



Certificate of insurance

Effective with underwriters at Lloyd's, London

By Hiscox Inc., 520 Madison Avenue 32nd floor, New York, NY 10022

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

In accordance with the authorization granted to Hiscox Inc. under Contract No. B1234INC1S3315 by certain Underwriters at Lloyd's, London, whose names and the proportions underwritten by them can be ascertained by reference to the said Contract, which bears the Seal of Lloyd's Policy Signing Office and is on file at the office of the said Agency and in consideration of the premium specified herein, the said Underwriters do hereby bind themselves, each for his own part and not one for another, their heirs, executors and administrators, to insure as follows in accordance with the terms and conditions contained or endorsed hereon.

Broker number:	294
Broker Name	Peachtree Special Risks LLC
Broker Address:	3525 Piedmont Rd NE Bldg 5-415, Atlanta, Georgia 30305-1586
Policy number:	UTS2540678.15
Renewal of:	N/A

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

License #: P082520
Address: 1815 Griffin Rd. Suite 300,
Dania Beach, FL 33004

Producing Agent's Name:

Tax Exempt

Address:



Description	Amount
Premium	\$25,000.00
Policy Fee	\$35.00
EMPA Fee	\$4.00
Amount Due:	\$25,039.00

Terrorism and sabotage insurance for municipalities

Declaration

- Name of insured: Lee County Board of County Commissioners
- Address: PO Box 398, Fort Myers, FL 33902-0398
- Total Insured Value: USD \$1,051,186,183
- Policy period:

Inception date: October 1, 2015 Expiration date: October 1, 2016

Beginning and ending at 12:01 A.M. (Standard Time) at the address of the Named Insured.
- Perils Insured:

Terrorism and/or Sabotage as more fully set forth in the attached Hiscox Terrorism and Sabotage Insurance for Municipalities.
- Territory:

While at the location(s) of the Insured, as declared to and agreed by Hiscox Inc., within the Continental of the United States of America.
- Restricted areas:

Manhattan, Chicago, San Francisco
- Premium: USD \$25,000 (For our participation)
- Amount insured: USD \$100,000,000 in the aggregate during the period of insurance.

The above amount is the most **we** will pay for loss in the aggregate during the period of insurance for all coverage Sections combined, regardless of the number of locations or coverages involved under this policy.

The most **we** will pay for loss in the aggregate during the period of insurance for each coverage Section, regardless of the number of locations or coverages involved under this policy shall not exceed the **amounts insured** shown below:

Section 1: Property damage

Coverage extension(s) sub-limits of liability. USD \$100,000,000 in the aggregate during the period of insurance.

The following extension(s) of coverage apply when a sub-limit for such coverage is below. These extensions of Coverage are:

- subject to the applicable sub-limit of liability shown below;
- part of and not in addition to the above Section 1 policy limit of liability; and
- subject to the policy provisions, including applicable exclusions and deductibles.

Miscellaneous unnamed locations:	USD \$1,000,000
New buildings and additions under construction: (combined limit if Section 2 in force)	USD \$5,000,000
Accounts receivable:	USD \$1,000,000
Automatic coverage: (combined limit if Section 2 in force)	USD \$25,000,000 For up to 90 Days
Debris removal expenses:	USD \$25,000,000
Decontamination costs excluding NCBR:	USD \$25,000,000
Demolition and increased cost of construction:	USD \$25,000,000



Terrorism and sabotage insurance for municipalities

Errors and omissions:	USD \$5,000,000
Fine art:	USD \$623,275
Professional fees:	USD \$1,000,000
Service interruption: (combined limit if Section 2 in force)	USD \$5,000,000
Transportation:	USD \$400,000
Valuable papers:	USD \$1,000,000
Watercraft:	USD \$205,000

Section 2: Time element

Coverage extension(s) sub-limits of liability. USD \$6,500,000 in the aggregate during the period of insurance.

The following extension(s) of coverage apply when a sub-limit or period of time for such coverage is below.

These extensions of Coverage are:

1. subject to the applicable sub-limit of liability shown below;
2. part of and not in addition to the above Section 2 policy limit of liability; and
3. subject to the policy provisions, including applicable exclusions and deductibles.

