle, conveyance, container, or trailer.

The most "we" pay in any one occurrence for loss to property in transit is \$50,000.

9. **Sales Representative Samples** -- "We" cover direct physical loss caused by a covered peril to samples of "your" stock in trade (and containers) and similar property of others.

"We" cover samples of "your" stock in trade while the property is:

- a. in the custody of "your" sales representatives and agents;
- b. in "your" custody while acting as a sales representative; or

c. in transit between a "covered location" and "your" sales representatives.

The most "we" pay in any one occurrence for loss to samples of "your" stock in trade is \$50,000.

10. **Software Storage** -- "We" cover direct physical loss caused by a covered peril to duplicate and back-up "software" stored at a "software" storage location. Each "software" storage location must be in a separate building which is at least 100 feet away from a "covered location".

The most "we" pay in any one occurrence for loss to duplicate and back-up "software" is \$50,000.

11. **Valuable Papers** -- "We" pay up to \$100,000 for the cost of research or other expenses necessary to reproduce, replace, or restore lost information that results from a direct physical loss caused by a covered peril to "your" "valuable papers".

PERILS COVERED

"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.



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NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

- a. **Ordinance or Law** -- Except as provided under Supplemental Coverages - Ordinance or Law, "we" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.

"We" do not pay for loss regardless if the loss is caused by or results from the:

- 1) enforcement of any code, ordinance, or law even if a building or structure has not been damaged; or
- 2) increased costs that "you" incur because of "your" compliance with a code, ordinance, or law during the construction, repair, rehabilitation, remodeling, or razing of a building or structure, including the removal of debris, following a direct physical loss to the property.

- b. **Earth Movement** -- "We" do not pay for loss caused by any earth movement (other than "sinkhole collapse") or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to: earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, or shifting of earth.

"We" do cover direct loss by fire, explosion, or "volcanic action" resulting from either earth movement or eruption, explosion, or effusion of a volcano.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- c. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- d. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **War and Military Action** -- "We" do not pay for loss caused by:

- 1) war, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

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- f. **Flood** -- "We" do not pay for loss caused by "flood". However, "we" do cover the resulting loss if fire, explosion, or sprinkler leakage results.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- g. **Utility Failure** -- Except as provided under Coverage Extensions - Off Premises Utility Service Interruption, "we" do not pay for loss caused by or resulting from the failure of a utility to supply electrical power or other utility service to a "covered location", however caused, if the failure takes place away from the "covered location".

But if failure of a utility to supply electrical or other utility service to a "covered location" results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- h. **Sewer Backup and Water Below the Surface** -- Except as provided under Supplemental Coverages - Sewer Backup and Water Below the Surface, "we" do not pay for loss caused by or resulting from:

- 1) water that backs up through a sewer or drain; or
- 2) water below the surface of the ground, including but not limited to water that exerts pressure on or flows, seeps, or leaks through or into a covered building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer backup and water below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Animal Nesting, Infestation, or Discharge** -- "We" do not pay for loss caused by nesting, infestation, discharge, or release of waste products or secretions by animals, including but not limited to, birds, insects, or vermin.

But if nesting, infestation, discharge, or release of waste products or secretions by animals results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

- b. **Collapse** -- "We" do not pay for loss caused by collapse, except as provided under the Other Coverages, Collapse. But if collapse results in a covered peril, "we" cover the loss or damage caused by that covered peril.

This exclusion does not apply to "computers", "mobile equipment", and the Supplemental Marine Coverages.

- c. **Computer Virus or Computer Hacking** -- Except as provided under Supplemental Marine Coverages - Virus and Hacking Coverage, "we" do not pay for:

- 1) any direct or indirect loss or damage; or
- 2) loss of access, loss of use, or loss of functionality

caused by a "computer virus" or by "computer hacking".



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d. **Contamination or Deterioration -- "We"**
do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

This exclusion does not apply to loss caused by corrosion, decay, fungus, mildew, mold, rot, or rust to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

e. **Criminal, Fraudulent, Dishonest, or Illegal Acts -- "We"** do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint adventurers; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for "theft" by employees.

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

f. **Defects, Errors, and Omissions -- "We"**
do not pay for loss which results from one or more of the following:

- 1) an act, error, or omission (negligent or not) relating to:
 - a) land use;
 - b) the design, specification, construction, workmanship, installation, or maintenance of property;
 - c) planning, zoning, development, siting, surveying, grading, or compaction; or
 - d) maintenance of property (such as land, structures, or improvements);

whether on or off a "covered location";

- 2) a defect, weakness, inadequacy, fault, or unsoundness in materials used in construction or repair, whether on or off a "covered location";
- 3) the cost to make good an error in design; or
- 4) a data processing error or omission in programming or giving improper instructions.

In addition, "we" do not pay for loss to business personal property caused by deficiencies or defects in design, specifications, materials, or workmanship, or caused by latent or inherent defects.

But if a defect, error, or omission as described above results in a covered peril, "we" cover the loss or damage caused by that covered peril.

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NEW YORK STATE INSURANCE DEPARTMENT

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

- g. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning. But if arcing or electrical currents other than lightning result in fire, "we" cover the loss or damage caused by that fire.

"We" do cover the direct loss by a covered peril which occurs at "covered locations" as a result of any power interruption or other utility services.

This exclusion does not apply to "computers".

- h. **Steam Boiler Explosion** -- "We" do not pay for loss caused by an explosion of steam boilers, steam pipes, steam turbines, or steam engines that "you" own or lease or that are operated under "your" control.

But if an explosion of steam boilers, steam pipes, steam turbines, or steam engines results in a fire or combustion explosion, "we" cover the loss or damage caused by that fire or combustion explosion. "We" also cover loss or damage caused by or resulting from the explosion of gas or fuel in a firebox, combustion chamber, or flue.

- i. **Increased Hazard** -- "We" do not pay for loss occurring while the hazard has been materially increased by any means within "your" knowledge or "your" control.
- j. **Loss of Use** -- "We" do not pay for loss caused by loss of use, delay, or loss of market.
- k. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force.

But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a "specified peril", the breakage of building glass, or an elevator collision, "we" cover the loss or damage caused by that "specified peril", breakage of building glass, or elevator collision.

This exclusion does not apply to "computers".

- l. **Neglect** -- "We" do not pay for loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss.

"We" do not pay for loss caused by "your" neglect to use all reasonable means to save and preserve covered property when endangered by a covered peril.

- m. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril" or
- 2) except as specifically provided under the Supplemental Coverages, Pollutant Cleanup and Removal.

"We" do pay for any resulting loss caused by a "specified peril".

- n. **Seepage** -- "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam that occurs over a period of 14 days or more.

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- b. "your" discovery of a discrepancy in "your" books or records if an audit or inventory computation is necessary to prove the factual existence of the discrepancy.
2. **Animals** -- "We" do not cover loss to animals, including but not limited to birds and fish, except death or destruction of animals held for sale caused by "specified perils" or breakage of building glass.
3. **Boilers** -- "We" do not cover loss to steam boilers, steam pipes, steam turbines, or steam engines caused by any condition or occurrence within such equipment. "We" do cover loss to such equipment caused by the explosion of gas or fuel in a firebox, combustion chamber, or flue.
- "We" do not cover loss to hot water boilers or heaters caused by any condition or occurrence within such equipment other than explosion. This exclusion includes bursting, cracking, or rupturing.
4. **Contamination of Perishable Stock Due to Release of Refrigerant** -- "We" do not pay for loss of "perishable stock" due to contamination from the release of a refrigerant, including but not limited to ammonia.
5. **Furs** -- "We" do not cover furs or fur garments for loss by "theft" for more than \$10,000 total in any one occurrence.
6. **Glassware/Fragile Articles** -- "We" do not cover breakage of fragile articles such as glassware and porcelains, except as a result of "specified perils" or breakage of building glass.
- This exclusion does not apply to:
- glass that is a part of a building or structure;
 - bottles or other containers held for sale;
 - lenses of photographic and scientific instruments; or
- d. "fine arts" as described under Supplemental Marine Coverages.
7. **Jewelry, Watches, and Precious Stones** -- "We" do not cover more than \$10,000 total in any one occurrence for loss by "theft" of jewelry, watches, and precious stones, including but not limited to watch movements, jewels, pearls, and semi-precious stones. This limitation does not apply to items of jewelry, watches, or precious stones worth \$100 or less.
8. **Missing Property** -- "We" do not cover missing property when the only proof of loss is unexplained or mysterious disappearance, or shortage discovered on taking inventory, or other instance where there is no physical evidence to show what happened to the property.
- This exclusion does not apply to property in the custody of carriers for hire.
9. **Personal Property in the Open** -- "We" do not cover loss to personal property in the open caused by rain, snow, ice, or sleet.
- This exclusion does not apply to "mobile equipment" or to property in the custody of carriers for hire.
10. **Stamps, Tickets, and/or Letters of Credit** -- "We" do not cover more than \$5,000 total in any one occurrence for loss by "theft" to stamps, tickets (such as lottery tickets held for sale), or letters of credit.
11. **Unauthorized or Fraudulent Transfer** -- Except as provided under Coverage Extensions - Fraud and Deceit, "we" do not cover loss of, or loss caused by the transfer or delivery of covered property from a "covered location" or "your" "computer" to a person or place outside of a "covered location" on the basis of unauthorized or fraudulent instructions, including but not limited to instructions transmitted:
- by a computer, whether or not owned by "you", or

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- b. via any telecommunications transmission method.
12. **Valuable Papers** -- "We" do not cover loss to "valuable papers" caused by errors or omissions in processing or copying.

OTHER COVERAGES

1. **Collapse** -- "We" pay for loss caused by direct physical loss involving collapse as described in a., b., and c. below.
- a. Collapse of a building or structure, any part of a building or structure, or personal property inside a building or structure, if the collapse is caused by one or more of the following:
- 1) "specified perils" or breakage of building glass all only as insured against in this Coverage Part;
 - 2) hidden decay, unless "you" know of the presence of the decay prior to the collapse;
 - 3) hidden insect or vermin damage, unless "you" know of the damage prior to the collapse;
 - 4) weight of people or personal property;
 - 5) weight of rain that collects on a roof; or
 - 6) use of defective material or methods in construction, remodeling, or renovation during the course of the construction, remodeling, or renovation.

However, if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a peril listed in 1) through 5) above, "we" will pay for the loss or damage even if the use of defective material or methods in construction, remodeling, or renovation, contributes to the collapse.

- b. The following property is covered for loss involving collapse only if the collapse is of a building or structure or any part of a building or structure and is caused by one or more of the causes listed above in 1.a. or collapse caused by "specified perils" or breakage of building glass all only as insured against in this Coverage Part:

- 1) outdoor radio or television antennas (and satellite dishes) and their lead-in wiring, masts, or towers;
- 2) awnings, gutters, and down spouts;
- 3) yard fixtures;
- 4) outdoor swimming pools;
- 5) fences;
- 6) bulkheads, piers, wharves, and docks;
- 7) beach or diving platforms or appurtenances;
- 8) retaining walls that are not part of buildings; and
- 9) bridges, walkways, roadways, and other paved surfaces.

- c. Collapse means a sudden and unexpected falling in or caving in of a building or structure or any portion of a building or structure with the result that the building or portion of the building cannot be occupied for its intended purpose.
- d. The following are not considered to be in a state of collapse:
- 1) a building or structure that is standing or any portion of a building that is standing even if it displays evidence of bending, bulging, cracking, expansion, leaning, sagging, settling, or shrinkage;
 - 2) a building or structure or any portion of a building structure in danger of falling in or caving; and
 - 3) a portion of a building or structure that is standing even if it has separated from another portion of the building or structure.

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2. **Tearing Out and Replacing** -- When "we" cover buildings or structures and a loss caused by water, other liquids, powder, or molten material is covered, "we" also pay the cost of tearing out and replacing any part of the covered building or structure to repair damage to the system or appliance from which the water or other substance escapes.

"We" also pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage results in discharge of any substance from an automatic fire protection system; or is directly caused by freezing.

WHAT MUST BE DONE IN CASE OF LOSS

1. **Notice** -- In case of a loss, "you" must:
 - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice);
 - b. give notice to the police when the act that causes the loss is a crime; and
 - c. give notice to the credit card company if the loss involves a credit card.
2. **Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss. "We" will pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. However "we" will not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against. This does not increase "our" "limit".
3. **Proof of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
 - a. the time, place, and circumstances of the loss;
 - b. other policies of insurance that may cover the loss;
 - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - d. changes in title or occupancy of the covered property during the policy period;
 - e. detailed estimates for repair or replacement of covered property; and
 - f. an inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.



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7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by the Commercial Output Program coverages.
3. **Fine Arts** -- The value of "fine arts" will be based on the fair market value at the time of loss.
4. **Glass** -- The value of glass will be based on the cost of safety glazing material where required by code, ordinance, or law.
5. **Hardware** -- The following is the value of "hardware":
 - a. **Hardware That Is Replaced** -- The value of "hardware" that is replaced will be based on the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
 - b. **Hardware That Is Not Replaced** -- The value of "hardware" that is not repaired or replaced will be based on the actual cash value at the time of loss (with a deduction for depreciation).
 - c. **Partial Loss** -- In no event will "we" pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.

VALUATION

1. **Replacement Cost** -- The value of covered property will be based on replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".

The replacement cost is limited to the cost of repair or replacement with similar materials on the same site and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.

Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced. "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.

This replacement cost provision does not apply to paragraphs 3. through 13. below.

2. **Actual Cash Value** -- When Actual Cash Value is indicated on the "schedule of coverages" for covered property, the value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) except as provided in paragraphs 3. through 13. below.

6. **Software** -- The following is the value of "software":
 - a. **Programs and Applications** -- The value of "programs and applications" will be based on the cost to reinstall the "programs or applications" from the licensed discs that were originally used to install the programs or applications.

If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".

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- b. **Proprietary Programs** -- The value of "proprietary programs" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
- If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
- c. **Data Records** -- The value of "data records" will be based on the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.
- If duplicate copies do not exist, the value of "data records" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents, and records.
- d. **Media** -- The value of "media" will be based on the cost to repair or replace the "media" with material of the same kind or quality.
7. **Merchandise Sold** -- The value of merchandise that "you" have sold but not delivered will be based on the selling price less all discounts and unincurred expenses.
8. **Manufactured Stock** -- The value of stock manufactured by "you" will be based on the price that such stock would have been sold for, less all discounts and unincurred expenses.
9. **Pair or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
10. **Loss to Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.
11. **Tenant's Improvements** -- The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on the replacement cost if repaired or replaced at "your" expense within 24 months.
- The value of lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease will be based on a portion of "your" original cost if not repaired or replaced within 24 months. This portion is determined as follows:
- divide the number of days from the date of the loss to the expiration date of the lease by the number of days from the date of installation to the expiration date of the lease; and
 - multiply the figure determined in 11.a. above by the original cost.
- If "your" lease contains a renewal option, the expiration of the lease in this procedure will be replaced by the expiration of the renewal option period.
- Lost or damaged tenant's improvements and the loss of undamaged tenant's improvements due to the cancellation of a lease are not covered if repaired or replaced at another's expense.
12. **Valuable Papers** -- The value of "valuable papers" will be based on their actual cash value at the time of loss.
13. **Accounts Receivable** -- The value of accounts receivable will be based on the total sum of accounts receivable due. From this total "we" will deduct:
- all amounts due from the records of accounts receivable that are not lost;

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- b. all amounts due that can be established by other means;
 - c. all amounts due that "you" have collected from the records that are lost;
 - d. all unearned interest and service charges; and
 - e. an amount to allow for bad debts.
- 4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay and coinsurance provisions (if applicable), "we" pay the lesser of:
 - a. the amount determined under Valuation;
 - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
 - c. the "limit" that applies to covered property.

If a loss occurs and "you" cannot establish the actual accounts receivable due, it will be determined as follows:

- a. "We" will determine the total of the average monthly accounts receivable amounts for the 12 month period that directly precedes the month in which the loss occurred.
 - b. "We" will adjust the total for any normal variance in the accounts receivable amount for the month in which the loss occurred.
- 5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
 - 6. **Insurance Under More Than One Policy** -- "You" may have another policy subject to the same plan, "terms", conditions, and provisions as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

HOW MUCH WE PAY

- 1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
- 2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount stated on the "schedule of coverages" in any one occurrence. The deductible applies to the loss before application of any coinsurance or reporting provisions.
- 3. **Earthquake Period** -- All earthquakes or volcanic eruptions that occur within a 168-hour period will be considered a single event. This 168-hour period is not limited by the policy expiration.
- 7. **Automatic Increase** -- The "limit" on the "schedule of coverages" or the Scheduled Locations Endorsement is automatically increased annually by the annual percentage shown on the "schedule of coverages" or Scheduled Locations Endorsement for Automatic Increase.

If there is another policy covering the same loss, other than that described above, "we" will pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" will not pay more than the applicable "limit".

LOSS PAYMENT

1. **Our Options** -- In the event of loss covered by this coverage form, "we" have the following options:

- a. pay the value of the lost or damaged property;
- b. pay the cost of repairing or replacing the lost or damaged property;
- c. rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
- d. take all or any part of the property at the agreed or appraised value.

"We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** -- "We" will adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy. An insured loss will be payable 30 days after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property of Others** -- Losses to property of others may be adjusted with and paid to:

- a. "you" on behalf of the owner; or
- b. the owner.

If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits arising from the owners at "our" expense.

OTHER CONDITIONS

In addition to the "terms" which are contained in other sections of the Commercial Output Program coverages, the following conditions apply.

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".



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2. **Benefit to Others** -- Insurance under the Commercial Output Program coverages will not directly or indirectly benefit anyone having custody of "your" property.
3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Control of Property** -- The Commercial Output Policy coverages are not affected by any act or neglect beyond "your" control.
5. **Death** -- If "you" die, "your" rights and duties will pass to "your" legal representative but only while acting within the scope of duties as "your" legal representative. Until "your" legal representative is appointed, anyone having proper temporary custody of "your" property will have "your" rights and duties but only with respect to that property.
6. **Liberalization** -- If a revision of a form or endorsement which broadens Commercial Output Program coverages without additional premium is adopted during the policy period, or within six months before this coverage is effective, the broadened coverage will apply.
7. **Misrepresentation, Concealment, or Fraud** -- These Commercial Output Program coverages are void as to "you" and any other insured if, before or after a loss:
 - a. "you" or any other insured have willfully concealed or misrepresented:
 - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
 - 2) "your" interest herein; or
 - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
8. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
 - a. all of the "terms" of the Commercial Output Program coverages have been complied with; and
9. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
 - a. "you" must notify "us" promptly if "you" recover property or receive payment;
 - b. "we" must notify "you" promptly if "we" recover property or receive payment;
 - c. any recovery expenses incurred by either are reimbursed first;
 - d. "you" may keep the recovered property, but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
 - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be prorated between "you" and "us" based on "our" respective interest in the loss.
10. **Restoration of Limits** -- Except as indicated under Supplemental Coverages - Pollutant Cleanup and Removal and Supplemental Marine Coverages - Virus and Hacking Coverage, any loss "we" pay under the Commercial Output Program coverages does not reduce the "limits" applying to a later loss.
11. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" will not pay for a loss if "you" impair this right to recover.

"You" may waive "your" right to recover from others in writing before a loss occurs.
12. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
 - a. all of the "terms" of the Commercial Output Program coverages have been complied with; and

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- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by the law.

13. **Territorial Limits** -- "We" cover property while in the United States of America, its territories and possessions, Canada, and Puerto Rico.

However, "we" do cover foreign shipments as described under Overseas Transit.

14. **Mortgage Provisions** -- If a mortgagee (mortgage holder) is named in this policy, loss to building property will be paid to the mortgagee and "you" as their interest appears. If more than one mortgagee is named, they will be paid in order of precedence.

The insurance for the mortgagee continues in effect even when "your" insurance may be void because of "your" acts, neglect, or failure to comply with the coverage "terms". The insurance for the mortgagee does not continue in effect if the mortgagee is aware of changes in ownership or substantial increase in risk and does not notify "us".

If "we" cancel this policy, "we" will notify the mortgagee at least ten days before the effective date of cancellation if "we" cancel for "your" nonpayment of premium, or 30 days before the effective date of cancellation if "we" cancel for any other reason.

"We" may request payment of the premium from the mortgagee if "you" fail to pay the premium.

If "we" pay the mortgagee for a loss where "your" insurance may be void, the mortgagee's right to collect that portion of the mortgage debt from "you" then belongs to "us". This does not affect the mortgagee's right to collect the remainder of the mortgage debt from "you".

As an alternative, "we" may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.

If "we" choose not to renew this policy, "we" will give written notice to the mortgagee at least ten days before the expiration date of this policy.

15. **Vacancy - Unoccupancy** -- "We" do not pay for loss caused by attempted "theft"; breakage of building glass; sprinkler leakage (unless "you" have protected the system against freezing); "theft"; vandalism; or water damage occurring while the building or structure has been:

- a. vacant for more than 60 consecutive days; or

- b. unoccupied for more than:

- 1) 60 consecutive days; or
- 2) the usual or incidental unoccupancy period for a "covered location";

whichever is longer.

The amount "we" will pay will be reduced by 15% for any loss by a covered peril, not otherwise excluded above, if the building or structure is vacant or unoccupied, as described above.

Unoccupied means that the customary activities or operations at a "covered location" are suspended, but business personal property has not been removed. The building or structure will be considered vacant and not unoccupied when the occupants have moved, leaving the building or structure empty or containing only limited business personal property. Buildings or structures under construction are not considered vacant or unoccupied.

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COMMERCIAL OUTPUT PROGRAM INCOME COVERAGE PART

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Commercial Output Program - Property Coverage Part under the sections titled Agreement, Definitions, Property Not Covered, Perils Covered, Perils Excluded, What Must Be Done In Case Of Loss, Loss Payment, and Other Conditions.

If "you" lease, rent, or do not own the building "you" occupy, for the purposes of determining an Income Coverage loss, "your" location is the space that "you" lease, rent, or occupy, including but not limited to:

1. all passageways to "your" location within the building; and
2. "your" business personal property in the open (or in a vehicle) within 1,000 feet.

COVERAGE OPTIONS

One of the following described coverage options applies when that option is indicated on the "schedule of coverages":

1. Earnings, "rents", and extra expense.
2. Earnings and extra expense.
3. "Rents" and extra expense.
4. Extra expense only.

If option 1. above is selected, the term Earnings includes "rents". When Option 3. is indicated, the term Earnings means only "rents".