Expediting costs and extra expense combined:	Excluded
Leasehold interest:	Excluded
Rental income:	USD \$5,000,000
Commissions, profits and royalties:	Excluded
Service interruption: (combined limit if Section 1 in force)	USD \$5,000,000
Contingent time element named suppliers/customers:	Excluded
Civil or military authority:	Excluded
Ingress/egress:	Excluded
Extended period of indemnity:	Excluded

Section 3: Biological, chemical or nuclear Excluded.

Section 4 : Liability USD \$1,000,000 each and every claim; \$2,000,000 in the aggregate during the period of insurance.



Terrorism and sabotage insurance for municipalities

10. Deductible amount:
- | | |
|---|--------------|
| Section 1: Property damage | USD \$10,000 |
| Section 2: Time element | USD \$10,000 |
| Section 3: Biological, chemical or nuclear | Excluded |
| Section 4: Liability | USD \$10,000 |

11. Participation: 100%

12. Notification of claims to:

Hiscox Inc., 520 Madison Avenue 32nd floor, New York, NY 10022

13. Attachments:

(1) E1.4, (2) E7.1, (3) E100.2, (4) E240.9, (5) E246.2, (6) E263.2

14. Minimum Earned Premium:

If this policy is cancelled by the Named Insured, Underwriters shall retain the customary short rate proportion of the premium or 25% of the premium charged, whichever is greater.

The Certificate terms and conditions contained herein or endorsed hereon and such other provisions, agreements or conditions as may be endorsed hereon or added hereto are hereby incorporated in this Certificate. No representative of the Underwriters shall have the power to waive or be deemed to have waived any provision or condition of this Certificate unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this Certificate exist or be claimed by the Insured(s) unless so written or attached.

IN WITNESS WHEREOF this Policy has been signed at Armonk, New York

Hiscox Inc.



Terrorism and sabotage insurance for municipalities
Policy wording



General terms which apply to the whole of this insurance

Please read this insurance document, together with any **endorsements** and the Declarations page, very carefully.

We will provide this insurance in return for the premium **you** have agreed to pay.

Definitions

Words shown in bold type have the same meaning throughout this policy and are defined below. Any changes to these definitions, and any extra definitions, are shown in the section to which they apply.

Act of Terrorism

An activity that:

1. is committed for political, religious, ideological or similar purposes and involves a violent act or the unlawful use of force or an unlawful act dangerous to human life or tangible property; and
2. is carried out by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s); and
3. is intended to:
 - a. intimidate or coerce a civilian population; or
 - b. disrupt any segment of the economy of a government, state or country; or
 - c. overthrow, influence, or affect the conduct of any government de jure or de facto by intimidation or coercion; or
 - d. affect the conduct of a government by mass destruction, assassination, kidnapping or hostage taking.

Amount insured

The most **we** will pay as shown in the declarations. **Our** maximum limit of liability during the **period of insurance**, regardless of the number of locations, coverages or sections under this **policy**, shall not exceed the aggregate limit shown in the declarations.

Endorsement

A change to the terms of the **policy** agreed by **us** in writing.

Insured location

A location:

1. listed on a schedule on file with us;
2. covered as a Miscellaneous Unnamed Location;
3. covered under the terms and conditions of the Automatic Coverage or Errors and Omissions provisions of Section 1 of this **policy**.

The term Location wherever used in this **policy** means:

as specified in the declarations of locations, except for Miscellaneous Unnamed Locations; or if not so specified or if a Miscellaneous Unnamed Location, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. For the purpose of this provision any bridge or tunnel crossing such street, space or waterway will render such separation inoperative.

Period of insurance

The time for which this **policy** is in force as shown in the declarations.

Policy

This insurance document and the declarations, including any **endorsements**.

Sabotage

A subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

We/us/our

The insurers who have a share in this insurance as stated in the declarations.

You/your/yours

The insured stated in the declarations.