EARNINGS

"We" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense.

The net sales value of goods that would have been produced is included in net income for manufacturing risks.

EXTRA EXPENSE

"We" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered peril.

COVERAGE

"We" provide the following coverage unless the coverage is excluded or subject to limitations.

"We" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted by direct physical loss of or damage to property at a "covered location" or in the open (or in vehicles) within 1,000 feet thereof as a result of a covered peril.

"We" cover any extra expense to avoid or reduce the interruption of "business" and continue operating at a "covered location", replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if it is not possible for "you" to continue operating during the "restoration period".

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To the extent that they reduce a loss otherwise payable under this Coverage Part, "we" will cover any extra expenses to:

1. repair, replace, or restore any property; and
2. research, replace, or restore information on damaged "valuable papers" or "data records".

EXCLUSIONS AND LIMITATIONS

The following exclusions apply in addition to the exclusions and limitations in the Commercial Output Program - Property Coverage Part.

1. **Finished Stock** -- "We" do not cover loss caused by or resulting from loss or damage to stock manufactured by "you" which is ready to pack, ship, or sell. This includes loss caused by or resulting from the time required to reproduce such stock. This does not apply to stock manufactured and held for sale at retail outlets that "you" own and that are insured under this Coverage Part.
2. **Leases, Licenses, Contracts, or Orders** -- "We" do not cover any increase in loss due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.

However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business".

"We" do not cover any extra expense caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders beyond the "restoration period".

3. **Strikes, Protests, and Other Interference** -- "We" do not cover any increase in loss due to interference by strikers or other persons at a "covered location". This applies to interference with rebuilding, repairing, or replacing the property or with resuming "your" "business".

INCOME COVERAGE EXTENSIONS

The following Income Coverage Extensions indicate an applicable "limit" or limitation. This "limit" or limitation may also be shown on the "schedule of coverages". If a different "limit" or limitation is indicated on the "schedule of coverages", that "limit" or limitation will apply instead of the "limit" or limitation shown below.

The following Income Coverage Extensions are part of and not in addition to the applicable Income Coverage "limit".

1. **Interruption by Civil Authority** -- "We" extend "your" coverage for earnings and extra expense to include loss sustained while access to "covered locations" or a "dependent location" is specifically denied by an order of civil authority. This order must be a result of direct physical loss of or damage to property, other than at a "covered location" and must be caused by a covered peril. Unless otherwise indicated on the "schedule of coverages", this Income Coverage Extension is limited to 30 consecutive days from the date of the order.
2. **Period of Loss Extension After Business Resumes** -- "We" extend "your" coverage for earnings to cover loss from the date the covered property that incurred the loss is rebuilt, repaired, or replaced and "business" is resumed or tenantability is restored until:
 - a. the end of 90 consecutive days (unless otherwise indicated on the "schedule of coverages"); or
 - b. the date "you" could reasonably resume "your" "business" to the conditions that would generate the earnings amount or "rents" that would have existed had no loss or damage occurred,

whichever is earlier.

Loss of earnings or "rents" must be caused by direct physical loss of or damage to property at a "covered location" or in the open (or in vehicles) within 1,000 feet thereof as a result of a covered peril.

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SUPPLEMENTAL INCOME COVERAGES

Unless otherwise indicated, the following Supplemental Income Coverages apply separately to each "covered location".

The following Supplemental Income Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages". If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

Unless otherwise indicated, a "limit" for a Supplemental Income Coverage provided below is separate from, and not part of, the applicable Income Coverage "limit". The "limit" available for coverage described under a Supplemental Income Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Income Coverage and the Income Coverage "limit".

The "limit" provided under a Supplemental Income Coverage cannot be combined or added to the "limit" for any other Supplemental Income Coverage.

1. Computer Virus and Hacking --

- a. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by a "computer virus" or by "computer hacking" that results in:
 - 1) direct physical loss or damage to covered "computers", "your" computer network, or "your" Web site; or
 - 2) denial of access to or services from "your" "computer", "your" computer network, or "your" Web site.

b. **Exclusions** -- "We" do not cover loss of earnings or extra expenses under this Supplemental Income Coverage that results from:

- 1) loss of exclusive use of any "data records" or "proprietary programs" that have been copied, scanned, or altered;
- 2) loss of or reduction in economic or market value of any "data records" or "proprietary programs" that have been copied, scanned, or altered; or
- 3) theft from "your" "data records" or "proprietary programs" of confidential information through the observation of the "data records" or "proprietary programs" by accessing covered "computers", "your" computer network, or "your" Web site without any alteration or other physical loss or damage to the records or programs.

Confidential information includes, but is not limited to customer information, processing methods, or trade secrets.

c. **Waiting Period** -- Unless otherwise indicated on the "schedule of coverages", "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 12 hours following the direct physical loss of or damage to "your" "computers", "your" computer network, or "your" Web site. This waiting period does not apply to extra expenses that "you" incur.

d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$25,000.

The most "we" pay for all covered losses under this Supplemental Income Coverage during each 12-month period of this policy is \$75,000.

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2. **Dependent Locations** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" "business" is interrupted by direct physical loss of or damage, caused by a covered peril, to property at a "dependent location".

The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$100,000.

3. **Off Premises Utility Service Interruption** --

- a. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" "business" is interrupted due to the interruption of an off premises utility services when the interruption is a result of direct physical loss or damage by a covered peril to property that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:

- 1) power or gas;
- 2) telecommunications, including but not limited to Internet access; or
- 3) water, including but not limited to waste water treatment.

- b. **Overhead Transmission Lines** -- If the "schedule of coverages" indicates that overhead transmission lines are excluded, coverage under this Supplemental Income Coverage does not include loss to overhead transmission lines that deliver utility service to "you". Overhead transmission lines include, but are not limited to:

- 1) overhead transmission and distribution lines;
- 2) overhead transformers and similar equipment; and
- 3) supporting poles and towers.

- c. **Waiting Period** -- Unless otherwise indicated on the "schedule of coverages", "we" do not pay for "your" loss of earnings under this Supplemental Income Coverage until after the first 12 hours following the direct physical loss of or damage to the property owned by a utility, a landlord, or another supplier. This waiting period does not apply to extra expenses that "you" incur.

- d. **Applicable Limit** -- The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$10,000.

4. **Pollutant Cleanup and Removal** -- When there is a loss to a "covered location" caused by a covered peril, coverage for earnings is extended to loss of earnings during the "restoration period" due to the increased time of interruption of "your" "business" caused by the enforcement of any ordinance, law, or decree that requires "you" to extract "pollutants" from land or water at the "covered location".

This Supplemental Income Coverage only applies if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" into the land or water at the "covered locations" is caused by a covered peril and occurs during the policy period.

Coverage for earnings is not extended to loss of earnings during the "restoration period" due to the increased time of interruption of "your" "business" caused by the enforcement of any ordinance, law, or decree that requires "you" to test, evaluate, observe, or record the existence, level, or effects of "pollutants". However, "we" cover the increased period of interruption when testing is necessary for the extraction of "pollutants" from land or water.

The ordinance, law, or decree must be in force at the time of loss.

The most "we" pay in any one occurrence or at any one location under this Supplemental Income Coverage is \$25,000.

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5. **Contract Penalty** -- Coverage for earnings is extended to cover contract penalties that "you" are assessed or are required to pay because "you" are unable to complete a project or fill an order in accordance with contract terms or conditions.

"Your" inability to complete a project or fill an order on time must be a direct result of physical loss of or damage to covered property caused by a covered peril at a "covered location".

The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$25,000.

The most "we" pay for all covered losses under this Supplemental Income Coverage during each 12-month period of this policy is \$100,000.

6. **Property In Transit, On Exhibition, or In The Custody Of Sales Representatives** -- Coverage for earnings is extended to loss of earnings during the "restoration period" when "your" "business" is interrupted as a result of a direct physical loss, caused by a covered peril, to property in transit, on exhibition, or in the custody of sales representatives as described under the Supplemental Marine Coverages in Commercial Output Program - Property Coverage Part.

The most "we" pay in any one occurrence under this Supplemental Income Coverage is \$10,000.

WHAT MUST BE DONE IN CASE OF LOSS

Other "terms" relating to What Must Be Done In Case Of Loss also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

Intent to Continue Business -- If "you" intend to continue "your" "business", "you" must resume all or part of "your" "business" as soon as possible.

VALUATION

1. **Earnings** -- In determining an earnings loss "we" consider:
- the experience of "your" "business", before the loss and the probable experience during the time of interruption had no loss occurred;
 - "your" continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense necessary to resume "business" to a similar level of service that existed before the occurrence of direct physical loss or damage; and
 - pertinent sources of information and reports including:
 - "your" accounting procedures and financial records;
 - bills, invoices, and other vouchers;
 - contracts, deeds, and liens;
 - reports on feasibility and status; and
 - records documenting "your" budget and marketing objectives and results.

"We" do not pay for any increase in loss due to "your" failure to use reasonable efforts to resume all or part of "your" "business". This includes making use of other locations and property to reduce the loss.

If "your" "business" is not resumed as soon as possible, or if it is not resumed at all, the value of loss payment is based on the period of time it would have otherwise taken to resume "your" "business" as soon as possible.

Only as regards coverage described under Dependent Locations in the Income Coverage Extensions, "we" will reduce the amount of "your" loss of earnings to the extent "you" can resume "your" "business" by using other available sources of materials or outlets for "your" products.

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2. **Extra Expense** -- In determining extra expenses that "you" have incurred, "we" consider the salvage value of any property bought for temporary use during the "restoration period" and it will be deducted from the amount of loss determined for extra expense.

HOW MUCH WE PAY

Other "terms" relating to How Much We Pay also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

"We" pay no more than the Income Coverage "limit" indicated on the "schedule of coverages" for any one loss. Payment for earnings, extra expense, and "rents" combined does not exceed the "limit".

LOSS PAYMENT

See the Commercial Output Program - Property Coverage Part.

OTHER CONDITIONS

The following condition applies as it relates to this Coverage Part, other "terms" also apply. These "terms" are described in the Commercial Output Program - Property Coverage Part.

Appraisal -- If "you" and "we" do not agree on the amount of net income (net profit or loss before income taxes), payroll expense, and operating expenses, or the amount of loss, either party may demand that these amounts be determined by appraisal in accordance with the provisions described in the Commercial Output Program - Property Coverage Part under Other Conditions, Appraisal.

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- b. director, trustee or "manager" except while performing acts coming within the scope of the usual duties of an "employee".
3. "Forgery" means the fabricating or altering of any signature of the name of another person or organization with intent to deceive. A signature which consists in whole or in part of one's own name signed, with or without authority, in any capacity and for any purpose does not, in and of itself, constitute a forgery. "We" will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
4. "Manager" means a person serving in a position that provides direction for "your" limited liability company.
5. "Other covered property" means "your" tangible property or the tangible property of others not otherwise excluded under this coverage part.

COVERAGE

"We" cover the property described in the following coverages unless the property is excluded or subject to limitations. "We" only cover a loss under a described coverage when the loss occurs during the policy period as shown in the declarations.

"We" cover loss caused by a peril described in the following coverages when a specific "limit" is indicated on the Crime Schedule for the coverage. If Not Covered is inserted opposite any specified coverage, such coverage and any other reference to that coverage in this coverage part will be deemed to be deleted from this policy.

1. **Employee Fraud and Dishonesty** -- "We" cover direct physical loss of and direct loss from damage to:
- "money";
 - "securities"; and

- "other covered property"

that "you" own, hold, or for which "you" are legally liable including, property inside the premises of a customer of "yours", that results from dishonest or fraudulent acts committed by any of "your" "employees", whether identified or not, while acting alone or in collusion with other individuals.

Dishonest or fraudulent acts includes, but is not limited to, "theft", "computer fraud", and "forgery" or alteration.

The most "we" will pay in any one occurrence is the applicable Employee Fraud and Dishonesty "limit" indicated in the Crime Schedule. As respects Employee Fraud and Dishonesty coverage, an occurrence means all loss which results from one or a series of fraudulent or dishonest acts caused by one or more "employees".

2. **Money and Securities** -- "We" cover loss caused by "theft", disappearance, or destruction of "money", "securities", bullion, and lottery tickets that "you" own, hold, or for which "you" are legally liable while:
- at "covered locations" or premises of a bank or savings institution; or
 - away from "covered locations" while:
 - in the care, custody, or control of:
 - "you";
 - "your" partners, officers, directors, "managers", "employees"; or
 - members with ownership interest in any limited liability company named as an insured; or
 - temporarily within "your" residence or the residence of:
 - "your" partners, officers, directors, "managers", "employees"; or
 - members with ownership interest in any limited liability company named as an insured.

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The most "we" will pay in any one occurrence is the applicable Money and Securities "limit" indicated in the Crime Schedule. As respects Money and Securities coverage, an occurrence means an act or event or a series of related acts or events without regard to the number of persons involved in causing the loss.

COVERAGE EXTENSIONS

The "limits" applicable to the following Coverage Extensions are shown in the Crime Schedule. However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable coverage, unless a different "limit" is indicated in the Crime Schedule.

1. **Employee Fraud and Dishonesty** -- The coverage provided below is part of, and not in addition to, the applicable Employee Fraud and Dishonesty "limit".

Outside Coverage Territory -- "We" cover direct physical loss of, and direct loss to:

- a. "money";
- b. "securities"; and
- c. "other covered property";

that results from dishonest or fraudulent acts committed by any of "your" "employees" while the "employee" was temporarily outside of the Territorial Limits for not more than 90 days.

Dishonest or fraudulent acts includes, but is not limited to, "theft", "computer fraud", and "forgery" or alteration.

Loss payment is subject to the Employee Fraud and Dishonesty deductible.

2. **Money and Securities** -- The coverage provided below is part of, and not in addition to, the applicable Money and Securities "limit".

Conveyance By Armored Vehicle -- "We" cover loss caused by "theft", disappearance, or destruction to "money", "securities", bullion, and lottery tickets that "you" own, hold, or for which "you" are legally liable while in the care, custody, or control of an armored vehicle company.

"We" pay only for the amount of "your" loss that "you" cannot recover:

- a. under "your" contract with the armored vehicle company; and
- b. from any insurance or indemnity coverage carried by the armored vehicle for the benefit of customers.

The most "we" will pay in any one occurrence is the Money and Securities Conveyance By Armored Vehicle "limit" indicated in the "schedule of coverages". Loss payment is subject to the applicable Money and Securities deductible.

SUPPLEMENTAL COVERAGES

Unless otherwise indicated, the "limit" for a Supplemental Coverage is separate from, and not part of, the applicable "limit" for the coverages described under Coverage. However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable coverage. The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for the coverages described under Coverage.

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- 1. Inventory Fees and Proof of Loss Expense** -- "We" will pay for the reasonable expenses "you" incur, at "our" request, to prove "your" claim and to determine the amount of the loss or damage covered under this coverage part.

"We" will not pay expenses:

- a. incurred in conjunction with the Appraisal Provision; or
- b. public adjuster fees.

"We" will pay up to \$5,000 under this Supplemental Coverage unless a different "limit" is indicated in the Crime Schedule. If a different "limit" is indicated in the Crime Schedule, that "limit" will apply instead of the "limit" shown above.

No deductible applies to this Supplemental Coverage.

2. Loss Sustained Prior To The Policy Period Of This Insurance --

- a. If "you" sustained loss prior to the policy period of this insurance that "you" could have recovered under prior insurance except that the time within which to discover the loss under the prior insurance had expired, "we" will cover "your" loss under this Crime Coverage Part, provided:
 - 1) the effective date of this insurance corresponds with the date of cancellation or termination of the prior insurance; and
 - 2) this insurance would have covered "your" loss had it been in force at the time when the act or event causing the loss took place or was performed.
- b. The amount "you" can recover is limited to the lesser of the applicable "limit" for:
 - 1) insurance under the Crime Coverage Part as of its effective date; or
 - 2) the prior insurance.

This Supplemental Coverage is part of, and not in addition to, the applicable "limits" for coverage described under Coverage.

If a loss is covered by the Crime Coverage Part and would have been covered under prior insurance with a lower applicable deductible than the deductible that applies to the Crime Coverage Part, the lower deductible will apply.

PERILS EXCLUDED

1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
 - a. **Civil Authority** -- "We" do not pay for loss caused by any civil authority, including seizure, confiscation, destruction, or quarantine of property.
 - b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke.
 - c. **War and Military Action** -- "We" do not pay for loss caused by:
 - 1) war, including undeclared war or civil war; or
 - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

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- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Criminal, Fraudulent, Dishonest, or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another person by:

- 1) "you";
- 2) "your" partners;
- 3) members with ownership interest in any limited liability company named as an insured; or
- 4) officers with ownership interest of 25% or greater in any one or more of the entities named as insureds.

- b. **Discovery After the Policy Period** -- "We" do not pay for any loss that is not discovered within one year of the end of the policy period. In the event of cancellation or termination of:

- 1) this policy;
- 2) any of the coverages described under this coverage part; or
- 3) any of the coverages described under this coverage part, as respects any insured or "employee";

"we" do not pay for any loss that is not discovered within one year from the date of the cancellation or termination.

- c. **Indirect Loss** -- "We" do not pay for any loss that is an indirect result of any act or event covered under this coverage part including, but not limited to, loss resulting from:

- 1) "Your" ability to realize income, dividends, and interest that "you" would have realized had there been no loss of, or loss from damage to, property described under this coverage part.
- 2) Payment of damages of any type for which "you" are legally liable. But, "we" will pay compensatory damages arising directly from a covered loss described under this coverage part.
- 3) Payment of costs, fees or other expenses "you" incur to prove "your" claim and to determine the amount of loss or damage under this coverage part. However, this exclusion does not apply to:

- a) the Appraisal provision described under the Commercial Output Program - Property Coverage Part; and
- b) the provisions described under Supplemental Coverages - Inventory Fees and Proof of Loss Expense.

- d. **Intangible Property or Trade Secrets** -- "We" will not pay for loss of confidential information or processing methods, trade secrets, or intangible property of any kind.

- e. **Inventory Shortage or Profit/Loss Computation** -- "We" do not pay for loss or damage when the only proof of the loss or amount of the loss is dependent upon an inventory or a profit and loss computation.

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However, where "you" establish that "you" have sustained a loss described under coverage for Employee Fraud and Dishonesty based on information separate from an inventory computation or profit and loss computations, then "you" may offer "your" inventory computation and/or profit and loss computations along with an actual physical count of inventory to support the other evidence as to the loss amount claimed.

- f. **Legal Expenses** -- "We" do not pay for loss due to expenses related to the defense or prosecution of a legal proceeding or claim.
- g. **Trading** -- "We" do not pay for loss resulting directly or indirectly from trading whether in "your" name or in a genuine or fictitious account including, but not limited to, trading in commodities, futures, stocks, bonds, or other financial instruments.
3. **Employee Fraud and Dishonesty** -- Unless otherwise noted, the following additional exclusions apply only to coverage described under Employee Fraud and Dishonesty.

"We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Discovery of Dishonest Acts** -- "We" do not pay for fraudulent or dishonest acts committed by any "employee" if:
- 1) "you";
 - 2) any of "your" partners;
 - 3) "your" officers, directors, or "managers"; or
 - 4) members with ownership interest in any limited liability company named as an insured

have knowledge of any fraudulent or dishonest act committed by the "employee" whether before or after being employed by "you". This includes discovery by "you" or by any of "your" partners, officers, directors, "managers", or such members not in collusion with the "employee".

- b. **Employee Canceled Under Prior Insurance** -- "We" do not pay for any loss caused by:

- 1) "your" "employee"; or
- 2) an "employee" of a predecessor in interest of "yours";

for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.

- c. **Vandalism** -- "We" do not pay for any loss or damage caused by vandalism, including but not limited to, any loss or damage to "your" "computers", "your" "computer" network, or "your" web site or denial of access to or services from such equipment caused by or resulting from a "computer virus" or by "computer hacking".

4. **Money and Securities** -- Unless otherwise noted, the following additional exclusions apply only to coverage described under Money and Securities.

"We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Criminal, Fraudulent, Dishonest, or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another person by:
- 1) "your" "employees"; or
 - 2) "your" directors, trustees, "managers" or authorized representatives.



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- b. **Errors or Omissions** -- "We" do not pay for loss resulting from accounting or arithmetical errors or omissions.
- c. **Exchanges or Purchases** -- "We" do not pay for loss caused by or resulting from the giving or surrendering of property in any exchange or purchase.
- d. **Money Operated Devices** -- "We" do not pay for loss of property contained in a "money" operated device unless the "money" deposited is recorded by a continuous recording instrument in the device.
- e. **Property Surrender or Transfer** -- "We" do not pay for loss of property after it has been surrendered or transferred to a person or place outside:
- 1) a "covered location"; or
2) the premises of a banking or saving institution;
- 2) loss of, or damage to any cash box, cash drawer, cash register, safe, vault, or similar receptacle;
- caused by vandalism or malicious mischief.
- g. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense. This exclusion applies whether the parting was by:
- 1) "you"; or
2) anyone acting on "your" express or implied authority.

- 1) a "covered location"; or
2) the premises of a banking or saving institution;

on the basis of unauthorized instructions or as a result of a threat to do bodily harm to any person or damage to any property.

However, in the event of a threat to do bodily harm to any person or damage to any property, this exclusion does not apply to loss of property while outside a "covered location" or the premises of a bank or savings institution in the care and custody of "you", "your" partners, officers, directors, "managers", "employees", or members with ownership interest in any limited liability company named as an insured, if "you":

- 1) had no knowledge of any threat at the time the transfer began; or
2) had knowledge of a threat at the time the transfer began, but the loss was not related to the threat.
- f. **Vandalism or Malicious Mischief** -- "We" do not pay for:
- 1) loss from damage to a "covered location" or its exterior; or

WHAT MUST BE DONE IN CASE OF LOSS

Notice For Crime Coverage and Proof Of Loss For Crime Coverage as described below replaces the Notice and Proof of Loss provisions under What Must Be Done In Case Of Loss in the Commercial Output Program - Property Coverage Part.

1. **Notice For Crime Coverage** -- In case of a loss, "you" must:
- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the:
- 1) police when the act that causes the loss may have been a crime, except for acts that cause loss under Employee Fraud and Dishonesty;
2) charge or credit card company if the loss involves a charge or credit card; and
3) bank or savings institution if the loss involves a debit card.