General terms which apply to the whole of this insurance

General Conditions	The following conditions apply to the whole of this policy . Any extra conditions are shown in the sections to which they apply.
Application of limits	Each Section's limit of liability, as stated in the declarations, applies as part of, and not in addition to, the aggregate amount insured as stated in the declarations. Each Section limit of liability for the coverages shown in the Declarations page is the maximum amount potentially recoverable for all insured loss, damage, cost or expense.
Representations	All materials and information provided in writing by you or your agent in connection with this insurance form the basis of and incorporated into this insurance. If you (i) have not told us about or have misrepresented any material facts or material circumstances relating to this insurance which are known by you or could reasonably be expected to have been known by you in the exercise of due diligence, (ii) present any claim to us knowing it to be fraudulent, or (iii) otherwise make any false statement or attempt any fraud with respect to this insurance, then we have the option in our sole discretion to reject the claim or void the insurance altogether as though it never existed.
Burden of proof	In any claim, and in any arbitration, suit or other proceeding with respect to a claim, you shall have the burden of proving that your claim satisfies each of the requirements of the sections of cover provided as well as the other provisions in the policy determining the right to recovery and the amount payable hereunder.
Due diligence	You (or any of your agents, contractors or subcontractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable to avoid or diminish any loss insured and to secure compensation for any such loss including protecting rights and taking action against other parties to enforce any rights and remedies or to obtain relief or indemnity.
Change in circumstance	You must notify us immediately of any change in your business operation during the period of insurance which will materially affect this insurance. This includes, but is not limited to, changes in management, ownership or control of your business, any change in the nature of the business carried out at the insured location(s) , any change in your operating conditions or values at risk. We may then vary the terms and conditions of this insurance. If you are in any doubt whether a change is material you should consult your broker or agent.
Inspection	We , or our authorized agent, have the right, at our expense, to inspect at any reasonable time the insured location(s) . Any such inspection will not constitute or reflect our representation, guarantee or confirmation of safety of the insured location(s) or any other buildings or other property located there.
Multiple insureds	Our liability for any and all occurrence(s) will not exceed the amount insured . We shall have no liability in excess of the amount insured whether such amounts consist of insured losses sustained by all of you or any one or more of you . You agree that the insured named in the declarations, or if there is more than one insured named in the declarations the first of them is authorized to receive all notices and agree any endorsements to the policy on behalf of all of you .
Insurers' several shares	Each insurer underwriting a share of the limits in the policy has a several liability for that share that is not joint and is limited solely to that insurer's individual subscriptions. Each insurer is not responsible for the subscription of any other insurer who for any reason does not satisfy all or part of its obligations.
Third-parties	This insurance is effected solely between you and us . Nothing in this policy is intended to give any third-party any benefits under this insurance or the right to enforce a term of this insurance.
Assignment	No assignment of or change of interest in this policy or in any amount payable under it will be binding on or recognized by us unless you have obtained our prior written agreement.



General terms which apply to the whole of this insurance

Suit against us	<p>No suit, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless:</p> <ol style="list-style-type: none">1. you have fully complied with all the provisions of this policy; and2. legal action is started within 12 (twelve) months after inception of the loss. <p>If under the insurance laws of the jurisdiction in which the property is located, such 12 (twelve) months' limitation is invalid, then any such legal action needs to be started within the shortest limit of time permitted by such laws.</p>
Abandonment	<p>There shall be no abandonment to us of any property.</p>
Cancellation	<p>This policy may be cancelled by us as a result of non-payment of premium.</p>
Arbitration	<p>If we both fail to agree in whole or in part regarding any aspect of this policy, each of us shall, within ten (10) days after the demand in writing by either of us, appoint a competent and disinterested arbitrator and the two chosen shall before commencing the arbitration select a competent and disinterested umpire.</p> <p>The arbitrators together shall determine such matters in which we both fail to agree and shall make an award thereon and the award in writing of any two, duly verified, shall determine the same, and if they fail to agree, they will submit their differences to the umpire.</p> <p>You and we agree to each pay the arbitrators we have appointed and bear equally the expenses of the arbitration and the charges of the umpire.</p>
Service of suit	<p>This Service of Suit Clause will not be read to conflict with or override the obligations of both you and us to arbitrate our disputes as provided for in the above arbitration provision. This clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such arbitration provision for resolving disputes arising out of this contract of insurance.</p> <p>It is agreed that in the event of our failure to pay any amount claimed to be due under this policy, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a selection of controlling law or a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon the attorney named in this policy and that in any suit instituted against any one of them upon this contract, we will abide by the final decision of such court or of any appellate court in the event of an appeal.</p> <p>The attorney named in this policy is authorized and directed to accept service of process on our behalf in any such suit and/or upon your request to give a written undertaking to you that he will enter a general appearance upon our behalf in the event such a suit shall be instituted.</p> <p>Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, we hereby designate the superintendent, commissioner or director of insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the attorney named in this policy as the person to whom the said officer is authorized to mail such process or a true copy thereof.</p>
Choice of law	<p>This policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause.</p>