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2. **Proof Of Loss - Crime Coverage** -- "You" must send "us", within 120 days after "our" request, a signed, sworn proof of loss. This must include the following information:
- the time, place, and circumstances of the loss;
 - other policies of insurance that may cover the loss;
 - "your" interest and the interests of all others in the property involved, including all mortgages and liens;
 - changes in title or occupancy of the covered property during the policy period;
 - detailed estimates for repair or replacement of covered property; and
 - an inventory of damaged and undamaged covered property showing in detail the quantity, description, cost, actual cash value, and amount of the loss. "You" must attach to the inventory copies of all bills, receipts, and related documents that substantiate the inventory.

"We" cover "your" additional "employees" and "covered locations", for acts committed or events occurring within 90 days from the date of the merger, consolidation, or purchase, provided that "you":

- furnish "us" with written notice of the merger, consolidation, or purchase within 90 days; and
- "you" pay "us" any additional premium from the date of the merger, consolidation, or purchase to the end of the policy period.

Acquisition of Employee Welfare or Pension Benefit Plans through a merger, consolidation, or purchase and that is sponsored solely by "you" or any named insured under this policy will be included as insureds under Employee Fraud and Dishonesty coverage.

2. **Discovery Period Extension** -- Insurance under the Crime Coverage Part is extended to cover any loss that is discovered up to one year from the end of the policy period. In the event of cancellation or termination of the Crime Coverage Part or any crime coverage, as to any insured, "we" cover any loss that is discovered up to one year from the date of that cancellation or termination.

ADDITIONAL CRIME CONDITIONS

The following conditions apply in addition to those stipulated in the Common Policy Conditions and the Commercial Output Program - Property Coverage Part.

1. **Acquisition Of Employees Or Additional Locations** -- Insurance under the Crime Coverage Part is extended to additional persons who become "employees" and additional "covered locations" that "you" attain the control and use of through the:

- consolidation or merger with; or
- purchase of the assets of;

another entity.

3. **Multiple Named Insureds** -- The following provisions are applicable to this policy whenever there is more than one named insured.

- Duty of First Named Insured** -- If more than one insured is named in the declarations, the first insured named in the declarations will act for itself and for all other insureds for every purpose related to insurance under this coverage part. If coverage for the first named insured ends, the next named insured listed will become the first named insured.
- Employee Status** -- An "employee" of any named insured is considered to be an "employee" of all named insureds.



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- c. **Pertinent Knowledge** -- If any insured or partner or officer of that insured has knowledge of any information pertinent to insurance under this coverage part, that knowledge is considered as known by each insured.
- d. **Payment to the First Named Insured** -- When "we" make payment for a loss to the first named insured, "we" no longer have any liability for that loss to any other named insured. When payment is made to a named insured other than the first named insured, the payment will be treated as though it was made to the first named insured.
4. **Employee Welfare or Pension Benefit Plans** -- In compliance with the provisions of the Employee Retirement Income Security Act of 1974 (ERISA):
- a. Any Employee Welfare or Pension Benefit Plan, hereafter called Plan, named in the Crime Schedule will be included as insureds under Employee Fraud and Dishonesty coverage.
- b. If any Plan is insured together with any other named insured under this policy, "you" or the administrator of the Plan must select a "limit" under the coverage for Employee Fraud and Dishonesty that is sufficient to provide a "limit" of insurance for each Plan that is at least equal to the amount that would be required if each Plan were insured separately.
- c. If both a Plan and another entity are named in the declarations as insureds, any payment "we" make to a named insured, other than a Plan, for loss sustained by a Plan must be held by the other entity for use by the Plan(s) that sustain the loss.
- d. If "money", "securities", or "other covered property" are commingled for two or more Plans, any payment for loss to such property will be shared by each Plan on a pro rata basis in accordance with the amount of coverage each Plan is required to carry by the Employee Retirement Income Security Act.
- e. The deductible provision does not apply to any loss sustained by a Plan.
5. **Records Pertaining to Money and Securities** -- "You" must keep records of covered "money" and "securities" so "we" can verify the amount of loss.

VALUATION

The following valuation provisions apply in addition to those stipulated in the Commercial Output Program - Property Coverage Part.

- Bullion** -- Bullion is valued at the average cost for replacement that is published by the London Metals Market during the period of 14 days immediately preceding the discovery date of the loss or the actual amount paid for replacement, whichever is less.
- Money** -- "Money" will be valued at its face value. At "our" option, "we" may pay for loss of "money" issued by any country other than the United States of America at face value in the "money" issued by that country or in the United States of America dollar equivalent as determined by the rate of exchange as reported by the Wall Street Journal, published in New York, on the day the loss was discovered.
- Other Covered Property** -- The value of "other covered property" will be based on Replacement Cost as described under the Valuation section of the Commercial Output Program - Property Coverage Part.

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If actual cash value is indicated in the Crime Schedule, the value of "other covered property" will be based on Actual Cash Value as described under the Valuation section of the Commercial Output Program - Property Coverage Part.

4. **Securities** -- The value of "securities" will be based on their value at the close of business on the day the loss was discovered. At "our" option, "we" may pay the value of the "securities" or replace them.

HOW MUCH WE PAY

The following provisions for How Much We Pay apply in addition to those stipulated in the Commercial Output Program - Property Coverage Part.

1. **Limit of Insurance** -- The payment of loss under this coverage part will not reduce the "limit" of insurance for other losses provided, however, that the maximum "limit" does not exceed the dollar amount applicable to each coverage indicated in the Crime Schedule.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount in any one occurrence as stated on the Crime Schedule opposite each Coverage. If more than one deductible amount could apply to the same loss, only the highest deductible amount will be applied.

3. **Prior Insurance That We Issued Or Any Affiliate Issued** -- When a covered loss is covered in part by this coverage part and prior insurance that "we" issued or any of "our" affiliates issued, the most that "we" pay for a covered loss is the greater of the amount recoverable under:
 - a. the Crime Coverage Part; or
 - b. any prior coverage that was cancelled or terminated and that "we", or any of "our" affiliates had issued to "you".

4. **Insurance Under More Than One Policy** -- If "you" have another policy covering the same loss, "we" will pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. However, "we" will not pay more than the applicable "limit" of this coverage part.

5. **Limits and Multiple Years of Coverage** -- Regardless of the number of years the Crime Coverage Part remains in force the "limits" will not accumulate nor can they be added together from year to year or policy period to policy period.

6. **Payment of Loss Sustained By More Than One Named Insured** -- "We" will not pay more for loss sustained by more than one named insured than the amount "we" would pay if one insured had sustained the entire loss.

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This endorsement changes the policy:

-- PLEASE READ THIS CAREFULLY --

MONTHLY LIMITATION -- INCOME COVERAGE

As specified below, this endorsement amends the provisions of the Commercial Output Program -- Income Coverage Part.

HOW MUCH WE PAY

The following applies when a monthly limitation is indicated on the "schedule of coverages" for income coverage:

Monthly Limitation -- After the start of the "restoration period", "we" pay no more during any 30 consecutive days than the "limit" multiplied by the percentage or fraction that is indicated as the monthly limitation on the "schedule of coverages".

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This endorsement changes the policy

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WAITING PERIOD -- INCOME COVERAGE

As specified below, this endorsement amends the provisions of the Commercial Output Program -- Income Coverage Part.

- b. requires the demolition of any property, in part or in whole, not damaged by a covered peril.

The ordinance, law, or decree must be in force at the time of loss.

DEFINITIONS

The Definition of "restoration period" is deleted and replaced by the following:

"Restoration period" means:

1. The time it should reasonably take to resume "your" "business" to a similar level of service beginning:
 - a. for earnings, after the first 72 hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss of or damage to property at a "covered location" that is caused by a covered peril; and
 - b. for extra expenses, immediately following the direct physical loss of or damage to property at a "covered location" that is caused by a covered peril.

The "restoration period" ends on the date the property should be rebuilt, repaired, or replaced or the date business is resumed at a new permanent location. This is not limited by the expiration date of the policy.

2. The "restoration period" also means the increased time required to comply with the enforcement of any ordinance, law, or decree that:
 - a. regulates the construction, use, or repair of any property; or

3. Only as regards coverage described under Dependent Locations in the Coverage Extensions, "restoration period" also means the time it should reasonably take to resume "your" "business" to a similar level of service beginning:

- a. for earnings, after the first 72 hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss of or damage to property at a "covered location" that is caused by a covered peril; and
- b. for extra expenses, immediately following the direct physical loss of or damage to property at a "covered location" that is caused by a covered peril.

The "restoration period" for "dependent locations" ends on:

- a. the date the property at the "dependent location" should be rebuilt, repaired, or replaced; or
- b. the date business is resumed at a new permanent location.

This is not limited by the expiration date of the policy.

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COVERAGE EXTENSION

The following coverage extension is deleted and replaced by the following:

Interruption by Civil Authority -- "We" extend "your" coverage for earnings and extra expense to include loss sustained while access to "covered locations" or a dependent location is specifically denied by an order of civil authority. This order must be a result of direct physical loss of or damage to property, other than at a "covered location" and must be caused by a covered peril.

Unless otherwise indicated on the "schedule of coverages", this coverage extension begins:

1. for earnings, 72 hours after the time the order is issued and ends 30 consecutive days and 72 hours from the date of the order; and

2. for extra expense, immediately after the time the order is issued, and ends 30 consecutive days and 72 hours from the date of the order.

SUPPLEMENTAL COVERAGES

The waiting period described under Off Premises Utility Service Interruption is not deleted and replaced by the provisions of this endorsement.

If the Interruption of Web Site endorsement is attached to the Commercial Output Program -- Income Coverage Part, the described waiting period under Interruption of Web Site is not deleted and replaced by the provisions of this endorsement.

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LIMITED FUNGUS AND RELATED PERILS COVERAGE

This policy is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

DEFINITIONS

The following definition is added:

"Fungus or related perils" means:

- a. a fungus, including but not limited to mildew and mold;
- b. a protist, including but not limited to algae and slime mold;
- c. wet rot;
- d. dry rot;
- e. a bacterium; or
- f. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.

PERILS EXCLUDED

1. The following exclusion is added under Perils Excluded, item 1:

Fungus or Related Perils --

- a. Except as provided under the Limited Fungus and Related Perils Property and Income Coverage in this endorsement, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus or related perils".

But if "fungus or related perils" results in a "specified peril", we cover loss or damage caused by that "specified peril".

- b. This exclusion does not apply to:

- 1) loss that results from fire or lightning; or
- 2) collapse caused by hidden decay, to the extent that such loss is covered under Other Coverages, Collapse.

2. Under Perils Excluded, the exclusion for Contamination Or Deterioration and Seepage are deleted and replaced by the following:

- a. **Contamination Or Deterioration --** "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, rust, or any quality, fault, or weakness in covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a "specified peril" or breakage of building glass, "we" cover the loss or damage caused by that "specified peril" or breakage of building glass.

This exclusion does not apply to loss caused by corrosion, decay, or rust to "computers" that results from direct physical damage by a covered peril to the air conditioning system that services "your" "computers".

- b. **Seepage --** "We" do not pay for loss caused by continuous or repeated seepage or leakage of water or steam or the presence of moisture, humidity, or vapor that occurs over a period of 14 days or more.



COVERAGE EXTENSIONS

The following coverage is added to Coverage Extensions:

Limited Fungus And Related Perils Property Coverage --

1. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus or related perils".
2. **Coverage Limitation** -- "We" only cover loss caused by "fungus or related perils":
 - a. when the "fungus or related peril" is the result of:
 - 1) a "specified peril" other than fire or lightning; or
 - 2) "flood" (if the Flood Endorsement applies to the affected location);that occurs during the policy period; and
 - b. if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
3. **Blanket Limit** -- If Blanket Limit is indicated on the Limited Fungus and Related Perils Schedule, the most "we" pay for all losses at all "covered locations" is \$15,000, unless another "limit" is indicated on the schedule. The Blanket Limit applies regardless of the number of claims made.

The Blanket Limit applies regardless of the number of locations or buildings insured under this policy.

The Blanket Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "specified perils", other than fire or lightning, or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.

4. **Location Limit** -- If Location Limit is indicated on the Limited Fungus and Related Perils Schedule, the most "we" pay for all losses at each location described on the Limited Fungus and Related Perils Schedule is \$15,000, unless another "limit" is indicated on the schedule. The Location Limit applies regardless of the number of claims made at a described location.

The Location Limit is the most that "we" pay at each location for the total of all loss or damage arising out of all occurrences of "specified perils" other than fire or lightning or "flood" (if applicable) during each separate 12-month period beginning with the inception date of this policy.

5. **If The Policy Period Is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Blanket Limit or Location Limit.
6. **Recurrence And Continuation of Fungus Or Related Perils** -- The Blanket Limit or Location Limit is the most that "we" pay with respect to a specific occurrence of a loss which results in "fungus or related perils" even if such "fungus or related perils" recur or continue to exist during this or any future policy period.
7. **Limit Applies To Other Costs Or Expenses** -- The Blanket Limit or Location Limit also applies to any cost or expense to:
 - a. clean up, contain, treat, detoxify, or neutralize "fungus or related perils" on covered property or remove "fungus or related perils" from covered property;
 - b. remove and replace those parts of covered property necessary to gain access to "fungus or related perils"; and

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- c. test for the existence or level of "fungus or related perils" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus or related perils" are present.
8. **Loss Caused In Total Or In Part By Fungus Or Related Perils** -- The "terms" of this coverage extension do not apply to covered loss or damage to covered property that is not caused, in total or in part, by "fungus or related perils" except to the extent that "fungus or related perils" causes an increase in the loss. When "fungus or related perils" cause an increase in such a loss, that increase is subject to the "terms" of this coverage.

SUPPLEMENTAL COVERAGES

The following provision is added under the Supplemental Coverages, Ordinance or Law (Undamaged Parts of a Building) and Ordinance or Law (Increased Cost to Repair and Cost to Demolish and Clear Site):

We Do Not Pay -- "We" do not pay for:

1. loss or increased cost caused by the enforcement of any ordinance, law, or decree that requires the reconstruction, repair, replacement, remodeling, remediation, or razing of property due to the existence of or any activity of "fungus or related perils"; or
2. costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus or related perils".

INCOME COVERAGE EXTENSIONS

Coverage provided under the Income Coverage Part - Coverage Extensions, if applicable, is amended by the following provision.

Limited Fungus And Related Perils Income Coverage --

1. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by "fungus or related perils".
2. **Coverage Limitation** -- "We" only cover loss of earnings and/or extra expense caused by "fungus or related perils":
 - a. when the "fungus or related peril" is the result of:
 - 1) a "specified peril" other than fire or lightning; or
 - 2) "flood" (if the Flood Endorsement applies to the affected location);

that occurs during the policy period; and
 - b. if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.
3. **Time Limitation** --
 - a. "We" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule) for loss of earnings and/or extra expense if a loss which resulted in "fungus or related perils" does not in itself interrupt "your" "business", but such interruption is necessary due to the loss or damage to property caused by "fungus or related perils". The days need not be successive.



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- b. If a covered "business" interruption was caused by loss or damage other than "fungus or related perils" but remediation of "fungus and related perils" lengthens the "restoration period", "we" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule) for loss of earnings and/or expense sustained during the delay (regardless of when such delay for remediation occurs during the "restoration period"). The days need not be successive.

- 2. Tearing Out and Replacing.

OTHER CONDITIONS

The conditions described under Restoration Of Limits do not apply to the coverages provided under this endorsement.

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OTHER COVERAGES

The "terms" of the Limited Fungus And Related Perils Property and Income Coverages do not increase or decrease the coverages under Other Coverages:

- 1. Collapse; or

New York Free Trade Zone

This endorsement changes
the policy

— PLEASE READ THIS CAREFULLY —

NOTICE: THESE POLICY FORMS AND THE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

LIMITED FUNGUS AND RELATED PERILS COVERAGE EQUIPMENT BREAKDOWN

The Equipment Breakdown Coverage Part is amended to include the following "terms". All other "terms" of the policy apply, except as amended by this endorsement.

DEFINITIONS

The following definition is added:

"Fungus or related perils" means:

- a. a fungus, including but not limited to mildew and mold;
- b. a protist, including but not limited to algae and slime mold;
- c. wet rot;
- d. dry rot;
- e. a bacterium; or
- f. a chemical, matter, or compound produced or released by a fungus, a protist, wet rot, dry rot, or a bacterium, including but not limited to toxins, spores, fragments, and metabolites such as microbial volatile organic compounds.

PERILS EXCLUDED

1. The following exclusion is added under Perils Excluded, item 1.:

Fungus Or Related Perils --

- a. Except as provided under the Limited Fungus and Related Perils Property Damage and Income Coverage in this endorsement, "we" do not pay for loss, cost, or expense caused by or relating to the existence of or any activity of "fungus or related perils".

But if "fungus or related perils" results in an "accident" to "covered equipment", we cover loss or damage caused by that "accident" to "covered equipment".

COVERAGE EXTENSIONS ADDED

The following coverage is added to Coverage Extensions:

Limited Fungus And Related Perils Property Damage Coverage --

1. **Coverage** -- "We" pay for direct physical loss to covered property caused by or relating to the existence of or any activity of "fungus or related perils".
2. **Coverage Limitation** -- "We" only cover loss caused by "fungus or related perils":
 - a. when the "fungus or related peril" is the result of an "accident" to "covered equipment" that occurs during the policy period; and
 - b. if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.

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3. **Blanket Limit** -- If Blanket Limit is indicated on the Limited Fungus and Related Perils Schedule - Equipment Breakdown, the most "we" pay for all losses at all "covered locations" is \$15,000, unless another "limit" is indicated on the schedule. The Blanket Limit applies regardless of the number of claims made.

The Blanket Limit applies regardless of the number of locations or buildings insured under this policy.

The Blanket Limit is the most that "we" pay for the total of all loss or damage arising out of all occurrences of "fungus or related perils" resulting from an "accident" to "covered equipment" during each separate 12-month period beginning with the inception date of this policy.

4. **Location Limit** -- If Location Limit is indicated on the Limited Fungus and Related Perils Schedule - Equipment Breakdown, the most "we" pay for all losses at each location described on the Limited Fungus and Related Perils Schedule - Equipment Breakdown is \$15,000, unless another "limit" is indicated on the schedule. The Location Limit applies regardless of the number of claims made at a described location.

The Location Limit is the most that "we" pay at each location for the total of all loss or damage arising out of all occurrences of "fungus or related perils" resulting from an "accident" to "covered equipment" during each separate 12-month period beginning with the inception date of this policy.

5. **If The Policy Period Is Extended** -- If the policy period is extended for an additional period of less than 12 months, this additional period will be considered part of the preceding period for the purpose of determining the Blanket Limit or Location Limit.

6. **Recurrence And Continuation Of Fungus Or Related Perils** -- The Blanket Limit or Location Limit is the most that "we" pay with respect to a specific occurrence of a loss which results in "fungus or related perils" even if such "fungus or related perils" recur or continue to exist during this or any future policy period.

7. **Limit Applies To Other Costs Or Expenses** -- The Blanket Limit or Location Limit also applies to any cost or expense to:

- clean up, contain, treat, detoxify, or neutralize "fungus or related perils" on covered property or remove "fungus or related perils" from covered property;
- remove and replace those parts of covered property necessary to gain access to "fungus or related perils"; and
- test for the existence or level of "fungus or related perils" following the repair, replacement, restoration, or removal of damaged property if it is reasonable to believe that "fungus or related perils" are present.

8. **Loss Caused In Total Or In Part By Fungus Or Related Perils** -- The "terms" of this coverage extension do not apply to covered loss or damage to covered property that is not caused, in total or in part, by "fungus or related perils" except to the extent that "fungus or related perils" causes an increase in the loss. When "fungus or related perils" cause an increase in such a loss, that increase is subject to the "terms" of this coverage.

If indicated on the Limited Fungus and Related Perils Schedule - Equipment Breakdown, Blanket or Location Limit, the following additional coverage also applies:

Limited Fungus And Related Perils Income Coverage --

1. **Coverage** -- Coverage for earnings and/or extra expense is extended to loss of earnings or extra expenses caused by "fungus or related perils".

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2. Coverage Limitation -- "We" only cover loss of earnings and/or extra expense caused by "fungus or related perils":

- a. when the "fungus or related peril" is the result of an accident to covered equipment that occurs during the policy period; and
- b. if all reasonable steps were taken to protect the property from additional damage at and after the time of the occurrence.

3. Time Limitation --

- a. "We" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule - Equipment Breakdown) for loss of earnings and/or extra expense if a loss which resulted in "fungus or related perils" does not in itself interrupt "your" "business", but such interruption is necessary due to the loss or damage to property caused by "fungus or related perils". The days need not be successive.
- b. If a covered "business" interruption was caused by loss or damage other than "fungus or related perils" but remediation of "fungus and related perils" lengthens the "restoration period", "we" will pay up to 30 days (unless otherwise indicated on the Limited Fungus and Related Perils Schedule - Equipment Breakdown) for loss of earnings and/or expense sustained during the delay (regardless of when such delay for remediation occurs during the "restoration period"). The days need not be successive.

COVERAGE EXTENSIONS AMENDED

Under Coverage Extensions, Ordinance or Law, Undamaged Parts of a Building and Increased Costs of Repair and Cost to Demolish and Clear Site, the following provision is added:

We Do Not Pay -- "We" do not pay for:

- 1) loss or increased cost caused by the enforcement of any ordinance, law, or decree that requires the reconstruction, repair, replacement, remodeling, remediation, or razing of property due to the existence of or any activity of "fungus or related perils"; or
- 2) costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of "fungus or related perils".

OTHER CONDITIONS

The conditions described under Restoration Of Limits do not apply to the coverages provided under this endorsement.

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EQUIPMENT BREAKDOWN COVERAGE PART

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Commercial Output Program – Property Coverage Part under the sections titled Agreement, Definitions, Property Not Covered, What Must Be Done In Case Of Loss, Loss Payment, and Other Conditions. Reference to Equipment Breakdown Schedule or schedule in this coverage part means the Equipment Breakdown Schedule or the "schedule of coverages".

ADDITIONAL DEFINITIONS

Some of the following definitions may not appear elsewhere in this coverage part, but may appear in the Equipment Breakdown Schedule.

1. "Boilers and vessels" means:
 - a. Boilers, including attached steam, condensate, and feedwater piping; and
 - b. Fired or unfired pressure vessels subject to vacuum or internal pressure other than the static pressure of its contents.
2. "Production machinery" means machines or apparatus that process or produce a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.
3. "Suit" means a judicial proceeding that has been set up to determine liability and damages for loss to property of others consisting of covered property that is in "your" care, custody, or control. Judicial proceedings also includes arbitration proceedings that "you" may be required to submit to.