General terms which apply to the whole of this insurance

Conformity clause	<p>Any terms of this policy which may conflict with applicable statutes (or statutes deemed applicable by a court of competent jurisdiction) are amended to conform with the minimum requirements of such statutes.</p> <p>It is further understood and agreed that this policy does not apply to the extent any trade or economic sanctions, or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of any claims.</p>
Titles	<p>The titles in this policy are only for reference. The titles do not in any way affect the provisions of this policy.</p>

What to do when a loss occurs

The following claims conditions apply to the whole of this policy except Section 4 - Liability. What to do when you have a claim under Section 4 is set out in that section.

You should refer to the relevant cover section for details of how your claim will be settled.

How to make a claim

You must tell **us** or **your** insurance agent as soon as possible about any incident which **you** may need to claim for under this **policy**. If **you** do not, **we** will not have to **pay** your claim.

You must prove the loss or damage has happened and give **us** all the cooperation we need.

Temporary emergency repairs

If temporary repairs are needed urgently to prevent further damage, **you** should arrange for them to be done immediately.

Before any other repair work begins **we** have the right to inspect the damaged property. **We** will tell **you** if **we** want to do this.

Recovering a loss payment

In the event of claim in which there is potential for recovery from any third-party, **we** shall be entitled but not obliged to take over and deal with in **your** name (but at **our** expense) the pursuit and resolution of that third-party action. If **we** pay **you** for the claim under this **policy**, **we** would be entitled but not obligated to bring proceedings in **your** name to recover for **our** benefit the amount of any payment made under this **policy**, including **our** costs and expenses incurred in that third-party action, all of which shall be deducted first from any recovery made. **We** shall be entitled but not obliged to exercise all of **your** rights and remedies whether or not payment has been made under this **policy** and **you** shall give all assistance in **your** power as **we** may require.

Salvage and recoveries

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this **policy** shall be for **our** benefit

Currency for loss Payment

All amounts, including deductibles and limits of liability, indicated in this **policy** are in the currency of the United States of America. Losses will be adjusted and paid in the currency of the United States of America.

General exclusions

The following exclusions apply to the whole of this policy. Any extra exclusions are shown in the sections to which they apply.

1. Loss, damage or liability directly or indirectly caused by war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
2. Loss, damage or liability caused by or resulting from **your** property being confiscated, taken, damaged or destroyed by or under the order of any government or public or local authority.
3. Any claim where **you** would be entitled to be paid under any other insurance if this **policy** did not exist, except for any excess above the amount that would be covered under the other insurance.

Section 1: Property damage

Please read **your** declarations page to see if this section is in force.

This section is subject to the general definitions, terms, conditions, limitations and exclusions and to the additional definitions, terms, conditions, limitations and exclusions appearing below.

If **you** need to make a claim refer to 'what to do when a loss occurs' within General Terms.

Definitions

The following extra definitions also apply to the whole of this section:

Fine arts

Paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewellery; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewellery, precious stones, precious metals, watercraft, aircraft, money, securities.

Insured property

The following property, unless otherwise excluded elsewhere in this **policy**, located at an **insured location** or within 1,000 feet thereof, to the extent of **your** interest in such property.

1. Real property, including new buildings and additions under construction at an **insured location**, in which **you** have an insurable interest.
2. Personal property:
 - a. owned by **you**, including **your** interest as a tenant in improvements and betterments. In the event of insured physical loss or damage insured by this **policy**, **we** agree to accept and consider **you** as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;
 - b. of officers and employees of **yours**;
 - c. of others in **your** custody to the extent **you** are under an obligation to keep insured for physical loss or damage insured by this **policy**;
 - d. of others in **your** custody to the extent of **your** legal liability for insured physical loss or damage to personal property. **We** will defend that portion of any suit against **you** that alleges such liability and seeks damages for such insured physical loss or damage. **We** may, without prejudice, investigate, negotiate and settle any claim or suit as **we** deem expedient.

Occurrence

Any one loss and/or series of losses arising out of and directly occasioned by one act or series of **acts of terrorism** or **sabotage** for the same purpose or cause. The duration and extent of any one occurrence shall be limited to all losses sustained by **you** at the **insured property** during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this **Policy** unless **you** shall first sustain direct physical damage by an **act of terrorism** or an act of **sabotage** prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this **Policy**.