COVERAGE

Property Damage -- "We" cover direct physical loss or damage to covered property caused by or resulting from an "accident" that causes direct physical damage to "covered equipment" at "covered locations". When used in this Equipment Breakdown Coverage Part, the term "covered equipment" includes "computers". The term covered property as used in this coverage part means the types of property described under the Property Covered section of the Commercial Output Program – Property Coverage Part as well as the covered property described in the Supplemental and Supplemental Marine Coverages.

COVERAGE EXTENSIONS

If indicated on the Schedule of Coverages, the following additional coverages also apply to direct physical loss or damage to covered property caused by or resulting from an "accident" that causes direct physical damage to "covered equipment" at "covered locations".

The most that "we" will pay for loss arising from any "one accident" is the amount indicated on the schedule for the applicable Coverage Extension. If two or more "limits" apply to the same portion of a loss, "we" will only pay the smaller "limit" for that portion of the loss. Except as otherwise provided, the "limits" for the additional coverages are a part of, and not in addition to, the Property Damage Limit.

1. Income Coverages

- a. Coverage** -- If a "limit" is indicated on the Schedule of Coverages, "we" provide the coverages described below during the "restoration period" when "your" "business" is necessarily wholly or partially interrupted as a result of an "accident" that causes direct physical damage to "covered equipment".

This coverage applies only when the "accident" that causes direct physical damage to "covered equipment" occurs at "covered locations" or in the open (or in vehicles) within 1,000 feet thereof.

If "you" lease, rent, or do not own the building "you" occupy, for the purposes of determining an Income Coverage loss, "your" location is the space that "you" lease, rent, or occupy, including but not limited to:

- 1) all passageways to "your" location within the building; and
- 2) "your" business personal property in the open (or in a vehicle) within 1,000 feet.

- b. Coverage Options** -- Coverage options include:

- 1) Earnings, "rents", and extra expense.
- 2) Earnings and extra expense.
- 3) "Rents" and extra expense.
- 4) Extra expense only.

Earnings includes "rents" when option 1. is selected. Earnings means only "rents" when option 3. is selected.

- c. Earnings** -- "We" cover "your" actual loss of net income (net profit or loss before income taxes) that would have been earned or incurred and continuing operating expenses normally incurred by "your" "business", including but not limited to payroll expense. The net sales value of goods that would have been produced is included in net income for manufacturing risks.

- d. Extra Expense** -- "We" cover only the extra expenses that are necessary during the "restoration period" that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from an "accident" that causes direct physical damage to "covered equipment".

"We" cover any extra expense to avoid or reduce the interruption of "business" and continue operating at a "covered location", replacement location, or a temporary location. This includes expenses to relocate and costs to outfit and operate a replacement or temporary location.

"We" will also cover any extra expense to reduce the interruption of "business" if it is not possible for "you" to continue operating during the "restoration period".

To the extent that they reduce a loss otherwise payable under this Coverage Part, "we" will cover any extra expenses to:

- 1) repair, replace, or restore any property; and
- 2) research, replace, or restore information on damaged "valuable papers" or "data records".

- e. Period of Loss Extension After Business Resumes** -- "We" extend "your" coverage for earnings to cover loss from the date the covered property that incurred the loss is rebuilt, repaired, or replaced until:

- 1) the end of 30 consecutive days (unless otherwise indicated on the schedule); or
- 2) the date "you" could reasonably resume "your" "business" to the conditions that would generate the earnings amount or "rents" that would have existed had no loss or damage occurred, whichever is earlier. This does not increase the "limit".

- 2. Expediting Expenses** -- "We" pay the reasonable extra costs to expedite permanent repairs or replacement and make temporary repairs to damaged covered property.

- 3. Pollutants** -- "We" pay for the additional cost to repair or replace covered property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property.

Additional expenses mean those beyond what would have been required had no "pollutants" been involved.

"We" will also pay for additional loss as described under Income Coverages caused by contamination by "pollutants", if this coverage is also indicated on the Schedule of Coverages.

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4. Spoilage -- "We" pay for "your" loss or damage to "perishable stock" due to:

- a. changes in temperature or humidity resulting from an "accident" that causes direct physical damage to "covered equipment" at a "covered location" including but not limited to the refrigeration system or the equipment or apparatus controlling the refrigeration system.
- b. refrigerant contamination from the release of refrigerant, including but not limited to ammonia, and caused by or resulting from an "accident" that causes direct physical damage to "covered equipment" at a "covered location".
- c. changes in temperature or humidity resulting from:
 - 1) complete or partial lack of electrical power; or
 - 2) fluctuation of electrical current

PHYSICAL DAMAGE TO "COVERED EQUIPMENT" RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

caused by or resulting from an "accident" that causes direct physical damage to equipment owned by a utility who provides "you" with electrical power. The equipment must meet the definition of "covered equipment" except that it is not covered property.

When selling price is indicated on the Schedule of Coverages - Commercial Output Program, the value of "perishable stock" will be based on the selling price less all discounts and unincurred expenses. If selling price is not indicated, the valuation of "perishable stock" will be based on the applicable valuation as indicated in the Commercial Output Program - Property Coverage Part.

5. Ordinance or Law

a. **Undamaged Parts of a Building** -- When an "accident" that causes direct physical damage to "covered equipment" at a "covered location" occurs, "we" pay for the value of undamaged parts of a covered building or structure that is required to be demolished as a result of the enforcement of any ordinance, law, or decree that:

- 1) requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by an "accident" that causes direct physical damage to "covered equipment";
- 2) regulates the construction or repair of a building or structure, or establishes building, zoning, or land use requirements at a "covered location"; and
- 3) is in force at the time of loss.

"We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants".

b. **Increased Cost to Repair and Cost to Demolish and Clear Site**

1) **Increased Cost to Repair** -- When an "accident" occurs that causes direct physical damage to "covered equipment" at a "covered location", "we" cover the:

- a) increased cost to repair, rebuild, or reconstruct damaged portions of a covered building or structure; and
- b) increased cost to repair, rebuild, or reconstruct undamaged portions of a covered building or structure whether or not those undamaged portions need to be demolished; as a result of the enforcement of any building, zoning, or land use ordinance, law, or decree which is in force at the time when the "accident" that causes direct physical damage to "covered equipment" occurs at a "covered location".

If a covered building or structure is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by building, zoning, or land use ordinance, law, or decree.

"We" do not cover the increased cost of construction until the covered building or structure is actually repaired or replaced and unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

2) **Cost to Demolish and Clear Site** -- "We" cover the cost to demolish and clear the site of undamaged parts of the covered building or structure that is damaged or destroyed by an "accident" that causes direct physical damage to "covered equipment". The demolition must be a result of the enforcement of a building, zoning, or land use ordinance, law, or decree that is in force at the time when the "accident" occurs that causes direct physical damage to "covered equipment".

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- 3) **We Do Not Cover** -- "We" do not cover the costs associated with the enforcement of any ordinance, law, or decree that:
- requires "you" or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize or in any way respond to or assess the effects of "pollutants"; or
 - "you" were required to comply with before the occurrence of an "accident" that causes direct physical damage to "covered equipment" at a "covered location", even if the building or structure was undamaged and "you" failed to comply with the ordinance, law, or decree.
- 4) **What We Pay If The Building Is Repaired or Replaced** -- If the covered building or structure is repaired or replaced, "we" pay the lesser of:
- the amount "you" actually spend to demolish and clear the site, plus the actual increased cost to repair, rebuild, or construct the property but not for more than a building or structure of the same height, floor area, and style; or
 - the "limit" indicated on the Schedule.
- 5) **What We Pay If The Building Is Not Repaired or Replaced** -- If the covered building or structure is not repaired or replaced, "we" pay the lesser of:
- the amount "you" actually spend to demolish and clear the site, plus the cost "you" would have incurred to replace damaged or destroyed property with other property of like kind, and quality, of the same height, floor area, and style; and used for the same purpose; or
 - the "limit" indicated on the schedule.
6. **Off Premises Utility Service Interruption** -- "We" extend Income Coverages to loss of earnings or extra expenses that "you" incur during the "restoration period" when "your" "business" is interrupted due to the interruption of an off premises utility service when the interruption is a result of an "accident" that causes direct physical damage to "covered equipment" that is not located at a "covered location" and that is owned by a utility, a landlord, or another supplier who provides "you" with:
- power or gas;
 - telecommunications, including but not limited to Internet access; or
 - water, including but not limited to waste water treatment.

Waiting Period – Unless otherwise indicated on the Equipment Breakdown Schedule, Off Premises Utility Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident".

7. **Defense Costs** -- "We" have the right and duty to defend any "suit" brought against "you" as a result of damage to property of others that is in "your" care, custody, or control and is caused by an "accident" that causes direct physical damage to "covered equipment". "We" may investigate and settle a claim or "suit". "We" do not have to provide a defense after "we" have paid the "limit" as a result of a judgment or written settlement.

"You" must not admit liability for a loss, settle a claim, or incur expense without "our" written consent. "You" must not interfere with "our" negotiation for a settlement. "We" will pay the following additional expenses associated with any "suit" "we" defend:

- Expenses which "we" incur while investigating and defending the "suit".
- Actual loss of "your" salary, up to \$250 per day, for "your" time spent away from work at "our" request.
- Expenses that "you" incur at "our" request.
- All costs that "you" are required to pay as a result of any "suit" "we" defend.
- Interest that accrues after entry of a judgment, until "we" tender, deposit in court, or pay "our" part of the judgment.
- Interest that is awarded against "you" before the entry of a judgment. If "we" make an offer to settle the "suit", "we" will not pay any interest that accrues after the offer to settle.
- Cost of a bond for the release of attachments. "We" are not required to furnish a bond itself.

This Coverage Extension will not reduce the available Property Damage Limit and does not have to be indicated on the schedule.

PERILS COVERED

"We" cover risks of direct physical loss caused by or resulting from an "accident" that causes direct physical damage to "covered equipment" unless the loss is limited or caused by a peril that is excluded.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

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New York Free Trade Zone

PERILS EXCLUDED

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
 - a. **Ordinance or Law** -- Except as provided under Coverages Extensions - Ordinance or Law, "we" do not pay for loss or increased cost caused by enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure; or requiring the demolition of any building or structure including the cost of removing its debris.
 - b. **Earth Movement or Volcanic Eruption** -- "We" do not pay for loss caused by any earth movement or caused by eruption, explosion, or effusion of a volcano. Earth movement includes, but is not limited to: earthquake; landslide; mudflow; mudslide; mine subsidence; or sinking, rising, shifting of earth, or "sinkhole collapse".
 - c. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.
 - d. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means).
 - e. **War and Military Action** -- "We" do not pay for loss caused by:
 - 1) war, including undeclared war or civil war; or
 - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
 - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.
 - f. **Water** -- "We" do not pay for loss caused by water. This means:
 - 1) "flood";
 - 2) water that backs up through a sewer or drain; and
 - 3) water below the surface of the ground. This includes water that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

However, if electrical "covered equipment" requires drying out as a result of the above described peril, "we" pay for the direct expenses for drying out the electrical "covered equipment".
2. "We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:
 - a. **Wear, Tear, Deterioration, and Corrosion** -- "We" do not pay for loss caused by wear and tear, marring, scratching, deterioration, erosion, or corrosion.
"We" do pay for any resulting loss caused by an "accident" that causes direct physical damage to "covered equipment".
 - b. **Animals** -- "We" do not pay for loss caused by animals, including birds, insects, or vermin. "We" do pay for any resulting loss caused by an "accident" that causes direct physical damage to "covered equipment". "We" also do not cover loss to animals unless owned by others and boarded by "you". "We" do cover animals "you" own and hold for sale while inside of buildings.
 - c. **Windstorm and Hail** -- "We" do not pay for loss caused by windstorm or hail.
 - d. **Fire and Combustion Explosion** -- "We" do not pay for loss caused by fire or combustion explosion whether or not caused by or resulting from an "accident".
 - e. **Discharge of Water** -- "We" do not pay for loss caused by the discharge of water or other extinguishing agent to fight a fire.
 - f. **Breakage of Glass, Freezing, Collapse, and Molten Material** -- "We" do not pay for loss caused by breakage of glass, weather related freezing, collapse, or molten materials.
 - g. **Specified Perils** -- "We" do not pay for loss caused by "specified perils". However, this exclusion does not apply to explosion of steam boilers, steam pipes, steam turbines, or steam engines.

- h. Tests** – "We" do not pay for loss or damage caused by any of the following tests: a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment.
- i. "We" will not pay for loss, damage or expense caused by or resulting from any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving "media" or "data records" of any kind unless:**
- caused by an "accident" that causes direct physical damage to "covered equipment", or
 - if an "accident" that causes direct physical damage to "covered equipment" results, we will pay for the resulting loss, damage or expense.
- j. Neglect** - "We" do not pay for loss caused by "your" neglect to use all reasonable means to save covered property at and after the time of loss. "We" do not pay for loss caused by "your" neglect to use all reasonable means to save and preserve "covered property" when endangered by a covered peril.
- 3. "We" do not pay for "your" loss of earnings or extra expenses that "you" incur if one or more of the following excluded causes or events apply.**
- Leases, Licenses, Contracts, or Orders** -- "We" do not pay for any increase in loss of earnings or extra expenses due to the suspension, lapse, or cancellation of leases, licenses, contracts, or orders. However, "we" do cover loss during the "restoration period" if the suspension, lapse, or cancellation results directly from the interruption of "your" "business".
"We" do not cover any loss of earnings or extra expense beyond the "restoration period" caused by the suspension, lapse, or cancellation of leases, licenses, contracts, or orders.
 - Due Diligence to Resume Your Business** -- "We" do not pay for any increase in loss of earnings or extra expenses due to "your" failure to use due diligence and dispatch and all reasonable means to resume "your" "business".

VALUATION

- 1. Covered Property** -- Unless otherwise indicated on the Equipment Breakdown Schedule, the value of covered property will be determined in accordance with:
- replacement cost provisions; and
 - items 3. through 9;
- As described in the Valuation section of the Commercial Output Program – Property Coverage Part and is subject to the provisions described below for Environmental, Safety, and Efficiency Improvements and Equipment Utilizing CFC Refrigerants.
- 2. Environmental, Safety, and Efficiency Improvements** -- If "covered equipment" requires replacement due to an "accident" that causes direct physical damage to "covered equipment", "we" will pay your additional cost to replace with equipment that "we" agree is better for the environment, safer for people, or more energy efficient than the equipment being replaced, subject to the following conditions:
- "we" will not pay more than 125% of what the cost would have been to replace with like kind and quality;
 - "we" will not pay to increase the size or capacity of the equipment;
 - this provision only applies to Property Damage coverage;
 - this provision does not increase any of the applicable limits;
 - this provision does not apply to any property valued on an Actual Cash Value basis; and
 - this provision does not apply to the replacement of component parts.
- 3. Equipment Utilizing CFC Refrigerants** -- Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:
- repair or replace the damaged property and replace any lost CFC refrigerant;
 - repair the damaged property, retrofit the system to accept a non-CFC refrigerant, and charge the system with a non-CFC refrigerant; or

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- c. replace the system with one using a non-CFC refrigerant.

In determining the least expensive option, "we" will include any associated Income or Extra Expense loss. If option b. or c. is more expensive than a., but you wish to retrofit or replace anyway, "we" will consider this better for the environment and therefore eligible for valuation under paragraph 2., Environmental, Safety, and Efficiency Improvements. In such case, a. of that section is amended to read: "We" will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality.

HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- If deductibles vary by type of "covered equipment" and more than one type of equipment is involved in any "one accident", the highest deductible will apply. Unless the Equipment Breakdown Schedule indicates that a single deductible applies to all Equipment Breakdown coverages, multiple deductibles may apply to any "one accident".
 - a. **Property and Income Coverages** -- Unless otherwise indicated on the Schedule of Coverages, the Property Coverage Deductible applies to all loss covered by this coverage part, with the exception of those coverages subject to the Income Coverage Deductible as described below.
Unless more specifically indicated on the Equipment Breakdown Schedule, the Income Coverage Deductible applies to
 - 1) earnings, "rents", and extra expense; and
 - 2) service interruption.
 - b. **Application of Deductibles**
 - 1) **Dollar Deductibles** -- "We" will not pay for loss resulting from any "one accident" until the amount of loss exceeds the applicable deductible indicated on the Schedule of Coverages. "We" will then pay the amount of loss in excess of the applicable deductible or deductibles, subject to the applicable "limit" indicated on the schedule.
 - 2) **Multiple of Average Daily Value Deductibles** -- If a deductible is expressed as a number times Average Daily Value (ADV), the deductible will be calculated as follows:
The ADV will be the operating expenses that would have been normally earned or incurred during the "restoration period" by "your" "business" had no "accident" occurred divided by the number of working days in that period. Operating expenses includes net income (net profit or loss before income taxes), payroll expense, interest, and other continuing operating expenses.
No reduction will be made:
 - a) for operating expenses not being earned;
 - b) in the number of working days because of the "accident"; or
 - c) for any other scheduled or unscheduled shutdowns during the "restoration period".
 The ADV applies to all "covered locations" included in the valuation of the loss. The number indicated on the Schedule of Coverages will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.
 - 3) **Time Deductibles** -- If a time deductible is indicated on the Schedule of Coverages, "we" will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident". If a time deductible is expressed in days, each consecutive day will mean twenty-four consecutive hours.
 - 4) **Percentage of Loss Deductibles** -- If a deductible is expressed as a percentage of loss, "we" will not be liable for the indicated percentage of the gross amount of loss (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 4., 5., 6., and 7., "we" will pay the lesser of:
 - a. the amount determined under Valuation;

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- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable subject to the Valuation provisions under:
- 1) Environmental, Safety and Efficiency Improvements; and
 - 2) Equipment Utilizing CFC Refrigerants; or
- c. the "limit" that applies to covered property.
4. **Coinsurance** -- If indicated on the Schedule of Coverages, specified coverages may be subject to coinsurance.
- a. **Property Damage** -- "We" will not pay for the full amount of "your" loss if the applicable "limit" is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, "we" will determine what percentage this calculated product is compared to the applicable "limit" and apply that percentage to the loss after application of the Deductible. The resulting amount or the applicable "limit" is the most "we" will pay. "We" will not pay for the remainder of the loss.
- b. **Income Coverage** -- "We" pay only a part of the loss if the "limit" is less than the coinsurance percentage multiplied by the sum of "your" net income (net profit or loss before income taxes), payroll expense, interest, and other continuing operating expenses projected for the 12 months following the inception, or last previous anniversary date of this policy (whichever is later), normally earned by "your" "business". "Our" part of the loss is determined using the following steps:
- 1) multiply the coinsurance percentage by the sum of "your" net income (net profit or loss before income taxes), payroll expense, interest, and other continuing operating expenses projected for the 12 months following the inception, or last previous anniversary date of this policy;
 - 2) divide the "limit" by the figure determined in 1. above;
 - 3) multiply the total amount of loss by the figure determined in 2) above.
- "We" pay the amount determined in 3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.
- Coinsurance does not apply to coverage for extra expense.
5. **Insurance Under More Than One Coverage** -- If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
6. **Insurance Under More Than One Policy** -- "You" may have another policy subject to the same plan, "terms", conditions, and provisions as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- If there is another policy covering the same loss, other than that described above, "we" will pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" will not pay more than the applicable "limit".

ADDITIONAL CONDITIONS

1. **Suspension** -- When any "covered equipment" is discovered to be in, or exposed to a dangerous situation or condition, any representative of "ours" may immediately suspend the insurance coverage against loss from an "accident" to that equipment. The suspension will not apply to any other covered peril under any other coverage part.
- "We" can do this by mailing or delivering a written notice of suspension to "your" address as shown in the declarations, or at the address where the "covered equipment" is located. Once so suspended, "your" insurance can be reinstated only by written notice from "us". If "your" insurance is so suspended, "you" will get a pro rata premium refund. But the suspension is effective even if "we" have not yet offered or made a refund.
2. **Jurisdictional Inspections** -- If any property that is "covered equipment" under the Equipment Breakdown Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, "we" agree to perform such inspection on "your" behalf.

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This endorsement modifies insurance provided under the following:

**COMMERCIAL OUTPUT PROGRAM – PROPERTY COVERAGE CO 1000
COMMERCIAL OUTPUT PROGRAM – INCOME COVERAGE CO 1001**

**COP-7113
(Ed. 11-06)**

COMMERCIAL OUTPUT PROPERTY ENDORSEMENT

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

The Schedule of Coverages is amended by the addition of the following:

Schedule

Limit of Insurance	Coverage Description
\$ 25,000	Spoilage - Refrigerant Contamination*
\$ 25,000	Spoilage - Power Disruption*
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Selling Price
\$ 1,000,000	Newly Built or Acquired Buildings
\$ 500,000	Business Personal Property-Acquired Locations
\$ 250,000	Newly Built or Acquired Locations- Income Coverage
\$ 50,000	Locations "You" Elect Not to Describe

(*Non-equipment breakdown perils only)

Coverage provided under this coverage part is also subject to the "terms" and conditions in the Commercial Output Program - Property Coverage Part under the sections titled Agreement, Definitions, Property Not Covered, Perils Excluded, What Must be Done in Case of Loss, How Much We Pay, Loss Payment, and Other Conditions.

The terms and conditions of your policy are amended as indicated below.

The following are added to the Commercial Output Program Property Coverage Part, Supplemental Coverages:

14. SPOILAGE COVERAGE – NON EQUIPMENT BREAKDOWN PERILS

"We" cover direct physical loss of or damage to "perishable stock" due to "spoilage" but only if caused by a covered peril described below and while at a "covered location".

COVERED PERILS

"We" cover risks of direct physical loss caused by the following perils unless the loss is caused by a peril that is excluded.

- a. Refrigerant Contamination** -- "We" cover loss to "perishable stock" due to refrigerant contamination from the release of refrigerant, including but not limited to ammonia.

However, "we" do not cover loss to "perishable stock" due to refrigerant contamination from the release of refrigerant, including but not limited to ammonia, which is caused by or resulting from an "accident" to "covered equipment". For purposes of this endorsement, the term "covered equipment" includes "computers". The most we will pay in any one occurrence for all loss to "perishable stock" caused by Refrigerant Contamination to which this insurance applies is \$25,000, unless a different Limit of Insurance is selected in the above Schedule.