Valuable papers and records

Written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, all of which must be of value to **you**.

Cover

Subject to the terms, conditions and exclusions of this **policy**, **we** agree to cover the **insured property** against direct physical loss or physical damage occurring during the **period of insurance** caused by an **act of terrorism** or sabotage.

This **policy** also insures the interest of contractors and subcontractors in **insured property** during construction at an **insured location** or within 1,000 feet thereof, to the extent of **your** legal liability for insured physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any Time Element coverage provided under this **policy**.

Exclusions

The following extra exclusions apply to the whole of this Section.

- A. This **policy** excludes:
1. indirect or remote loss or damage;
 2. interruption of business, except to the extent provided by this **policy**;
 3. loss of market or loss of use;
 4. loss or damage or deterioration arising from any delay;
 5. loss from enforcement of any law or ordinance:
 - a. regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - b. requiring the demolition of any property, including the cost in removing its debris; except as provided by the Decontamination Costs and Demolition And Increased Cost Of Construction coverages of this section of this **policy**.
- B. This **policy** excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- C. This **policy** excludes loss, damage, cost or expense of whatsoever nature, directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event, whether or not insured under this **policy**, contributing concurrently or in any other sequence to the loss:
1. nuclear reaction or nuclear radiation or radioactive contamination;
 2. lack of the following services:
 - a. incoming electricity, fuel, water, gas, steam, refrigerant;
 - b. outgoing sewerage;
 - c. incoming or outgoing voice, data or video,all when caused by an occurrence off the **insured location**, except as provided in Service Interruption provisions of this section.
- D. This **policy** excludes any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
- E. This **policy** excludes any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- F. This **policy** excludes loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorised instructions or code or the use of any electromagnetic weapon.
- This exclusion shall not operate to exclude losses (which would otherwise be covered under this **policy**) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.
- G. This **policy** excludes loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labour unrest, riots or civil commotion.

Section 1: Property damage

- H. This **policy** excludes loss or damage caused by measures taken to prevent, suppress or control actual or potential **act of terrorism** or **sabotage** unless agreed by **us** in writing prior to such measures being taken.
- I. This **policy** excludes loss or increased cost as a result of threat or hoax.

Coverage territory

This **policy** covers **insured locations** situated within the United States of America.

Limit of liability

Our maximum liability in a single **occurrence** regardless of the number of Locations or coverages involved will not exceed the **amount insured**. However, when a sub-limit of liability for a Location or other specified property or coverage is shown, such sub-limit will be the maximum amount payable for any loss or damage arising from physical loss or damage at such Location or involving such other specified property or such coverage.

The sub-limits of liability specified in the declarations and as may be specified elsewhere in this **policy** are program sub-limits of liability and are part of and not in addition to the program limit of liability over this **policy** and all other program policies combined.

The sub-limits of liability specified in the declarations apply in the aggregate, unless otherwise specified, for all Locations and coverages combined.

Our maximum liability (or sub-limit of liability) in a single occurrence regardless of the number of Locations or coverages involved will not exceed the amount insured. When a limit of liability for a Location or other specified property or coverage is shown, such limit will be the maximum amount payable for any loss or damage arising from physical loss or damage at such Location or involving such other specified property or coverage.

Deductibles

In each case of loss covered by this **policy**, **we** will be liable only if **you** sustain a loss in a single **occurrence** greater than the applicable deductible specified in the Declarations, and only for **our** share of that greater amount.

Unless otherwise stated below:

- A. When this **policy** insures more than one location, the deductible will apply against the total loss covered by this **policy** in any one **occurrence**.
- B. If two or more deductibles provided in this **policy** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable, unless otherwise provided.

However any deductibles applicable to Time Element coverages, if any, shall apply in addition to the applicable property damage deductible.

Property excluded

The following extra exclusions apply to the whole of this section. This **policy** excludes:

- A. currency, money, precious metal in bullion form, notes, or securities.
- B. land, water or any other substance in or on land; except this exclusion does not apply to:
 - 1. land improvements consisting of landscape gardening, roadways and pavements, but not including any fill or land beneath such property;
 - 2. water that is contained within any enclosed tank, piping system or any other processing equipment.
- C. animals, standing timber, growing crops.
- D. watercraft, aircraft, spacecraft, and satellites.
- E. vehicles of **your** officers and employees or vehicles otherwise insured for physical loss or damage.