Coverage Extension -- When the Commercial Output Program – Income Coverage Part is made a part of this policy, "we" also pay your loss of earnings and/or the necessary extra expenses that "you" incur due to loss of "perishable stock" caused by Refrigerant Contamination to which the insurance provided in paragraph a. above applies. The Limit of Insurance that applies to loss to "perishable stock" caused by Refrigerant Contamination also applies to this coverage extension for loss of earnings and/or necessary extra expense. This coverage extension for loss of earnings and/or necessary extra expense does not increase the Limit of Insurance applicable to loss of "perishable stock" caused by Refrigerant Contamination and payment under this coverage extension for loss of earnings and/or necessary extra expense shall be applied against the Limit of Insurance that applies to loss to "perishable stock" caused by Refrigerant Contamination.

b. Power Disruption -- "We" cover loss to "perishable stock" due to changes in temperature or humidity resulting from:

- 1) complete or partial lack of electrical power; or-
- 2) fluctuation of electrical current.

due to conditions beyond "your" control, except we do not cover loss caused by or resulting from an "accident" to equipment owned by a utility who provides "you" with electrical power. The equipment must meet the definition of "covered equipment" except that it is not covered property. For purposes of this endorsement, the term "covered equipment" includes "computers".

The most we will pay in any one occurrence for all loss to "perishable stock" caused by Power Disruption to which this insurance applies is \$25,000, unless a different Limit of Insurance is selected in the above Schedule.

Coverage Extension -- When the Commercial Output Program – Income Coverage Part is made a part of this policy, "we" also pay your loss of earnings and/or the necessary extra expenses that "you" incur due to loss of "perishable stock" caused by Power Disruption to which the insurance provided in paragraph b. above applies. The Limit of Insurance that applies to loss to "perishable stock" caused by Power Disruption also applies to this coverage extension for loss of earnings and/or necessary extra expense. This coverage extension for loss of earnings and/or necessary extra expense does not increase the Limit of Insurance applicable to loss of "perishable stock" caused by Power Disruption and payment under this coverage extension for loss of earnings and/or necessary extra expense shall be applied against the Limit of Insurance that applies to loss to "perishable stock" caused by Power Disruption.

HEREIN, THESE FORMS AND THE RATES BY
 RATES ARE EXEMPT FROM THE FILING REQUIREMENTS
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 HOWEVER, SUCH FORMS AND RATES MUST MEET THE
 MINIMUM STANDARDS OF THE NEW YORK INSURANCE
 LAW AND REGULATIONS.

PERILS EXCLUDED

The following additional perils are added to the Perils Excluded section of the Commercial Output Program Property and Income Coverage Parts.

"We" do not pay for loss or damage that is caused by or results from one or more of the following excluded causes or events:

- a. **Disconnection or Deactivation** -- "We" do not pay for loss caused by the disconnection of the refrigeration system from the source of power, or the deactivation of electrical power caused by turning off a switch or other device used to control the electrical current or power.

- b. Glass Breakage** -- "We" do not pay for loss caused by the breakage of any glass that is a permanent part of the refrigeration system.
- c. Inability to Provide Sufficient Power** -- "We" do not pay for loss caused by:
- 1) the inability of an electrical utility company or other power source to provide sufficient power due to governmental order or lack of fuel; or
 - 2) the lack of generating capacity at the described "covered location" to meet demand.
- d.** For purpose of this endorsement only, Perils Excluded item 2.s. Wear and Tear is deleted and replaced with the following:
- Wear and Tear**-- "We" do not pay for loss caused by wear and tear, marring, or scratching. "We" do cover any resulting loss caused by:
- 1) a "specified peril"; or
 - 2) breakage of building glass.

SPOILAGE VALUATION

When selling price is indicated in the above Schedule, the value of "perishable stock" will be based on the selling price less all discounts and unincurred expenses. If selling price is not indicated, the valuation of "perishable stock" will be based on the applicable valuation as indicated in the Commercial Output Program -- Property Coverage Part.

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15. NEWLY ACQUIRED PROPERTY COVERAGE

a. NEWLY BUILT OR ACQUIRED BUILDINGS

"We" cover direct physical loss to "your" buildings or structures:

- 1) being built at "covered locations" or while being built at other than "covered locations"; or
- 2) that "you" acquire during the policy period.

This coverage applies for 120 days from the date "you" newly acquire or begin to construct the building or structure or until "you" report the newly acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay additional premium due from the date construction is started or the date "you" acquired the property.

The most we will pay in any one occurrence under this Supplemental Coverage for each newly built or acquired building or structure is \$1,000,000, unless otherwise indicated on the above Schedule.

b. BUSINESS PERSONAL PROPERTY-ACQUIRED LOCATIONS

"We" cover direct physical loss to "your" business personal property at locations that "you" acquire during the policy period.

This coverage applies for 120 days from the date "you" acquire the location or until "you" report the acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date "you" acquire the location.

The most we will pay in any one occurrence under this Supplemental Coverage for business personal property at each location "you" acquire is \$500,000, unless otherwise indicated on the above Schedule.

c. Newly Built or Acquired Locations - Income Coverage -- If the Commercial Output Program - Income Coverage Part is attached to this policy, "we" extend "your" coverage for earnings and extra expense to include direct physical loss to "your" covered property while at any location being built or at locations that "you" acquire during the policy period, to which the newly acquired Building and Business Personal Property coverage provided by this endorsement applies.

If a loss occurs at a location being built and the loss delays the start of "your" "business", the "restoration period" starts from the time "your" "business" would have begun had no loss occurred.

This coverage applies for 120 days from the date the location is newly acquired or construction begins or until "you" report the newly acquired location to "us", whichever occurs first. This coverage does not go beyond the end of the policy period.

"You" must pay any additional premium due from the date construction is started or "you" acquire the location.

The most "we" pay in any one occurrence for loss of earnings and incurred extra expense at each location to which this Supplemental Coverage applies is \$250,000 unless otherwise indicated on the above Schedule.

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16. LOCATIONS "YOU" ELECT NOT TO DESCRIBE

"We" cover direct physical loss to "your" building property and business personal property at locations that are not otherwise described in the policy Declaration.

The "limit" provided under this additional coverage cannot be combined or added to the "limits" for Newly Built or Acquired Buildings or Business Personal Property - Acquired Locations.

The most "we" will pay in any one occurrence for each unscheduled location is \$50,000.

If a different "limit" is indicated on the Schedule of Coverages, Commercial Output Program, that "limit" will apply instead of the "limit shown above."

New York Free Trade Zone



This endorsement modifies insurance provided by the following:

COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART

**COP-7119
(Ed. 2-05)**

COMMERCIAL OUTPUT AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- A. The SUPPLEMENTAL MARINE COVERAGES section of the COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART is amended as follows:

Supplemental Marine Coverage 2. **Electrical or Magnetic Disturbance of Computers** and Supplemental Marine Coverage 3. **Power Supply Disturbance of Computers** are amended by the addition of the following to each said coverage part:

In the event the Equipment Breakdown Coverage Part is attached to your policy and coverage for any loss or portion thereof is provided by both this coverage part and the Equipment Breakdown Coverage Part, the coverage provided by the Equipment Breakdown Coverage Part will apply in place of this coverage part.

- B. The PERILS EXCLUDED section of the COMMERCIAL OUTPUT PROGRAM PROPERTY COVERAGE PART is amended as follows:

2. Exclusion g. **Electrical Currents** is deleted and replaced in its entirety with the following:

g. **Electrical Currents** -- "We" do not pay for loss caused by arcing or by electrical currents other than lightning. But if arcing or electrical currents other than lightning result in fire, "we" cover the loss or damage caused by that fire.

"We" do cover the direct loss by a covered peril which occurs at "covered locations" as a result of any power interruption or other utility services.

Exclusion k. **Mechanical Breakdown** is deleted and replaced in its entirety with the following:

k. **Mechanical Breakdown** -- "We" do not pay for loss caused by mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force. But if a mechanical breakdown or rupturing or bursting of moving parts of machinery caused by centrifugal force results in a "specified peril", the breakage of building glass, or an elevator collision, "we" cover the loss or damage caused by that "specified peril", breakage of building glass, or elevator collision.

NOTICE: THESE FORMS AND RATES ARE EXEMPT FROM THE PROVISIONS OF THE NEW YORK STATE FINANCIAL SERVICES LAW, HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

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This endorsement applies to all coverages provided by the following including all forms and endorsements attached thereto:

**BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL OUTPUT PROGRAM
COMMERCIAL PROPERTY COVERAGE PART
COMPUPAK POLICY**

NOTICE: THESE FORMS AND RATES ARE SUBJECT TO THE RATES AND RATING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

IL-7123
(Ed. 4-98)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

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

1. The failure, malfunction, inability or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

- (1) Computer hardware, including microprocessors;
- (2) Computer application software;
- (3) Computer operating systems and related software;
- (4) Computer networks;
- (5) Microprocessors (computer chips) not part of any computer system;
- (6) Telecommunications equipment; or
- (7) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

which is in any way related to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1 of this endorsement.

B. If your policy includes the following coverages and an excluded loss ("loss") as described in Paragraph A. of this endorsement results in:

- 1.** A Covered Cause of Loss as defined under your Boiler and Machinery Coverage Part or Commercial Crime Coverage Part, we will only pay for the loss ("loss") or damage caused by such Covered Cause of Loss;
- 2.** A Covered Cause of Loss as defined under your Systems Breakdown Endorsement, we will pay only for the loss ("loss") or damage caused by such Covered Cause of Loss;
- 3.** A covered "accident" as defined under an Equipment Breakdown Coverage Endorsement, we will pay only for the loss ("loss") or damage caused by such covered "accident";
- 4.** A "Specified Cause of Loss" as defined, or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form of your Commercial Property Coverage Part, we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss" or elevator collision;

5. A Covered Cause of Loss as defined under the Causes of Loss - Basic Form or the Causes of Loss - Broad Form of your Commercial Property Coverage Part, we will pay only for the loss ("loss") or damage caused by such Covered Cause of Loss;
6. A "Specified Peril" as defined, or in elevator collision resulting from mechanical breakdown, under the Property Coverage Part of your Commercial Output Policy, we will pay only for the loss ("loss") or damage caused by such "Specified Peril" or elevator collision;
7. Any of the following causes of loss under your Commercial Inland Marine coverage Part or CompuPak Policy, we will pay only for the loss ("loss") or damage caused by the following causes of loss:
- Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage; or elevator collision resulting from mechanical breakdown.
- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. It does not include the cost of filling sinkholes.
- b. Falling objects does not include loss ("loss") or damage to:
- (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge of leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

We will pay for resulting or ensuing loss ("loss") under Paragraph B. of this endorsement only if the resulting or ensuing loss ("loss") is physical injury to tangible property.

- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.
- D. This endorsement applies to all coverages provided by this Coverage Part including all forms and endorsements attached thereto.

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

IMPORTANT NOTICE TO POLICYHOLDERS

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Do you have enough insurance on your building?

If your commercial building were damaged or worse, destroyed, would your insurance limit be sufficient to fully repair or rebuild the structure?

When you consider the ever rising costs of labor, construction materials and supplies, the impact of overall inflation, and the value of any improvements you've made to your property, it's quite possible your level of coverage is no longer adequate.

It is *your* responsibility to insure to value.

While Harleysville's insurance products offer comprehensive protection for business owners, if your property is insured at less than 100 percent of its replacement cost (or, where applicable, actual cash value), you assume the risk of not being fully insured if you have a loss.

To make certain your building coverage limits are - *and remain* - adequate, we strongly encourage you to review your coverage with your agent. You also should consider obtaining an appraisal or an estimate from a contractor annually, or as needed.

We appreciate the opportunity to insure your property, and look forward to continuing our partnership with your business and your independent Harleysville Insurance agent to protect your interests *fully*.

Note: In the event of a claim, Harleysville Insurance reserves all of its rights under the policy to make its own independent determination of replacement cost or actual cash value in applying the co-insurance provisions of the policy.



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Harleysville Insurance: Our Privacy Pledge

Providing superior products and services to our customers requires us to obtain various types of personal information. In entrusting your business to us, we understand that you expect your personal information to remain private and to be treated with the utmost confidence. Please be assured we are committed to safeguarding your privacy, and have established a policy to maintain the confidentiality of your personal information. We think it is important for you, as well, to understand how Harleysville Insurance* obtains, uses and safeguards your personal information.

How we obtain, use and protect your personal information

Information we obtain

The information we obtain will depend upon the type of insurance you request and may include:

- *Information we receive from you* in writing, by telephone or electronically on applications or other forms. Examples: your name, address, social security number and income. For some insurance products, the information may include your health history.
- *Information about your transactions with us.* Examples: your policy coverage, premiums, claims history and payment history.
- *Information we receive from a consumer reporting agency.* Examples: your credit score, credit history and motor vehicle reports.

Information we disclose

Except as explained below, we may share any personal information about our customers and former customers within Harleysville Insurance in order to offer you other Harleysville Insurance services that are likely to be of value to you.

- Unless you tell us not to, we may share credit information about you within Harleysville Insurance. Examples: your credit score, credit history or motor vehicle reports. We share this information in order to provide you with the appropriate insurance coverage. If you prefer that we not share this information within Harleysville Insurance, you may tell us not to by calling a toll-free number 1.800.829.7865.

As permitted by law, we may disclose (without specific authorization) any personal information about our customers and former customers we obtain to third parties (which includes persons and companies within and outside Harleysville Insurance) as is necessary for these parties to help us service or process your transaction with us.

We may disclose the following information to companies that perform marketing services for Harleysville Insurance or to other financial institutions such as banks, thrift institutions or insurance companies with which we have joint marketing agreements:

- *Information we receive from you* on applications or other forms. Examples: your name, address and telephone number.
- *Information about your transactions with us*, such as your policy coverage.
- These third parties must agree to maintain strict confidentiality protections and limit the use of the customer information we provide them.

We do not sell or otherwise provide lists of our customers to third parties to market non-financial services.



Confidentiality of Health Information

It is often necessary for us to obtain personal health information in order to underwrite insurance and process claims for various types of personal insurance coverages. We recognize your concerns about the security of that information and want to assure you that any personal health data you provide to us will be held in strict confidence. We will not disclose nor share your personal health information for marketing or any other unauthorized purpose. We may disclose or share your personal health information for underwriting your policy or administering your policy or claim or for other purposes permitted by law.

Harleysville Insurance independent agents

Independent insurance agents of Harleysville Insurance are authorized to solicit business for Harleysville Insurance. However, they are not Harleysville Insurance employees. Because they have a unique business relationship with you, they may have additional personal information about you that we do not have. Agents may use any of your personal information they have for purposes other than doing business with us. If so, your agent may need to provide you with the agency's privacy policy.

Information security standards

We maintain physical, electronic and procedural safeguards to protect customer information. We restrict access to your personal information to those persons who have a business need for such information.

We'll keep you informed

As a valued customer, we respect your privacy concerns. We will provide you with an annual notice. In the event of future changes in our privacy policy, we will provide you an updated notice.

*Our privacy pledge extends to all companies of Harleysville Insurance:

Harleysville Lake States Insurance Company
 Harleysville Life Insurance Company
 Harleysville Mutual Insurance Company
 Harleysville Pennland Insurance Company
 Harleysville Preferred Insurance Company
 Harleysville Worcester Insurance Company

Harleysville-Atlantic Insurance Company
 Harleysville Insurance Company
 Harleysville Insurance Company of New Jersey
 Harleysville Insurance Company of New York
 Harleysville Insurance Company of Ohio
 Mainland Insurance Company

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Harleysville
Good people to know

When things go wrong and you need help fast, we're 'Good people to know'

We hope you never suffer an insurance loss. But, if and when you do, Harleysville gives you two convenient ways to report your claim to our company, which is your first step toward getting the matter resolved to your satisfaction.

2 easy ways to report your claim

Call us toll-free at ...

1.800.892.8877

When you call to report a claim, our courteous, professional staff will ask you for essential information to help determine the extent of your loss and, within minutes, assign a claim number and explain the settlement process.

Report your claim online at www.harleysvillegroup.com

Visit our company Web site—www.harleysvillegroup.com—and look for this icon ...



On the next page, look for: "Click here to submit your claim online."

With the claim form open, follow the instructions and your claim will be received in our central claims unit as soon as you click on "Submit."

Our Harleysville claims team stands ready to assist you

Our representatives are available 24 hours a day, seven days a week, and will help you take advantage of the many services we offer to make your claims experience as "painless" as possible. They include:

Home emergency services	To protect your property from further damage and provide repairs that are <i>guaranteed</i> .
Auto repair service	You can opt to select one of our company-approved auto body shops to provide top-notch repairs in a timely manner.
Home repair service	Our network of company-approved contractors are available to provide prompt, guaranteed service every time.
Auto glass repair service	Our network of experienced professionals in the auto glass industry are ready to help you.
Auto rental service	Your vehicle is waiting through Harleysville's partnership with the Enterprise Rent-A-Car network.
Medical provider panels	For workers compensation claims, our company-approved healthcare providers specialize in treating occupational injuries, helping employees get back on the job, and managing costs.

Have questions about our claims team and the services we provide? Call us anytime at 1.800.892.8877. Plus, to learn how a business can help prevent losses before they occur, call Harleysville loss control at 1.800.523.6344, ext. 8100. You also can contact your independent agent with questions about any of our services. Thank you again for choosing Harleysville!

A special note about insurance fraud

Insurance fraud costs insurance companies and their customers billions of dollars each year. If you suspect a person or persons are committing insurance fraud, please call in your anonymous tip to our toll-free hotline at 1.800.917.0055.

Z-1288 02/09

New York Free Trade Zone





MAIL TO AGENT

BILLING ACCOUNT
0M0550

ASSOCIATES OF GLENS FALLS INC
P O BOX 190
GLENS FALLS, NY 12801

NEW YORK STATE BRIDGE AUTHORITY
C/O JOHN SEWELL
PO BOX 1010
HIGHLAND, NY 12528-8010

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

Enclosed is your insurance renewal package from the "Good people to know" at Harleysville.

Our company values long-lasting relationships with our customers, and we thank you for keeping your insurance protection with us.

Please review the enclosed materials carefully, which may include:

- **Important policyholder notices**—Harleysville is transitioning to a new automated system to produce its policy documentation. As a result of this activity, you may have been assigned a new policy/account number and policy form(s), and you may be billed separately for certain policies within your account. Please read these notices carefully and contact your agent if you have any questions.
- **Policy declarations page**, containing policy information such as coverage provided, coverage limits and deductibles, coverage effective date and premium, and applicable discounts.
- **Policy contract, schedules and endorsements**

Your billing statement(s) will be sent to you under separate cover. In the meantime, if you have any questions about your coverage or the enclosed materials, contact your Harleysville agent at the number shown below

Again, thank you for staying with Harleysville Insurance. For more information about our organization and the wide array of products and services we offer individuals and businesses, visit our Web site at www.harleysvillegroup.com.

Who to call		
• Coverage	ASSOCIATES OF GLENS FALLS INC.	800 783 3344
• Billing Questions	Our Central Claims Unit	800 882 5877
• Claims Reporting	Our Special Investigation Unit	800 917 8055
• Fraud Suspicion		



New York Free Trade Zone

ST-7674 05/07



NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE DEPARTMENT. HOWEVER, SUCH FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

Harleysville Insurance Company of New York


Harleysville.
215 Washington Street, Suite 003
Watertown, New York 13601-3329

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IMPORTANT NOTICE TO POLICYHOLDERS**VIRUS OR BACTERIA EXCLUSION**

This notice is designed to provide information regarding the new Virus Or Bacteria Exclusion endorsement attached to your new or renewal policy.

This notice is not part of your insurance contract. No coverage is provided by this notice. **READ YOUR POLICY CAREFULLY** to determine the actual terms and conditions of your policy and its endorsements.

The Virus Or Bacteria Exclusion endorsement that is applicable to the Commercial Output policy is identified as CL 0700.

Virus Or Bacteria Exclusion, CL 0700

This endorsement specifically states that loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress is not covered under your policy.

The endorsement applies to all coverages, coverage extensions, supplemental coverages, optional coverages and endorsements that are provided by the Commercial Output policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense or interruption by civil authority.

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ST-7613
(Ed. 10-08)

NOTICE TO POLICYHOLDERS

**TRANSFER OF YOUR POLICY TO ANOTHER COMPANY
WITHIN THE GROUP OF HARLEYSVILLE INSURANCE COMPANIES**

In order to more efficiently manage our business, you may notice that your insurance policy is being renewed through another one of our insurance companies. Compare the policy Declaration Pages to make this determination.

If your policy is being renewed by the same company that issued your expiring policy, please disregard this notice. If your policy is being renewed by a different company, the coverage provided under the expiring policy will end as of the Expiration Date shown for such policy and thereafter be replaced by the enclosed renewal policy which is issued by another one of our companies. As a member of the Harleysville Insurance organization, your new company offers you the same financial strength and superb customer service that you have come to expect from Harleysville Insurance.

Please read your policy and the endorsements attached to your policy carefully. This notice does not provide any coverage, nor can it be construed to replace any provisions of your policy. Your policy is the complete contract that governs the coverage we are providing to you. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

As with any of our products, if you have any questions concerning this change, please contact your independent insurance agent.





Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13601-3329
 www.harleysvillegroup.com

CIM00000071073F

Com. Pkchgr. Equipment

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CIM00000071073F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

COMMERCIAL LINES COMMON POLICY DECLARATIONS

Name of Insured and Mailing Address:

NEW YORK STATE BRIDGE AUTHORITY
 C/O JOHN SEWELL
 PO Box 1010
 Highland, NY 12528-8010

Agent:

ASSOCIATES OF GLENS FALLS INC
 P O BOX 190
 GLENS FALLS, NY 12801

Agency Code:
Phone Number: (518)793-3444

Policy Period: 08/01/2010 to 08/01/2011

at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description:
 BRIDGE AUTHORITY

Form of Business:
 GOVERNMENT AGENCY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ 1,000

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Coverage Part:

- Commercial Property Coverage Part
- Commercial General Liability Coverage Part
- Crime and Fidelity Policy Coverage Part
- Commercial Inland Marine Coverage Part
- Commercial Auto Coverage Part
- Commercial Liability Umbrella Policy

Sub-Total \$
 Fees and Surcharge - See Schedule GU-7015 (If Applicable)
 Total \$

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:
 SEE SCHEDULES GU-7004 and GU-7009

GU-7000 (Ed. 4-09)

Page: 1 of 1
 Issued: 08/12/2010

Insured Copy





Harleysville Insurance Co of New York
215 Washington Street, Suite 003
Watertown, NY 13601-3328
www.harleysvillegroup.com

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CIM0000071073F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

LOCATION SCHEDULE

Prem No	Bldg No	Address
001	ALL	Rip Van Winkle Bridge Greene-039 Catskill, NY 12414-0000
002	ALL	Kingston-Rhinecliff Bridge Ulster-111 Kingston, NY 12401-0000
003	ALL	Mid-Hudson Bridge Ulster-111 Highland, NY 12528-0000
004	ALL	Newburgh-Beacon Bridge Dutchess-027 Beacon, NY 12508-0000
005	ALL	Bear Mountain Bridge Orange-071 Fort Montgomery, NY 10922-0000

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CIM0000071073F

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Policy Number: CIM0000071073F
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 RENEWAL

FORM SCHEDULE

ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form#	Edition	Description
		POLICY FORMS
PJ0013	0209	Policy Jacket
GU7005	0409	Location Schedule
IL0003	0702	Calculation of Premium
IL0017	1198	Common Policy Conditions
IL0183	0702	New York Changes - Fraud
IL0185	0702	New York Changes - Calculation of Premium
IL0268	1105	New York Changes - Cancellation and Nonrenewal
IL0935	0702	Exclusion of Certain Computer-Related Losses
IL0952	0308	Cap On Losses From Cert. Acts of Terrorism
IL0985	0108	Disclosure Pursuant to Terrorism Risk Insurance Act
		INLAND MARINE FORMS
CM0001	0904	Commercial Inland Marine Conditions
CM7134	1206	Contractors Equipment - Leased or Rented From Others
CM7148	0701	Replacement Cost Coverage
CM7363	1206	Contractors Equipment Coverage Form





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Policy Number: CIM0000071073F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.
ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form	Edition	Description
		POLICY FORMS
GU1197	0706	Harleysville Insurance Privacy Pledge
ST7613	1008	Trans of Your Pol to Another Comp Wthin Harleysville

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Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Westtown, NY 13801-3329
 www.harleysvillegroup.com

StarAdvantage® Series

Insured: NEW YORK STATE BRIDGE AUTHORITY
 Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CIM00000071073F
 Policy Period: 08/01/2010 to 08/01/2011
 RENEWAL

COMMERCIAL INLAND MARINE

CM-7244 (Ed. 7-09)

CONTRACTORS EQUIPMENT COVERAGE FORM DECLARATIONS
 Attach CM 73 63 – Contractors Equipment Coverage Form

COVERED PROPERTY	
We cover Contractors Equipment listed below or on the List of Contractors Equipment attached. The most we will pay for any one item of Contractors Equipment is the Limit of Insurance shown opposite that item. If the following box is checked, your signed and dated List of Contractors Equipment is on file with us. <input type="checkbox"/>	
LIST OF CONTRACTOR'S EQUIPMENT	
SEE SCHEDULE CM-7245 (if applicable)	
ADDITIONAL COVERAGES	
"Substitute Equipment":	\$ <u>100,000</u>
Rental Expense:	\$ <u>15,000</u> per policy period, \$ <u>500</u> per day
Newly Acquired Property:	\$ <u>250,000</u>
Unscheduled Equipment:	\$ <u>1,000</u> Any one item, \$ <u>25,000</u> Any one occurrence \$ <u>500</u> deductible
"Employee" Tools & Work Clothing:	\$ <u>1,000</u> Any One "Employee", \$ <u>25,000</u> For All "Employees" \$ <u>500</u> deductible
LIMIT OF INSURANCE FOR ALL COVERED PROPERTY IN ANY ONE OCCURRENCE	
The most we will pay in any one occurrence is the Limit of Insurance for All Covered Property in Any One Occurrence: \$ <u>608,819</u>	
DEDUCTIBLE	
Deductible: \$ <u>500</u>	
Coinsurance	
Coinsurance Percentage: <u>90</u>	
Rates And Premiums	
<input checked="" type="checkbox"/> Non-Reporting	<input type="checkbox"/> Reporting Policy
\$ _____ Premium	\$ _____ Deposit Premium
	\$ _____ Reporting Policy Rate
	\$ _____ Minimum Annual Premium
SPECIAL PROVISIONS (if any)	





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215 Washington Street, Suite 003
Watertown, NY 13601-3329
www.harleysvillegroup.com

StarAdvantage® Series

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CIM0000071073F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

COMMERCIAL INLAND MARINE

CM-7245 (Ed. 7-09)

CONTRACTORS EQUIPMENT COVERAGE FORM SUPPLEMENTAL DECLARATIONS

List of Contractors Equipment

COVERED PROPERTY

We cover Contractors Equipment listed below. The most we will pay for any one item of Contractors Equipment is the Limit of Insurance shown for that item.

LIST OF CONTRACTORS EQUIPMENT

Item No.	Model Year	Manufacturer and Type of Equipment	Model Number/Serial Number	Limit of Insurance
1	1998	NEW HOLLAND 545D	A441952	28702
2	2008	CASE 570 MXT FRONT END LOADER	JJG0380216	39209
3	1993	NEW HOLLAND 1620 FRAIL MOWER	UJ20853	12587
4	1994	NEW HOLLAND 555D BACKHOE	A427118	35917
5	1998	NEW HOLLAND 545D 4WD	NHA442778	33378
6	2004	CASE 570 MXT FRONT END LOADER	JJG0302683	44800
8	1992	NEW HOLLAND 1620 FRAIL MOWER	UJ20481	12646
9	1999	NEW HOLLAND 555 4WD	31019809	43919
10	2001	NEW HOLLAND 555E FRONT END LOADER	31026955	34912
12	2002	NEW HOLLAND TC29	G028107	15094
13	2002	NEW HOLLAND LB75 FRONT END LOADER	31037193	47175
14	2004	JCB 8060 ARTICULATING WHEEL L	528060	56369
15	1984	NEW HOLLAND 555 FRON END LOADER	C732868	36996
16	1998	NEW HOLLAND 5545D 4WD	NHA442766	33378
17	2008	CASE 580M SERIES 3 ORANGE UNIT WITH BACK	NBC600893	60597
18	2008	NEW HOLLAN T2220 4WD 2-72" DECK	Z8DA095322	17875
19	1994	Bobcat Skid Steer Loader (Yellow)	511111548	16303
20	1994	Bobcat Skid Steer Loader (Yellow)	511011055	29255
21	2010	Bobcat Skid Steer S130 Loader (White)	A3KY37073	19707

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CIM00000071073F

StarAdvantage® Series

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CIM00000071073F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:			
SEE SCHEDULE GU-7005			
Item No.	Limit of Insurance	Deductible	Description
SEE APPLICABLE COVERAGE FORM DECLARATION			
DEDUCTIBLE:			
SEE APPLICABLE COVERAGE FORM DECLARATION			
MORTGAGE HOLDERS:			
SEE SCHEDULE GU-7006 and/or GU-7007			
FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS COVERAGE PART:			
SEE SCHEDULE GU-7004			
TOTAL PREMIUM FOR THIS COVERAGE PART			\$ 6,245.00



**COMMERCIAL INLAND MARINE
CM 00 01 09 04**

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

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

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

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

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

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

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. We will not pay you more than your financial interest in the Covered Property.

3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

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

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.



D. No Benefit To Ballee

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

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

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

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



This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

**CONTRACTORS EQUIPMENT LEASED OR RENTED FROM OTHERS
(INCLUDING CONTINUING RENTAL CHARGES COVERAGE)**

SCHEDULE

Limits Of Insurance

Any One Item of Leased or Rented Contractors Equipment: \$ 250,000

Coverage is: Reporting Non-Reporting

Continuing Rental Charges Coverage: \$500 a Day, not to exceed \$15,000 in any one policy period.

Rates And Premiums:

\$ 5,000 Estimated Annual Expenditures
 \$ Leased or Rented Contractors Equipment Rate
 \$ Deposit Premium
 \$ Minimum Earned Premium

The following changes are made to the Contractors Equipment Coverage Form:

1. The following is added to Section A. 1. Covered Property:

Leased or Rented Equipment

Covered Property also means:

Contractors Equipment, not described in the Declarations or in your List of Contractors Equipment on file with us, which you lease or rent from others under the terms of a written lease or rental agreement, for a period of less than six (6) consecutive months.

We will pay those sums that you become legally or contractually responsible to pay because of direct physical "loss" or damage to the leased or rented Contractors Equipment.

The "loss" or damage must be caused by or result from a Covered Cause of Loss while the leased or rented Contractors Equipment is in the care, custody or control of you or your "employees."

2. The following is added to Section A.4. Additional Coverages:

Continuing Rental Charges Coverage

1. We will pay the continuing rental charges you are legally or contractually obligated to pay following direct physical "loss" of or damage to covered leased or rented equipment from any of the Covered Causes of Loss.

We will pay your continuing rental charges during the period of time that:

a. Begins three (3) "working days" after you report the "loss" or damage to us; and

b. Ends the earlier of the following:

(1) When the damaged Covered Property has been repaired or replaced; or

(2) When the damaged Covered Property has been restored to service.

2. The most we will pay for Continuing Rental Charges Coverage are the limits shown in the Schedule above.

Our payment will not be limited by the expiration of this policy.

You and we agree that the Covered Property involved in the "loss" will be repaired promptly.

This Additional Coverage does not increase the All Covered Property in Any One Occurrence Limit of Insurance shown in the Declarations.



3. The following is added to **C. Limits Of Insurance** with respect to Contractors Equipment leased or rented from others:

C. Limits of Insurance

The most we will pay for "loss" or damage:

1. To any one item of Leased or Rented Contractors Equipment is the Any One Item of Leased or Rented Contractors Equipment Limit of Insurance shown in the Schedule of this endorsement.
2. In any one occurrence is the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

The terms of this endorsement do not increase the All Covered Property in Any One Occurrence Limit of Insurance shown in the Declarations.

4. The following are added to **Section E. Additional Conditions** if a reporting condition for Leased and Rented Equipment is indicated in the Schedule of this endorsement:

a. Reports and Premium – Leased and Rented Equipment

- (1) Within thirty (30) days following the expiration (or anniversary) of the policy, you agree to report to us the total amount of your rental or lease expenditures during the policy period.
- (2) The Deposit Premium shown in the Schedule of this endorsement is payable to us at the beginning of the policy period. If the policy period is longer than one year, you agree to pay us the Deposit Premium at each anniversary date.

The Deposit Premium that we have charged for this endorsement is based on an estimate of your rental or lease expenditures for the policy period.

- (3) Premium adjustment will be made as follows:

We will compute the premium by multiplying the Leased or Rented Equipment rate shown in the Schedule of this endorsement, by each \$100 of expenditures that you report to us. If the total adjusted premium exceeds the Deposit Premium, additional premium shall be due and payable to us immediately.

If the adjusted premium is less than the Deposit Premium, the difference shall be due and payable to you. The annual adjusted premium shall not be less than the Minimum Earned Premium amount shown in the Schedule of this endorsement.

If this policy is cancelled before the end of the policy period, we will make the premium adjustment based upon your rental or lease expenditures for the period we provided coverage.

- (4) You must pay us at least the Minimum Earned Premium amount shown in the Schedule of this endorsement, regardless of the premium adjustment, above. This condition does not apply if this policy is cancelled as of its inception date.

b. Records

You must maintain records of your expenditures for leasing or renting contractors equipment. You will keep these records for three (3) years after the policy ends.

5. The following is added to **Section E. Additional Conditions** if the Schedule of this endorsement indicates this coverage is non-reporting:

Premium

If the Schedule of this endorsement indicates this coverage is non-reporting, then the Deposit Premium shown in the Schedule of this endorsement shall be fully earned.

6. The Coinsurance Additional Condition does not apply to Leased and Rented Equipment coverage.

This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

REPLACEMENT COST COVERAGE

SCHEDULE

Item Number or Description of Covered Property:

- 1 1998 NEW HOLLAND 545D A441952
- 2 2006 CASE 570 MXT FRONT END LOADER JJG0380216
- 3 1993 NEW HOLLAND 1620 FRAIL MOWER UJ20853
- 4 1994 NEW HOLLAND 555D BACKHOE A427118
- 5 1998 NEW HOLLAND 545D 4WD NHA442778
- 6 2004 CASE 570 MXT FRONT END LOADER JJG0302583
- 8 1992 NEW HOLLAND 1620 FRAIL MOWER UJ20481
- 9 1999 NEW HOLLAND 555 4WD 31019809
- 10 2001 NEW HOLLAND 555E FRONT END LOADER 31026955
- 12 2002 NEW HOLLAND TC29 G028107
- 13 2002 NEW HOLLAND LB75 FRONT END LOADER 31037193
- 14 2004 JCB 8060 ARTICULATING WHEEL L 528060

The following applies to only those items of Covered Property listed in the Schedule:

The **Valuation Commercial Inland Marine Condition** is replaced by the following:

- A. If replaced, the value of Covered Property will be the cost of replacing that property with similar property without depreciation, but not more than the Limit of Insurance shown in the Declarations or in your List of Contractors Equipment on file with us.
- B. If not replaced, the value of that property will be the least of the following:
 - 1. Actual cash value of that property;
 - 2. Cost of reasonably restoring that property to its condition immediately before "loss" or damage; or
 - 3. Cost of replacing that property with functionally equivalent property.
- C. In the event of "loss" or damage, the value of the property will be determined at the time of the "loss" or damage.



This endorsement modifies insurance provided under the following:

CONTRACTORS EQUIPMENT COVERAGE FORM

REPLACEMENT COST COVERAGE

SCHEDULE

Item Number or Description of Covered Property:

- 15 1984 NEW HOLLAND 555 FRON END LOADER C732968
- 16 1998 NEW HOLLAND 5545D 4WD NHA442766
- 17 2008 CASE 580M SERIES 3 ORANGE UNIT WITH BACK NBC500893
- 18 2008 NEW HOLLAN T2220 4WD 2-72" DECK Z8DA095322
- 19 1994 Bobcat Skid Steer Loader (Yellow) 511111548
- 20 1994 Bobcat Skid Steer Loader (Yellow) 511011055
- 21 2010 Bobcat Skid Steer S130 Loader (White) A3KY37073

The following applies to only those items of Covered Property listed in the Schedule:

The **Valuation Commercial Inland Marine Condition** is replaced by the following:

- A. If replaced, the value of Covered Property will be the cost of replacing that property with similar property without depreciation, but not more than the Limit of Insurance shown in the Declarations or in your List of Contractors Equipment on file with us.
- B. If not replaced, the value of that property will be the least of the following:
 - 1. Actual cash value of that property;
 - 2. Cost of reasonably restoring that property to its condition immediately before "loss" or damage; or
 - 3. Cost of replacing that property with functionally equivalent property.
- C. In the event of "loss" or damage, the value of the property will be determined at the time of the "loss" or damage.

CONTRACTORS EQUIPMENT COVERAGE FORM

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

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

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

A. Coverage

We will pay for direct physical "loss" of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property means Contractors Equipment described in the Declarations or in your List of Contractors Equipment on file with us.

2. Property Not Covered

- a. Aircraft, watercraft and vehicles designed and principally used to transport property or persons over public roads;
- b. Property while underwater or property while waterborne unless on public vessels with scheduled routes;
- c. Property while in a cofferdam or while underground in mining, tunneling or similar operations;
- d. Property leased, rented or loaned to others, unless:
 - (1) The others have agreed in writing to be responsible for the "loss" or damage to the property; or
 - (2) The property is to be operated by you or your "employee" when in use.
- e. Contraband, or property in the course of illegal transit or trade.

3. Covered Causes of Loss

Covered Causes of Loss means risks of direct physical "loss" or damage to Covered Property except those Causes of Loss listed in the Exclusions.

4. Additional Coverages

a. Newly Acquired Property

If during the policy period you purchase, or lease additional equipment on a "long term" basis, we will cover such equipment for up to 60 days, but not beyond the end of the policy period.

Unless otherwise stated in the Declarations, the most we will pay for "loss" or damage for your Newly Acquired Property is \$100,000.

You will report values of such property to us within 60 days from the date you take possession and will pay any additional premium due. If you do not report such property, coverage will cease automatically 60 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

The Coinsurance Additional Condition does not apply to your Newly Acquired Property.

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

b. Debris Removal

(1) We will pay your expenses to remove debris of Covered Property 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) The most we will pay for debris removal expense is 25% of

- (a) The amount we pay for the direct physical "loss" or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that "loss" or damage.



But if:

(a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

(b) The debris removal expense exceeds the amount payable under the 25% limitation,

We will pay up to an additional \$25,000 in any one occurrence under the Debris Removal Additional Coverage.

(3) This Additional Coverage does not apply to costs to:

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

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

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

c. Pollutant Cleanup and Removal

(1) We will pay your expenses to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by or results 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 on which the Covered Cause of Loss occurs.

(2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting "pollutants" from the land or water.

(3) The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Losses occurring during each separate 12 month period of this policy.

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

d. "Substitute Equipment"

(1) We will pay for "loss" or damage to "Substitute Equipment" caused by or resulting from a Covered Cause of Loss. Coverage will start when you assume responsibility for the "Substitute Equipment", and will end at the earlier of the following dates:

(a) when your rental expense for the "Substitute Equipment" ends; or

(b) policy expiration date.

(2) We will also pay for "loss" or damage while "Substitute Equipment" is in transit to or from the owner if you are responsible for the "Substitute Equipment" at the time of "loss" or damage.

Unless otherwise stated in the Declarations, the most we will pay for "loss" or damage to "Substitute Equipment" in any one occurrence is \$100,000.

This Additional Coverage does not increase the applicable Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

e. Rental Expense

(1) We will pay your necessary expenses to rent "substitute equipment" during the period of time that:

(a) Begins three (3) "working days" after you report the "loss" or damage to us; and

(b) Ends when the damaged Covered Property:

(i) Has been repaired or replaced;

(ii) Has been restored to service; or

(iii) The need for "substitute equipment" no longer exists,

Whichever comes first.

Unless otherwise stated in the Declarations, the most we will pay under this Additional Coverage is \$500 a day, not to exceed \$15,000 in any one policy period.

Our payment will not be limited by the expiration of this policy.

You and we agree that Covered Property involved in the "loss" will be repaired promptly.

This Additional Coverage does not increase the applicable Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

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f. Fire Department Service Charge

We will pay for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to "loss"; or
- (2) Required by local ordinance.

The most we will pay under this Additional Coverage is \$5,000.

A deductible does not apply to this Additional Coverage.

g. Costs to Refill Fire Protection Devices

We will pay the costs you incur to recharge or refill fire protection devices that are discharged as a result of a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000.

A deductible does not apply to this Additional Coverage.

h. "Employee" Tools and Work Clothing

We will pay for "loss" or damage to tools and work clothing belonging to your "employees" for which you may be legally or contractually responsible while such tools and work clothing are located at job sites or while in transit to or from job sites in your vehicles.

The most we will pay for "loss" or damage:

- (1) For any one "employee" is \$1,000 unless otherwise stated in the Declarations; and
- (2) In any one occurrence is \$25,000 unless otherwise stated in the Declarations.

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

Unless a different amount is shown in the Declarations, a deductible of \$500 applies to this coverage.

The Coinsurance Additional Condition does not apply to this Additional Coverage.

i. Expendable Supplies

We will pay for "loss" of or damage to fuel, oil, grease and similar expendable supplies usual to your operations, resulting from a Covered Cause of Loss.

We will not pay more than \$2,500 in any one occurrence, unless such items are specifically listed in the Declarations or in your List of Contractors Equipment on file with us.

The Coinsurance Additional Condition does not apply to this Additional Coverage.

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

j. Unscheduled Equipment

We will pay for "loss" of or damage to Contractors Equipment you own which is not specifically listed in the Declarations or in your List of Contractors Equipment on file with us.

Unless otherwise stated in the Declarations, the most we will pay for "loss" or damage:

- (1) To any one item of Unscheduled Equipment is \$1,000.

However, we will not pay for "loss" or damage to any item of Unscheduled Equipment, if the value of that item, at the time of "loss" or damage, is greater than the Any One Item of Unscheduled Equipment Limit of Insurance.

- (2) In any one occurrence is \$25,000.

Unless a different amount is shown in the Declarations, a deductible of \$500 applies to this Additional Coverage.

The Coinsurance Additional Condition does not apply to this Additional Coverage.

This Additional Coverage does not increase the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations.

B. Exclusions

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

a. Governmental Action

Seizure or destruction of property by order of governmental authority.



But we will pay for "loss" or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

(1) Nuclear reaction or radiation, or radioactive contamination, however caused.

(2) But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct "loss" or damage caused by that fire.

c. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

Exclusions B.1.a. through B.1.c. apply whether or not the "loss" event results in widespread damage or affects a substantial area.

2. We will not pay for "loss" or damage caused by or resulting from any of the following:

a. Delay, loss of use, loss of market or any other consequential loss;

b. Shortage found upon taking inventory or unexplained disappearance;

c. Dishonest or criminal act committed by:

(1) You, any of your partners, "employees," directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their "employees" or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your "employees." But theft by "employees" is not covered.

d. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense;

e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of "loss";

f. Artificially generated current creating a short circuit or other electrical disturbance within the Covered Property. But we will pay for direct physical "loss" caused by resulting fire or explosion;

g. Unauthorized instructions to transfer Covered Property to any person or to any place.

3. We will not pay for "loss" or damage caused by or resulting from any of the following. But if "loss" or damage by a Covered Cause of Loss results, we will pay for the "loss" or damage caused by that Covered Cause of Loss.

a. Wear and tear, depreciation;

b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration;

c. Corrosion, rust;

d. Dampness or dryness of atmosphere, extremes of temperature, freezing or overheating;

e. Mechanical or electrical breakdown or failure of the Covered Property;

f. Insects, vermin, rodents.

C. Limits Of Insurance

1. The most we will pay for "loss" or damage:

a. For any one item of Covered Property is the Limit of Insurance shown for that item in the Declarations or in your List of Contractors Equipment on file with us;

b. For more than one item of Covered Property is the total of the Limits of Insurance shown for those items in the Declarations or in your List of Contractors Equipment on file with us;

c. For Additional Coverages is the Limit of Insurance applicable to that Additional Coverage.

2. The limits applicable to Additional Coverages are in addition to the Limits of Insurance, unless noted otherwise.

The most we will pay for "loss" or damage in any one occurrence, no matter how many items of equipment, Additional Coverages, protected persons, property owners or financial interests are involved, is the Limit of Insurance for All Covered Property in Any One Occurrence shown in the Declarations. This limit applies to all "losses", expenses and salvage charges combined.

D. Deductible

1. The deductible for this Coverage Part is \$500 unless otherwise stated in the Declarations.
 2. We will not pay for "loss" or damage in any one occurrence until the amount of the adjusted "loss" or damage, before applying the applicable Limits of Insurance, exceeds the applicable Deductible. We will then pay the amount of the adjusted "loss" or damage in excess of the Deductible, up to the applicable Limit of Insurance.
 3. Certain Coverages are subject to separate Deductibles as shown in the Declarations.
- If two (2) or more Deductible amounts apply to the same occurrence only the largest applicable Deductible amount shall be applied.

E. Additional Conditions

The following conditions apply in addition to the **Commercial Inland Marine Conditions** and the **Common Policy Conditions**:

1. Coverage Territory

We cover property wherever located within the United States of America, its territories and possessions and Canada.

2. Coinsurance

- a. The Coinsurance Percentage is 80% unless otherwise stated in the Declarations.
- b. We will not pay the full amount of any "loss" or damage if the value of an item of Covered Property at the time of "loss" or damage times the Coinsurance percentage is greater than the Limit of Insurance for the item.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the item of Covered Property at the time of "loss" or damage by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of "loss" or damage, before the application of any deductible, by the figure determined in Step (2);
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the "loss" yourself.

If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

The Coinsurance Additional Condition does not apply to items leased, rented or borrowed from others, unless they are described in the Declarations or in your list of Contractors Equipment on file with us.

3. Right of Recovery From Others

If by any act or agreement after a "loss" you impair our right to recover from others liable for the "loss", we will not pay you for that "loss".

F. Definitions

1. "Employees" means people who work for you in the conduct of your ordinary activities in return for a salary, wages or commissions. In order to be considered an "employee," a person must be subject to your exclusive direction in the performance of his or her activities. Brokers, factors, commission merchants, consignees, contractors, subcontractors and agents are not considered to be "employees".



2. **"Long term"** means six (6) consecutive months or more.
3. **"Loss"** means accidental loss or damage.
4. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. **"Substitute equipment"** means Contractors Equipment items you must rent due to "loss" or damage to Covered Property, caused by or resulting from a Covered Cause of Loss. "Substitute equipment" items are only those items that are:
 - (1) Necessary to continue your work in progress at the time of the "loss" or damage; and
 - (2) Needed because you do not have idle equipment that can do the same work.
6. **"Working day"** means a period of twenty-four (24) consecutive hours of a normally scheduled workday beginning at the midnight following the time of the direct physical "loss" or damage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

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

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



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COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – FRAUD

This endorsement modifies insurance provided under the following:

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

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

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the **COMMERCIAL AUTOMOBILE COVERAGE PART**, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.



IL 01 85 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK

- A.** For policies with fixed terms in excess of one year, or policies with no stated expiration date, except as provided in paragraph **B.**, the following applies:
- The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal or continuation of this policy, we will compute the premium in accordance with our rates and rules then in effect.
- B.** For policies with fixed terms in excess of one year, where premium is computed and paid annually, the following applies:
1. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. Such rates and rules will be used to calculate the premium at each anniversary, for the entire term of the policy, unless the specific reasons described in paragraphs 2. or 3. apply.
 2. The premium will be computed based on the rates and rules in effect on the anniversary date of the policy only when, subsequent to the inception of the current policy period, one or more of the following occurs:
 - a. After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;
 - b. A material physical change in the property insured, occurring after issuance or last anniversary renewal date of the policy, causes the property to become uninsurable in accordance with underwriting standards in effect at the time the policy was issued or last renewed; or
 - c. A material change in the nature or extent of the risk, occurring after issuance or last anniversary renewal date of the policy, which causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed.
 3. If, subsequent to the inception of the current policy period, the Limit of Insurance is increased, or Additional Coverages or Causes of Loss are insured, the rate and rules in effect at the time of the change will be applied to calculate the premium and will continue to apply to the change at subsequent anniversary dates.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. 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 entire policy by mailing or delivering to us advance written notice of cancellation.**
 - 2. Cancellation Of Policies In Effect**
 - a. 60 Days Or Less**

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

 - (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph A.2.a.(2) below.**
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:**
 - (a) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;**
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;**
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;**
 - (d) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;**
 - (e) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;**
 - (f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;**



(g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in Paragraph A.2.a.(2) above, provided:

(1) We mail the first Named Insured written notice at least 15 days before the effective date of cancellation; and

(2) If we cancel for nonpayment of premium, our notice of cancellation informs the first Named Insured of the amount due.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

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

7. If one of the reasons for cancellation in Paragraph A.2.a.(2) or D.2.b.(2) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following conditions are added:

1. Nonrenewal

If we decide not to renew this policy we will send notice as provided in Paragraph C.3. below.

2. Conditional Renewal

If we conditionally renew this policy subject to a:

- a. Change of limits;
- b. Change in type of coverage;
- c. Reduction of coverage;
- d. Increased deductible;
- e. Addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph C.3. below.

3. Notices Of Nonrenewal And Conditional Renewal

a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs C.1. and C.2. above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

- (1) The expiration date; or
- (2) The anniversary date if this is a continuous policy.

b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraph C.3.a., b. or c. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) Coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60 day period, has replaced the coverage or elects to cancel.
 - (2) On or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
 - e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1) Upon expiration of the 60 day period; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if we send the first Named Insured the conditional renewal notice at least 30 days prior to the expiration or anniversary date of the policy.
 - f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- D.** The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:
- 1. Items D.2. and D.3. apply if this policy meets the following conditions:
 - a. The policy is issued or issued for delivery in New York State covering property located in this state; and
 - b. The policy insures:
 - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
 - (2) For loss of or damage to personal property other than farm personal property or business property; or
 - (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
 - 2. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:
 - 2. **Procedure And Reasons For Cancellation**
 - a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - b. But if this policy:
 - (1) Has been in effect for more than 60 days; or
 - (2) Is a renewal of a policy we issued:
 - we may cancel this policy only for one or more of the following reasons:
 - (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - (2) Conviction of a crime arising out of acts increasing the risk of loss;
 - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
 - (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;



- (5) Physical changes in the covered property that make that property un-insurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
 - (a) Issued the policy; or
 - (b) Last voluntarily renewed the policy;
- (6) The Superintendent of Insurance's determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Insurance that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

a. Conditional Continuation

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

b. Nonrenewal

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
 - (a) Change of limits; or
 - (b) Elimination of coverage;

we will mail or deliver written notice of non-renewal or conditional renewal:

- (a) At least 45 days; but

- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-Arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- 1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in E.1. and E.2. above supersede any contrary provisions in this policy including this endorsement.

If the notice in E.1. or E.2. above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs f. and g. of the Mortgageholders Condition are replaced by the following:

f. Cancellation

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (b) 30 days before the effective date of cancellation if we cancel for any other reason.

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(2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

- (a) The effective date of cancellation of the insured's coverage; or
- (b) 10 days after we give notice to the mortgageholder.

g. Nonrenewal

(1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:

- (a) The expiration date of the policy; or
- (b) 10 days after we give notice to the mortgageholder.

G. The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part
Employment-Related Practices Liability Coverage Part
Farm Liability Coverage Form
Liquor Liability Coverage Part
Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph C.3.d. above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A. We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.**
- 1. The failure, malfunction or inadequacy of:**
 - a. Any of the following, whether belonging to any insured or to others:**
 - (1) Computer hardware, including micro-processors;
 - (2) Computer application software;
 - (3) Computer operating systems and related software;
 - (4) Computer networks;
 - (5) Microprocessors (computer chips) not part of any computer system; or
 - (6) Any other computerized or electronic equipment or components; or
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;**

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.**
- B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:**
- 1. In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or**
 - 2. Under the Commercial Property Coverage Part:**
 - a. In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or**
 - b. In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;**

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.**

IL 09 52 03 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

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

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

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



POLICY NUMBER: CIM0000071073F

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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$ 0
This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):
 Commercial Inland Marine Coverage Part

Additional Information, if any, concerning the terrorism premium:

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

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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**Harleystville
Insurance
Company
of New York**


Harleystville.
215 Washington Street, Suite 003
Watertown, New York 13601-3329



This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Dennis Otmaskin
President



Robert A. Kauffman
Secretary



ST-7613
(Ed. 10-08)

NOTICE TO POLICYHOLDERS

**TRANSFER OF YOUR POLICY TO ANOTHER COMPANY
WITHIN THE GROUP OF HARLEYSVILLE INSURANCE COMPANIES**

In order to more efficiently manage our business, you may notice that your insurance policy is being renewed through another one of our insurance companies. Compare the policy Declaration Pages to make this determination.

If your policy is being renewed by the same company that issued your expiring policy, please disregard this notice. If your policy is being renewed by a different company, the coverage provided under the expiring policy will end as of the Expiration Date shown for such policy and thereafter be replaced by the enclosed renewal policy which is issued by another one of our companies. As a member of the Harleysville Insurance organization, your new company offers you the same financial strength and superb customer service that you have come to expect from Harleysville Insurance.

Please read your policy and the endorsements attached to your policy carefully. This notice does not provide any coverage, nor can it be construed to replace any provisions of your policy. Your policy is the complete contract that governs the coverage we are providing to you. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

As with any of our products, if you have any questions concerning this change, please contact your independent insurance agent.





Harleysville Insurance: Our Privacy Pledge

Providing superior products and services to our customers requires us to obtain various types of personal information. In entrusting your business to us, we understand that you expect your personal information to remain private and to be treated with the utmost confidence. Please be assured we are committed to safeguarding your privacy, and have established a policy to maintain the confidentiality of your personal information. We think it is important for you, as well, to understand how Harleysville Insurance* obtains, uses and safeguards your personal information.

How we obtain, use and protect your personal information

Information we obtain

The information we obtain will depend upon the type of insurance you request and may include:

- *Information we receive from you* in writing, by telephone or electronically on applications or other forms. Examples: your name, address, social security number and income. For some insurance products, the information may include your health history.
- *Information about your transactions with us.* Examples: your policy coverage, premiums, claims history and payment history.
- *Information we receive from a consumer reporting agency.* Examples: your credit score, credit history and motor vehicle reports.

Information we disclose

Except as explained below, we may share any personal information about our customers and former customers within Harleysville Insurance in order to offer you other Harleysville Insurance services that are likely to be of value to you.

- Unless you tell us not to, we may share credit information about you within Harleysville Insurance. Examples: your credit score, credit history or motor vehicle reports. We share this information in order to provide you with the appropriate insurance coverage. If you prefer that we not share this information within Harleysville Insurance, you may tell us not to by calling a toll-free number 1.800.829.7865.

As permitted by law, we may disclose (without specific authorization) any personal information about our customers and former customers we obtain to third parties (which includes persons and companies within and outside Harleysville Insurance) as is necessary for these parties to help us service or process your transaction with us.

We may disclose the following information to companies that perform marketing services for Harleysville Insurance or to other financial institutions such as banks, thrift institutions or insurance companies with which we have joint marketing agreements:

- *Information we receive from you* on applications or other forms. Examples: your name, address and telephone number.
- *Information about your transactions with us*, such as your policy coverage.
- These third parties must agree to maintain strict confidentiality protections and limit the use of the customer information we provide them.

We do not sell or otherwise provide lists of our customers to third parties to market non-financial services.



Confidentiality of Health Information

It is often necessary for us to obtain personal health information in order to underwrite insurance and process claims for various types of personal insurance coverages. We recognize your concerns about the security of that information and want to assure you that any personal health data you provide to us will be held in strict confidence. We will not disclose nor share your personal health information for marketing or any other unauthorized purpose. We may disclose or share your personal health information for underwriting your policy or administering your policy or claim or for other purposes permitted by law.

Harleysville Insurance independent agents

Independent insurance agents of Harleysville Insurance are authorized to solicit business for Harleysville Insurance. However, they are not Harleysville Insurance employees. Because they have a unique business relationship with you, they may have additional personal information about you that we do not have. Agents may use any of your personal information they have for purposes other than doing business with us. If so, your agent may need to provide you with the agency's privacy policy.

Information security standards

We maintain physical, electronic and procedural safeguards to protect customer information. We restrict access to your personal information to those persons who have a business need for such information.

We'll keep you informed

As a valued customer, we respect your privacy concerns. We will provide you with an annual notice. In the event of future changes in our privacy policy, we will provide you an updated notice.

*Our privacy pledge extends to all companies of Harleysville Insurance:

- | | |
|--|--|
| Harleysville Lake States Insurance Company | Harleysville-Atlantic Insurance Company |
| Harleysville Life Insurance Company | Harleysville Insurance Company |
| Harleysville Mutual Insurance Company | Harleysville Insurance Company of New Jersey |
| Harleysville Pennland Insurance Company | Harleysville Insurance Company of New York |
| Harleysville Preferred Insurance Company | Harleysville Insurance Company of Ohio |
| Harleysville Worcester Insurance Company | Mainland Insurance Company |

When things go wrong and you need help fast, we're 'Good people to know'



We hope you never suffer an insurance loss. But, if and when you do, Harleysville gives you two convenient ways to report your claim to our company, which is your first step toward getting the matter resolved to your satisfaction.

2 easy ways to report your claim

Call us toll-free at ...

1.800.892.8877

When you call to report a claim, our courteous, professional staff will ask you for essential information to help determine the extent of your loss and, within minutes, assign a claim number and explain the settlement process.

Report your claim online at www.harleysvillegroup.com

Visit our company Web site—www.harleysvillegroup.com—and look for this icon ...



On the next page, look for: "Click here to submit your claim online."

With the claim form open, follow the instructions and your claim will be received in our central claims unit as soon as you click on "Submit."

Our Harleysville claims team stands ready to assist you

Our representatives are available 24 hours a day, seven days a week, and will help you take advantage of the many services we offer to make your claims experience as "painless" as possible. They include:

Home emergency services	To protect your property from further damage and provide repairs that are <i>guaranteed</i> .
Auto repair service	You can opt to select one of our company-approved auto body shops to provide top-notch repairs in a timely manner.
Home repair service	Our network of company-approved contractors are available to provide prompt, guaranteed service every time.
Auto glass repair service	Our network of experienced professionals in the auto glass industry are ready to help you.
Auto rental service	Your vehicle is waiting through Harleysville's partnership with the Enterprise Rent-A-Car network.
Medical provider panels	For workers compensation claims, our company-approved healthcare providers specialize in treating occupational injuries, helping employees get back on the job, and managing costs.

Have questions about our claims team and the services we provide? Call us anytime at 1.800.892.8877. Plus, to learn how a business can help prevent losses before they occur, call Harleysville loss control at 1.800.523.6344, ext. 8100. You also can contact your independent agent with questions about any of our services. Thank you again for choosing Harleysville!

A special note about insurance fraud

Insurance fraud costs insurance companies and their customers billions of dollars each year. If you suspect a person or persons are committing insurance fraud, please call in your anonymous tip to our toll-free hotline at 1.800.917.0055.

Z-1288 02/09





MAIL TO AGENT

BILLING ACCOUNT
0M0550

ASSOCIATES OF GLENS FALLS INC
P O BOX 190
GLENS FALLS, NY 12801

NEW YORK STATE BRIDGE AUTHORITY
C/O JOHN SEWELL
PO BOX 1010
HIGHLAND, NY 12528-8010

Enclosed is your insurance renewal package from the "Good people to know" at Harleysville.

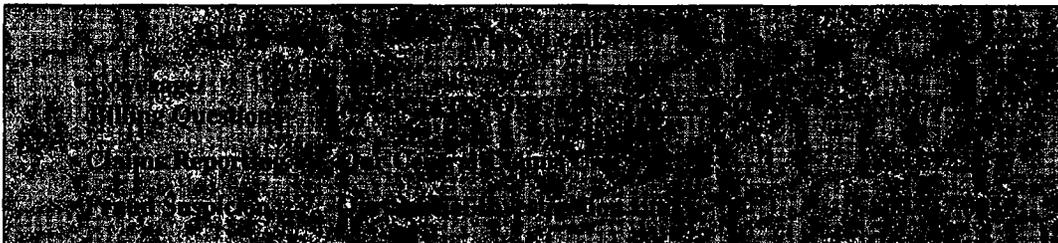
Our company values long-lasting relationships with our customers, and we thank you for keeping your insurance protection with us.

Please review the enclosed materials carefully, which may include:

- **Important policyholder notices**—Harleysville is transitioning to a new automated system to produce its policy documentation. As a result of this activity, you may have been assigned a new policy/account number and policy form(s), and you may be billed separately for certain policies within your account. Please read these notices carefully and contact your agent if you have any questions.
- **Policy declarations page**, containing policy information such as coverage provided, coverage limits and deductibles, coverage effective date and premium, and applicable discounts
- **Policy contract, schedules and endorsements**

Your billing statement(s) will be sent to you under separate cover. In the meantime, if you have any questions about your coverage or the enclosed materials, contact your Harleysville agent at the number shown below

Again, thank you for staying with Harleysville Insurance. For more information about our organization and the wide array of products and services we offer individuals and businesses, visit our Web site at www.harleysvillegroup.com.



ST-7674 05/07





Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13601-3329
 www.harleysvillegroup.com

CR00000072769F

*Comm
 Purchase:
 Crime*

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

COMMERCIAL LINES COMMON POLICY DECLARATIONS

Named Insured and Mailing Address:

NEW YORK STATE BRIDGE AUTHORITY
 C/O JOHN SEWELL
 PO Box 1010
 Highland, NY 12528-8010

Agent:

ASSOCIATES OF GLENS FALLS INC
 P O BOX 190
 GLENS FALLS, NY 12801

Agency Code:
Phone Number: (518)793-3444

Policy Period: 08/01/2010 to 08/01/2011

at 12:01 A.M. Standard Time at your mailing address shown above.

Business Description:
 BRIDGE AUTHORITY

Form of Business:
 GOVERNMENT AGENCY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ 150

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Coverage Part:

- Commercial Property Coverage Part
- Commercial General Liability Coverage Part
- Crime and Fidelity Policy Coverage Part \$
- Commercial Inland Marine Coverage Part
- Commercial Auto Coverage Part
- Commercial Liability Umbrella Policy

Sub-Total \$
 Fees and Surcharge - See Schedule GU-7015 (If Applicable)
 Total \$

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:
 SEE SCHEDULES GU-7004 and GU-7009

GU-7000 (Ed. 4-09)

Page: 1 of 1
 Issued: 08/12/2010

Insured Copy





Harleysville Insurance Co of New York
215 Washington Street, Suite 003
Watertown, NY 13601-3329
www.harleysvillegroup.com

CR00000072769F

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

LOCATION SCHEDULE

Policy No. Bldg No. Address

- 001 ALL Rip Van Winkle Bridge
Greene-039
Catskill, NY 12414-0000
- 002 ALL Kingston-Rhinecliff Bridge
Ulster-111
Kingston, NY 12401-0000
- 003 ALL Mid-Hudson Bridge
Ulster-111
Highland, NY 12528-0000
- 004 ALL Newburgh-Beacon Bridge
Dutchess-027
Beacon, NY 12508-0000
- 005 ALL Bear Mountain Bridge
Orange-071
Fort Montgomery, NY 10922-0000

200100M0550000000000031X683000



Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13601-3329
 www.harleysvillegroup.com

Insured: NEW YORK STATE BRIDGE AUTHORITY
 Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
 Policy Period: 08/01/2010 to 08/01/2011
 RENEWAL

FORM SCHEDULE

ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form	Edition	Description
		POLICY FORMS
PJ0013	0209	Policy Jacket
GU7005	0409	Location Schedule
		CRIME FORMS
CR0023	0506	Commercial Crime Policy(Loss Sustained Form)
CR0155	0502	New York Changes
CR0234	0205	New York Changes
CR0401	0506	Clients Property
CR2020	0702	Calculation of Premium
CR2021	0300	Exclusion of Certain Computer-Related Losses





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CR00000072769F

Insured: NEW YORK STATE BRIDGE AUTHORITY
Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
Policy Period: 08/01/2010 to 08/01/2011
RENEWAL

POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.
ALL FORMS ARE ATTACHED. RETAIN UNLESS DELETED OR REPLACED.

Form	Ed/Ver	Description
		POLICY FORMS
GU1197	0706	Harleysville Insurance Privacy Pledge
ST7613	1008	Trans of Your Pol to Another Comp Within Harleysville

200100M0550000000000031X684000



Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13801-3329
 www.harleysvillegroup.com

Insured: NEW YORK STATE BRIDGE AUTHORITY
 Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
 Policy Period: 08/01/2010 to 08/01/2011
 RENEWAL

COMMERCIAL CRIME
 CR-7202 (Ed. 7-09)

COMMERCIAL CRIME POLICY DECLARATIONS

In Return For The Payment Of The Premium, And Subject To All The Terms And Conditions Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy.

NAMED INSURED: NEWYORK STATE BRIDGE AUTHORITY

(Also list any Employee Benefit Plan(s) included as insureds)

MAILING ADDRESS: PO Box 1010, Highland, NY 12528-8010

POLICY PERIOD: 08/01/2010 to 08/01/2011 (12:01 A.M. at your Mailing Address shown above)

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLE

INSURING AGREEMENTS	LIMIT OF INSURANCE / DEDUCTIBLE AMOUNT	
	Per Occurrence	Per Occurrence
1. Employee Theft	Not Covered	
2. Forgery Or Alteration	See Schedule	
3. Inside The Premises – Theft Of Money And Securities	Not Covered	
4. Inside The Premises – Robbery Or Safe Burglary Of Other Property	Not Covered	
5. Outside The Premises	Not Covered	
6. Computer Fraud	Not Covered	
7. Funds Transfer Fraud	Not Covered	
8. Money Orders And Counterfeit Paper Currency	See Schedule	

If Added by Endorsement, Insuring Agreement(s):

SEE SCHEDULE CR-7200

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED:

SEE SCHEDULES GU-7004 and GU-7009

CANCELLATION OF PRIOR INSURANCE ISSUED BY US:

By acceptance of this Policy you give us notice cancelling prior policy Nos. _____ ; the cancellation to be effective at the time this Policy becomes effective.