Section 1: Property damage

- F. dams, dikes and levees.
- G. property in transit, except as otherwise provided by this **Policy**.
- H. property sold by **you** under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers.
- I. transmission and distribution lines beyond 1,000 feet of the **insured location**.

Additional coverages This **policy** includes the following additional coverages for physical loss or damage insured by this **policy**. These additional coverages:

- 1. are subject to the applicable limit or sub-limit of liability;
- 2. will not increase the **amount insured**; and
- 3. are subject to the **policy** provisions, including applicable exclusions and deductibles, all as shown in this section and elsewhere in this **policy**.

Accounts receivable

This **policy** covers any shortage in the collection of accounts receivable, resulting from insured physical loss or damage to accounts receivable records while anywhere within the Territory stated in the declarations, including while in transit in such territory. **We** will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted in determining the recovery.

- 1. In the event of loss to accounts receivable records, **you** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding accounts receivable.
- 2. **You** agree to use any suitable property or service:
 - a. owned or controlled by **you**; or
 - b. obtainable from other sources,in reducing the loss under this additional coverage.
- 3. This **policy** covers any other necessary and reasonable costs incurred to reduce the loss, to the extent the losses are reduced.
- 4. If it is possible to reconstruct accounts receivable records so that no shortage is sustained, **we** will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance.
- 5. Accounts Receivable Exclusions: The following exclusions are in addition to the Exclusions clause of this section:

This Additional Coverage does not insure any increase in loss resulting from:

 - a. bookkeeping, accounting or billing errors or omissions; or
 - b.
 - i. alteration, falsification, manipulation; or
 - ii. concealment, destruction or disposal,
- 6. of accounts receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.
- 7. The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by **you** on outstanding accounts receivable on the date of loss will belong and be paid to **us** up to the amount of loss paid by **us**. All recoveries exceeding the amount paid will belong to **you**.

Section 1: Property damage

Automatic coverage

This **policy** covers property of the type insured by this **policy** at any location rented, leased or purchased by **you** after the inception date of this **policy**. This coverage applies from the date of rental, lease or purchase.

We will only provide this additional coverage if:

1. the total additional values during the **period of insurance** do not exceed 10% of total insured values declared to **us** at the inception of this insurance;
2. the additional values are reported to **us** within 90 days from the date of rental, lease or purchase;
3. payment of an additional premium, as determined by **us**, is made within 30 days of the appropriate date shown in item 2 above;
4. such additional property is not:
 - a. in whole or in part insured by any other insurance policy;
 - b. located in any of the Restricted Areas shown in the declarations.

In the event of coverage being required for additional property and interests where:

1. the total additional values during the **period of insurance** exceed the percentage amount shown in 1. above; or
2. such property and interest are located within the Restricted Areas stated in 4. b) above;

information is to be provided to **us** before such additional property becomes at **your** risk, and if such property is accepted by **us**, an additional premium will be determined and payable at that time.

We agree to allow a return of premium in respect of property divested during the **period of insurance**.

Insured property divested during the **period of insurance** must be reported to **us** on a quarterly basis. Return of premium will be determined by **us** at the end of each quarterly period.

Control of damaged property

This **policy** gives control of **insured property** that suffers insured physical damage as follows:

1. **You** will have full rights to the possession and control of damaged property in the event of insured physical damage to such property provided proper testing is done to show which property is physically damaged.
2. **You**, using reasonable judgment, will decide if the physically damaged property can be reprocessed or sold.
3. Property so judged by **you** to be unfit for reprocessing or selling will not be sold or disposed of except by **you**, or with **your** consent.
4. Any salvage proceeds received will go to:
 - a. **us** at the time of loss settlement; or
 - b. **you** if received prior to loss settlement and such proceeds will reduce the amount of loss payable accordingly.

Debris removal

This **policy** covers the reasonable and necessary costs incurred to remove debris from an **insured location** that remains as a direct result of physical loss or damage insured by this **policy**.

This additional coverage does not cover the costs of removal of:

1. contaminated uninsured property; or
2. the contaminant in or on uninsured property,

whether or not the contamination results from insured physical loss or damage. Contamination includes, but is not limited to, the presence of pollution or hazardous material.