Harleysville Insurance Co of New York
 215 Washington Street, Suite 003
 Watertown, NY 13601-3320
 www.harleysvillegroup.com

CR00000072769F

Insured: NEW YORK STATE BRIDGE AUTHORITY
 Agent: ASSOCIATES OF GLENS FALLS INC

Policy Number: CR00000072769F
 Policy Period: 08/01/2010 to 08/01/2011
 RENEWAL

SCHEDULE OF INSURING AGREEMENTS

INSURING AGREEMENT(S)	LIMIT OF INSURANCE Per Occurrence	NUMBER OF PREMISES	DEDUCTIBLE Per Occurrence	RETENTION
FORGERY OR ALTERATION	\$ 150,000	005	\$ 1,000	\$
MONEY ORDERS/COUNTERFEIT PAPERS	\$ 150,000	001	\$ 1,000	\$

Balance to Meet Minimum
 Total Premium
 CR-7200 (Ed. 7-09)

\$
 \$
 Page 1 of 1
 Issued: 08/12/2010

Insured Copy

200100M055000000000031X685000

21 1 8/12/2010 10:49:46 AM

COMMERCIAL CRIME POLICY (LOSS SUSTAINED FORM)

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

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

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

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition E.1.o. or E.1.p., which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.j.:

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (1) Made or drawn by or drawn upon you; or
- (2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph 2.a., on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside The Premises – Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

- (1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or
- (2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

a. We will pay for loss of or damage to "other property":

- (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
- (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.



- c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

5. Outside The Premises

- a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

7. Funds Transfer Fraud

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

8. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This policy does not cover:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
- (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.

b. Acts Of Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

c. Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1.

d. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this policy including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

g. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement A.2.

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Military Action

Loss or damage resulting from:

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

2. Insuring Agreement A.1. does not cover:**a. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

b. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

c. Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreements A.3., A.4. and A.5. do not cover:**a. Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.



f. Transfer Or Surrender Of Property

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
- (a) On the basis of unauthorized instructions;
 - (b) As a result of a threat to do bodily harm to any person;
 - (c) As a result of a threat to do damage to any property;
 - (d) As a result of a threat to introduce a denial of service attack into your computer system;
 - (e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
 - (f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
 - (g) As a result of a threat to disseminate, divulge or utilize:
 - (i) Your confidential information; or
 - (ii) Weaknesses in the source code within your computer system.
- (2) But, this Exclusion does not apply under Insuring Agreement A.5. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:
- (a) Had no knowledge of any threat at the time the conveyance began; or
 - (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement A.6. does not cover:**a. Credit Card Transactions**

Loss 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.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

5. Insuring Agreement A.7. does not cover:**COMPUTER FRAUD**

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions**1. Conditions Applicable To All Insuring Agreements****a. Additional Premises Or Employees**

If, while this policy is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this policy. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Cancellation Of Policy

- (1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (a) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

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

c. Changes

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

d. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This policy;
- (2) The property covered under this policy;
- (3) Your interest in the property covered under this policy; or
- (4) A claim under this policy.

e. Consolidation - Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this policy to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this policy shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

f. Cooperation

You must cooperate with us in all matters pertaining to this policy as stated in its terms and conditions.

g. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement A.1. or A.2.) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within 120 days.
- (5) Cooperate with us in the investigation and settlement of any claim.

h. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement A.1.
- (2) If any Plan is insured jointly with any other entity under this policy, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.



- (3) With respect to loss sustained or "discovered" by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this policy, any payment we make for loss:
- (a) Sustained by two or more Plans; or
 - (b) Of commingled "funds" or "other property" of two or more Plans;
- resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- (6) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any Plan.

i. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the Policy Period shown in the Declarations and up to 3 years afterward.

j. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this policy, which is "discovered" by you:

- (1) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (2) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

k. Inspections And Surveys

- (1) We have the right to:
- (a) Make inspections and surveys at any time;
 - (b) Give you reports on the conditions we find; and
 - (c) Recommend changes.
- (2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
- (a) Are safe or healthful; or
 - (b) Comply with laws, regulations, codes or standards.
- (3) Paragraphs k.(1) and k.(2) apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

l. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.

(4) If this policy or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:

- (a) No later than 1 year from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (b) No later than 1 year from the date of that cancellation with regard to any "employee benefit plans".

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

(6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

m. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this policy;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

n. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this policy.

o. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Policy And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this policy became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This policy became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

(3) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior insurance issued by us.



- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this policy. If no loss was sustained under this policy, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this policy, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

- (4) The following examples demonstrate how we will settle losses subject to this Condition E.1.o.:

EXAMPLE NO. 1:

The insured sustained a covered loss of \$10,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

POLICY A

The current policy. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

POLICY B

Issued prior to Policy A. Written at a Limit of Insurance of \$50,000 and a Deductible Amount of \$5,000.

The amount of loss sustained under Policy A is \$2,500 and under Policy B is \$7,500.

The highest single Limit of Insurance applicable to this entire loss is \$50,000 written under Policy A. The Policy A Deductible Amount of \$5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$2,500) is settled first. The amount we will pay is nil (\$0.00) because the amount of loss is less than the Deductible Amount (i.e., \$2,500 loss - \$5,000 deductible = \$0.00).

2. The remaining amount of loss sustained under Policy B (\$7,500) is settled next. The amount recoverable is \$5,000 after the remaining Deductible Amount from Policy A of \$2,500 is applied to the loss (i.e., \$7,500 loss - \$2,500 deductible = \$5,000).

The most we will pay for this loss is \$5,000.

EXAMPLE NO. 2:

The insured sustained a covered loss of \$250,000 resulting directly from an "occurrence" taking place during the terms of Policy A and Policy B.

POLICY A

The current policy. Written at a Limit of Insurance of \$125,000 and a Deductible Amount of \$10,000.

POLICY B

Issued prior to Policy A. Written at a Limit of Insurance of \$150,000 and a Deductible Amount of \$25,000.

The amount of loss sustained under Policy A is \$175,000 and under Policy B is \$75,000.

The highest single Limit of Insurance applicable to this entire loss is \$150,000 written under Policy B. The Policy A Deductible Amount of \$10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$175,000) is settled first. The amount we will pay is the Policy A Limit of \$125,000 because \$175,000 loss - \$10,000 deductible = \$165,000 which is greater than the \$125,000 policy limit.
2. The remaining amount of loss sustained under Policy B (\$75,000) is settled next. The amount we will pay is \$25,000 (i.e., \$150,000 Policy B limit - \$125,000 paid under Policy A = \$25,000).

The most we will pay for this loss is \$150,000.

EXAMPLE NO. 3:

The insured sustained a covered loss of \$2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies A, B, C and D.

POLICY A

The current policy. Written at a Limit of Insurance of \$1,000,000 and a Deductible Amount of \$100,000.

POLICY B

Issued prior to Policy A. Written at a Limit of Insurance of \$750,000 and a Deductible Amount of \$75,000.

POLICY C

Issued prior to Policy B. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

POLICY D

Issued prior to Policy C. Written at a Limit of Insurance of \$500,000 and a Deductible Amount of \$50,000.

The amount of loss sustained under Policy A is \$350,000, under Policy B is \$250,000, under Policy C is \$600,000 and under Policy D is \$800,000.

The highest single Limit of Insurance applicable to this entire loss is \$1,000,000 written under Policy A. The Policy A Deductible Amount of \$100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy A (\$350,000) is settled first. The amount we will pay is \$250,000 (i.e., \$350,000 loss - \$100,000 deductible = \$250,000).
2. The amount of loss sustained under Policy B (\$250,000) is settled next. The amount we will pay is \$250,000 (no deductible is applied).
3. The amount of loss sustained under Policy C (\$600,000) is settled next. The amount we will pay is \$500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy D as the maximum amount payable under the highest single Limit of Insurance applying to the loss of \$1,000,000 under Policy A has been satisfied.

The most we will pay for this loss is \$1,000,000.

p. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this policy, provided:
 - (a) This policy became effective at the time of cancellation of the prior insurance; and
 - (b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".
- (2) In settling loss subject to this Condition:
 - (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior cancelled insurance.
 - (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.
- (3) The insurance provided under this Condition is subject to the following:
 - (a) If loss covered under this Condition is also partially covered under Condition E.1.o., the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition E.1.o.
 - (b) For loss covered under this Condition that is not subject to Paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this policy and is limited to the lesser of the amount recoverable under:
 - (I) This policy as of its effective date; or
 - (II) The prior cancelled insurance had it remained in effect.



q. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this policy, our obligations are limited as follows:

(1) Primary Insurance

When this policy is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this policy, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in Paragraph (1)(a), we will only pay for the amount of loss that exceeds:
 - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
 - (ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this policy.

(2) Excess Insurance

- (a) When this policy is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this policy.
- (b) However, if loss covered under this policy is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

r. Ownership Of Property; Interests Covered

The property covered under this policy is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

s. Premiums

The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

t. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

u. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this policy, whether made by us or you, shall be applied net of the expense of such recovery:
 - (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this policy;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this policy.
- (2) Recoveries do not include any recovery:
 - (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

v. Territory

This policy covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

w. Transfer Of Your Rights And Duties Under This Policy

- (1) Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

- (2) If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having temporary custody of your property will have your rights and duties but only with respect to that property.

x. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

y. Valuation – Settlement

- (1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

- (a) Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

(i) At face value in the "money" issued by that country; or

(ii) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

- (b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the "securities".

- (c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

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

(iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs y.(1)(c)(i) through y.(1)(c)(iii), we will not pay on a replacement cost basis for any loss or damage:

i. Until the lost or damaged property is actually repaired or replaced; and

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

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":

(a) In the "money" of the country in which the loss or damage occurred; or

(b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was "discovered".

- (3) Any property that we pay for or replace becomes our property.



2. Conditions Applicable To Insuring Agreement A.1.

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition E.1.v. for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.2.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.v. does not apply to Insuring Agreement A.2.

4. Conditions Applicable To Insuring Agreements A.4. And A.5.

a. Armored Motor Vehicle Companies

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

5. Conditions Applicable To Insuring Agreement A.6.

a. Special Limit Of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition E.1.v. does not apply to Insuring Agreement A.6.

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.

4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.

5. "Employee":

a. "Employee" means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph a.(2);

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and

(b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

(7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or

(8) Any of your "managers", directors or trustees while:

(a) Performing acts within the scope of the usual duties of an "employee"; or

(b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

b. "Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 5.a.

6. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.



8. "Fraudulent instruction" means:
- a. 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;
 - b. A written instruction (other than those described in Insuring Agreement A.2.) 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
 - c. 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.
9. "Funds" means "money" and "securities".
10. "Manager" means a person serving in a directorial capacity for a limited liability company.
11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
12. "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".
13. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
14. "Occurrence" means:
- a. Under Insuring Agreement A.1.:
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition E.1.o. or E.1.p.
 - b. Under Insuring Agreement A.2.:
 - (1) An individual act;
 - (2) The combined total of all separate acts whether or not related; or
 - (3) A series of acts whether or not related; committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition E.1.o. or E.1.p.
 - c. Under All Other Insuring Agreements:
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events whether or not related; or
 - (3) A series of acts or events whether or not related; committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition E.1.o. or E.1.p.
15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
16. "Premises" means the interior of that portion of any building you occupy in conducting your business.
17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a. Caused or threatened to cause that person bodily harm; or
 - b. Committed an obviously unlawful act witnessed by that person.
18. "Safe burglary" means the unlawful taking of:
- a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
19. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;
but does not include "money".
20. "Theft" means the unlawful taking of property to the deprivation of the Insured.
21. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions (other than those described in Insuring Agreement A.2.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
22. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.



**COMMERCIAL CRIME
CR 01 55 05 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY**

The following is added to the Section E. **Conditions:**

ESTIMATION OF CLAIMS

Upon request, we will furnish you, or your representative, with a written estimate of damages to real property, specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

**COMMERCIAL CRIME
CR 02 34 02 05**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

A. The Cancellation Of Policy Condition is replaced by the following:

CANCELLATION OF POLICY

(1) The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

(2) Cancellation Of Policies In Effect

(a) 60 Days Or Less

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

(i) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph A.(2)(a)(ii) below.

(ii) 15 days before the effective date of cancellation if we cancel for any of the following reasons:

(i) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

(ii) Conviction of a crime arising out of acts increasing the hazard insured against;

(iii) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;

(iv) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;

(v) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

(vi) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(vii) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code.

(viii) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.



(b) More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in Paragraph A.(2)(a)(ii) above, provided:

- (1) We mail the first Named Insured written notice at least 15 days before the effective date of cancellation; and
 - (2) If we cancel for nonpayment of premium, our notice of cancellation informs the first Named Insured of the amount due.
 - (3) We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.
 - (4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 - (5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.
- However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
- (6) If notice is mailed, proof of mailing will be sufficient proof of notice.
 - (7) If one of the reasons for cancellation in Paragraph A.(2)(a)(ii) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

B. The following are added and supersede any other provisions to the contrary:**1. Nonrenewal**

If we decide not to renew this policy we will send notice as provided in Paragraph B.3. below.

2. Conditional Renewal

If we conditionally renew this policy subject to a:

- a. Change of limits;
- b. Change in type of coverage;
- c. Reduction of coverage;

d. Increased deductible;**e. Addition of exclusion; or**

- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph B.3. below.

3. Notices Of Nonrenewal And Conditional Renewal

- a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs B.1. and B.2. above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:
 - (1) The expiration date; or
 - (2) The anniversary date if this is a continuous policy.

- b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

- d. If we violate any of the provisions of Paragraphs B.3.a., B.3.b. or B.3.c. above, by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) Coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60 day period, has replaced the coverage or elects to cancel.
 - (2) On or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.

- e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
- (1) Upon expiration of the 60 day period; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2) as of the renewal date of the policy if we send the first Named Insured the conditional renewal notice at least 30 days prior to the expiration or anniversary date of the policy.
- f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.

C. Calculation Of Premium

1. For policies with fixed terms in excess of one year, or policies with no stated expiration date, except as provided in Paragraph 2., the following applies:

The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal or continuation of this policy, we will compute the premium in accordance with our rates and rules then in effect.
2. For policies with fixed terms in excess of one year, where premium is computed and paid annually, the following applies:
 - a. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. Such rates and rules will be used to calculate the premium at each anniversary, for the entire term of the policy, unless the specific reasons described in Paragraphs b. or c. apply.
 - b. The premium will be computed based on the rates and rules in effect on the anniversary date of the policy only when, subsequent to the inception of the current policy period, one or more of the following occurs:
 - (1) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;
 - (2) A material physical change in the property insured, occurring after issuance or last anniversary renewal date of the policy, causes the property to become uninsurable in accordance with underwriting standards in effect at the time the policy was issued or last renewed; or
 - (3) A material change in the nature or extent of the risk, occurring after issuance or last anniversary renewal date of the policy, which causes the risk of "loss" to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed.
 - c. If, subsequent to the inception of the current policy period, the Limit of Insurance is increased, or additional coverages or causes of loss are insured, the rate and rules in effect at the time of the change will be applied to calculate the premium and will continue to apply to the change at subsequent anniversary dates.

- D. The following provision applies when a policy is written on an annual aggregate limit of insurance basis:

The annual aggregate limit of this policy will be increased in proportion to any policy extension provided in accordance with Paragraph B.3. above, provided, however, that if the first Named Insured elects to accept the terms and conditions and rates of the conditional renewal notice, a new annual aggregate limitation shall become effective as of the inception date of the renewal, subject to regulations promulgated by the Superintendent.



**CRIME AND FIDELITY
CR 04 01 05 06**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLIENTS' PROPERTY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

PROVISIONS

With regard to this Clients' Property Endorsement, the provisions of the coverage form or policy to which this endorsement is attached apply, unless modified by this endorsement.

A. The following insuring agreement is added to Section A. Insuring Agreements:

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

B. Under Section D. Exclusions in the Commercial Crime Coverage Form and Commercial Crime Policy, the Acts of Employees, Managers, Directors, Trustees or Representatives Exclusion does not apply to this Insuring Agreement.

C. Under Section E. Conditions:

1. Paragraph (1) of the Duties in the Event of Loss Condition is replaced by the following:

Notify us as soon as possible.

2. The Ownership of Property; Interests Covered Condition is replaced by the following:

The property covered under this Insuring Agreement is limited to property:

- a. That your "client" owns or leases; or

- b. That your "client" holds for others whether or not your "client" is legally liable for the loss of such property.

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 Insuring Agreement must be presented by you.

D. Under Section F. Definitions:

1. The following definitions are added:

- a. "Client" means any entity for whom you perform services under a written contract.

- b. "Occurrence" means:

- (1) An individual act;
(2) The combined total of all separate acts whether or not related; or
(3) A series of acts whether or not related; committed by an "employee", acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.

2. The definition of "theft" is replaced by the following:

"Theft" means the unlawful taking of property to the deprivation of your "client".

**COMMERCIAL CRIME
CR 20 20 07 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
KIDNAP/RANSOM AND EXTORTION POLICY**

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



**COMMERCIAL CRIME
CR 20 21 03 00**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY**

- A. We will not pay for loss or damage resulting directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.**
- 1. The failure, malfunction or inadequacy of:**
 - a. Any of the following, whether belonging to any insured or to others:**
 - (1) Computer hardware, including microprocessors;**
 - (2) Computer application software;**
 - (3) Computer operating systems and related software;**
 - (4) Computer networks;**
 - (5) Microprocessors (computer chips) not part of any computer system; or**
 - (6) Any other computerized or electronic equipment or components; or**
 - b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;**

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in Paragraph A.1. of this endorsement.**
- B. If an excluded cause of loss as described in Paragraph A. of this endorsement results in a covered cause of loss under this insurance, we will pay only for the loss or damage.**
- C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.**



Harleysville Insurance: Our Privacy Pledge

Providing superior products and services to our customers requires us to obtain various types of personal information. In entrusting your business to us, we understand that you expect your personal information to remain private and to be treated with the utmost confidence. Please be assured we are committed to safeguarding your privacy, and have established a policy to maintain the confidentiality of your personal information. We think it is important for you, as well, to understand how Harleysville Insurance* obtains, uses and safeguards your personal information.

How we obtain, use and protect your personal information

Information we obtain

The information we obtain will depend upon the type of insurance you request and may include:

- *Information we receive from you* in writing, by telephone or electronically on applications or other forms. Examples: your name, address, social security number and income. For some insurance products, the information may include your health history.
- *Information about your transactions with us.* Examples: your policy coverage, premiums, claims history and payment history.
- *Information we receive from a consumer reporting agency.* Examples: your credit score, credit history and motor vehicle reports.

Information we disclose

Except as explained below, we may share any personal information about our customers and former customers within Harleysville Insurance in order to offer you other Harleysville Insurance services that are likely to be of value to you.

- Unless you tell us not to, we may share credit information about you within Harleysville Insurance. Examples: your credit score, credit history or motor vehicle reports. We share this information in order to provide you with the appropriate insurance coverage. If you prefer that we not share this information within Harleysville Insurance, you may tell us not to by calling a toll-free number 1.800.829.7865.

As permitted by law, we may disclose (without specific authorization) any personal information about our customers and former customers we obtain to third parties (which includes persons and companies within and outside Harleysville Insurance) as is necessary for these parties to help us service or process your transaction with us.

We may disclose the following information to companies that perform marketing services for Harleysville Insurance or to other financial institutions such as banks, thrift institutions or insurance companies with which we have joint marketing agreements:

- *Information we receive from you* on applications or other forms. Examples: your name, address and telephone number.
- *Information about your transactions with us*, such as your policy coverage.
- These third parties must agree to maintain strict confidentiality protections and limit the use of the customer information we provide them.

We do not sell or otherwise provide lists of our customers to third parties to market non-financial services.



Confidentiality of Health Information

It is often necessary for us to obtain personal health information in order to underwrite insurance and process claims for various types of personal insurance coverages. We recognize your concerns about the security of that information and want to assure you that any personal health data you provide to us will be held in strict confidence. We will not disclose nor share your personal health information for marketing or any other unauthorized purpose. We may disclose or share your personal health information for underwriting your policy or administering your policy or claim or for other purposes permitted by law.

Harleysville Insurance Independent agents

Independent insurance agents of Harleysville Insurance are authorized to solicit business for Harleysville Insurance. However, they are not Harleysville Insurance employees. Because they have a unique business relationship with you, they may have additional personal information about you that we do not have. Agents may use any of your personal information they have for purposes other than doing business with us. If so, your agent may need to provide you with the agency's privacy policy.

Information security standards

We maintain physical, electronic and procedural safeguards to protect customer information. We restrict access to your personal information to those persons who have a business need for such information.

We'll keep you informed

As a valued customer, we respect your privacy concerns. We will provide you with an annual notice. In the event of future changes in our privacy policy, we will provide you an updated notice.

*Our privacy pledge extends to all companies of Harleysville Insurance:

Harleysville Lake States Insurance Company
 Harleysville Life Insurance Company
 Harleysville Mutual Insurance Company
 Harleysville Pennland Insurance Company
 Harleysville Preferred Insurance Company
 Harleysville Worcester Insurance Company

Harleysville-Atlantic Insurance Company
 Harleysville Insurance Company
 Harleysville Insurance Company of New Jersey
 Harleysville Insurance Company of New York
 Harleysville Insurance Company of Ohio
 Mainland Insurance Company

ST-7613
(Ed. 10-08)**NOTICE TO POLICYHOLDERS****TRANSFER OF YOUR POLICY TO ANOTHER COMPANY
WITHIN THE GROUP OF HARLEYSVILLE INSURANCE COMPANIES**

In order to more efficiently manage our business, you may notice that your insurance policy is being renewed through another one of our insurance companies. Compare the policy Declaration Pages to make this determination.

If your policy is being renewed by the same company that issued your expiring policy, please disregard this notice. If your policy is being renewed by a different company, the coverage provided under the expiring policy will end as of the Expiration Date shown for such policy and thereafter be replaced by the enclosed renewal policy which is issued by another one of our companies. As a member of the Harleysville Insurance organization, your new company offers you the same financial strength and superb customer service that you have come to expect from Harleysville Insurance.

Please read your policy and the endorsements attached to your policy carefully. This notice does not provide any coverage, nor can it be construed to replace any provisions of your policy. Your policy is the complete contract that governs the coverage we are providing to you. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

As with any of our products, if you have any questions concerning this change, please contact your independent insurance agent.



**Harleystville
Insurance
Company
of New York**


Harleystville.
215 Washington Street, Suite 003
Watertown, New York 13601-3329



This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Dennis Otmaskin
President



Robert A. Kauffman
Secretary