Section 1: Property damage

Decontamination costs

If **insured property** is contaminated as a direct result of physical damage insured by this **policy** and there is in force at the time of the loss any law or ordinance regulating contamination, including but not limited to the presence of pollution or hazardous material, then this **policy** covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated **insured property** in a manner to satisfy such law or ordinance. This additional coverage applies only to that part of **insured property** so contaminated as a direct result of insured physical damage.

We are not liable for:

1. the costs required for removing contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.
2. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with an **act of terrorism** and/or **sabotage** which involves pathogenic or poisonous biological or chemical materials.

Demolition and increased cost of working

1. This **policy** covers the reasonable and necessary costs incurred, described in item 3 below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at an **insured location**, provided:
 - a. such law or ordinance is in force on the date of insured physical loss or damage; and
 - b. its enforcement is a direct result of such insured physical loss or damage.
2. This additional coverage does not cover loss due to any law or ordinance with which **you** were required to comply with had the loss not occurred.
3. This additional coverage, as respects the **insured property** in item 1 above, covers:
 - a. the cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and
 - b. the cost:
 - i. to demolish the physically undamaged portion of such **insured property**; and
 - ii. to rebuild it with materials and in a manner to satisfy such law or ordinance, to the extent that such costs result when the demolition of the physically damaged **insured property** is required to satisfy such law or ordinance.
4. This additional coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of pollution or hazardous material.
5. **Our** maximum liability for this additional coverage at each **insured location** in any **occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the **insured property** in item 1 above plus the lesser of:
 - a. the reasonable and necessary actual cost incurred, excluding the cost of land, in rebuilding on another site; or
 - b. the cost of rebuilding on the same site.

Errors and omissions

If physical loss or damage is not payable under this **policy** solely due to an error or unintentional omission:

1. in the description of where **insured property** is physically located;
2. to include any Location:
 - a. owned, rented or leased by **you** on the effective date of this **policy**; or
 - b. purchased, rented or leased by **you** during the term of this **policy**; or
3. that results in cancellation of the **insured property** under this **policy**;

this **policy** covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.



Section 1: Property damage

It is a condition of this additional coverage that any error or unintentional omission be reported by **you** to **us** when discovered and corrected.

This additional coverage does not apply to **insured property** or locations within the Restricted Areas shown in the declarations.

Expediting costs	<p>This policy covers the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to insured property and to expedite the permanent repair or replacement of such damaged property.</p> <p>This additional coverage does not cover costs:</p> <ol style="list-style-type: none">1. recoverable elsewhere in this policy; or2. of permanent repair or replacement of damaged property.
Fine arts	<p>This policy covers insured physical loss or damage to fine arts articles while anywhere within this policy's Territory, including while in transit</p> <p>This additional coverage excludes loss or damage if the fine arts cannot be replaced with other of like kind and quality, unless it is specifically declared to us.</p>
Professional fees	<p>This policy covers the actual costs incurred by you, of reasonable fees payable to your accountants, architects, auditors, engineers, or other professionals and the cost of using your employees, for producing and certifying any particulars or details contained in your books or documents, or such other proofs, information or evidence required by us resulting from insured loss payable under this policy for which we have accepted liability.</p> <p>Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them nor the fees and costs of loss consultants who provide consultation on coverage or negotiate claims.</p>
Protection and preservation of property	<p>This policy covers reasonable and necessary:</p> <ol style="list-style-type: none">1. fire department fire fighting charges imposed as a result of responding to a fire in, on, or exposing the insured property which is caused by an act of terrorism or sabotage insured by this policy.2. costs incurred of restoring and recharging fire protection systems following an insured loss.3. costs incurred for the water used for fighting a fire in, on or exposing the insured property provided such fire is caused by an act of terrorism or sabotage insured by this policy. <p>This additional coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.</p>
Service interruption	<ol style="list-style-type: none">1. This policy covers insured physical loss or damage to insured property at an insured location when such physical loss or damage results from the interruption of the specified incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of physical loss or damage, as insured by this policy, to property of the type not otherwise excluded by this policy of the supplier of such service located within this policy's Territory, that immediately prevents in whole or in part the delivery of such usable service.2. Additional General Provisions:<ol style="list-style-type: none">a. You will immediately notify the suppliers of services of any interruption of such services.b. We will not be liable if the interruption of such services is caused directly or indirectly by loss or damage to overhead transmission lines located beyond one mile from the affected Insured location.

Section 1: Property damage

- Temporary removal of property
1. When **insured property** is removed from an **insured location** for the purpose of being repaired or serviced, this **Policy** covers such property:
 - a. while at the location to which such property has been moved; and
 - b. for physical loss or damage as provided at the **insured location** from which such property was removed.
 2. This additional coverage does not apply to property:
 - a. insured, in whole or in part, elsewhere in this **policy**;
 - b. insured, in whole or in part, by any other insurance **policy**;
 - c. removed for normal storage, processing or preparation for sale or delivery.
- Transportation
1. This **policy** covers the following Personal Property, except as excluded by this **policy**, while in transit within the Territory of this **policy**:
 - a. owned by **you**;
 - b. shipped to customers under free on board, cost and freight or similar terms. **Your** contingent interest in such shipments is admitted;
 - c. of others in **your** actual or constructive custody to the extent of **your** interest or legal liability;
 - d. of others sold by **you**, that **you** have agreed prior to the loss to insure during course of delivery.
 2. This Additional Coverage excludes:
 - a. samples in the custody of salespeople or selling agents;
 - b. property insured under import or export ocean marine insurance;
 - c. waterborne shipments, unless:
 - i. by inland water; or
 - ii. by coastal shipments;
 - d. airborne shipments unless by regularly scheduled passenger airlines or air freight carriers;
 - e. property of others, including **your** legal liability for it, hauled on vehicles owned, leased or operated by **you** when acting as a common or contract carrier;
 - f. any transporting vehicle.
 3. Coverage Attachment and Duration:
 - a. This Additional Coverage covers from the time the property leaves the original point of shipment for transit. It then covers continuously in the due course of transit until such property arrives at the agreed destination.
 - b. However, coverage on export shipments not insured under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not insured under ocean cargo policies begins after discharge from overseas vessels or aircraft.
 4. This Additional Coverage covers general average and salvage charges on shipments covered while waterborne.
 5. Additional General Provisions:
 - a. This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or bailee.
 - b. **You** have permission, without prejudicing this insurance, to accept:
 - i. ordinary bills of lading used by carriers;
 - ii. released bills of lading;

Section 1: Property damage

- iii. undervalued bills of lading; and
 - iv. shipping or messenger receipts.
- c. **You** may waive subrogation against railroads under side track agreements.

Except as otherwise stated, **you** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

Valuable papers

This **policy** covers insured physical loss or damage to **valuable papers and records** while anywhere within this **policy's** Territory, including while in transit.

This Additional Coverage excludes loss or damage to:

- a. currency, money or securities;
- b. property held as samples or for sale or for delivery after sale.

Requirements in case of loss

You must:

1. give written notice to **us** of any loss as soon as possible;
2. protect the property from further loss or damage;
3. promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, actual cash value, replacement value and amount of loss claimed;
4. give a signed and sworn proof of loss to **us** within 90 (ninety) days after the loss, unless that time is extended in writing by **us**. The proof of loss must state **your** knowledge and belief as to:
 - a. the time and origin of the loss;
 - b. **your** interest and that of all others in the property;
 - c. the actual cash value and replacement value of each item and the amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;
 - d. any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this Policy;
 - e. by whom and for what purpose any location insured by this Policy was occupied on the date of loss, and whether or not it then stood on leased ground;
5. include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged;
6. further, **you** will, as often as may be reasonably required:
 - a. exhibit to any person designated by **us** all that remains of any property;
 - b. submit to examination under oath by any person designated by **us** and sign the written records of examinations; and
 - c. produce for examination at **our** request:
 - i. all books of accounts, business records, bills, invoices and other vouchers; or
 - ii. certified copies if originals are lost,

at such reasonable times and places that **we** or **our** representatives may designate and permit extracts and machine copies to be mad.



Section 1: Property damage

Loss adjustment

Loss, if any, will be adjusted with and payable to **you**, or as may be directed by **you**. Additional insured interests will also be included in loss payment as their interests may appear when named as additional named insured, lender, mortgagee and/or loss payee in this insurance.

Valuation

Adjustment of the physical loss amount under this **policy** will be computed as of the date of loss at the location of the loss, and for no more than **your** interest, subject to the following:

- A. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.
- B. On finished goods manufactured by **you**, the regular cash selling price at the Location where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
- C. On raw materials, supplies and other merchandise not manufactured by **you**:
 1. if repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or
 2. if not repaired or replaced, the Actual Cash Value.
- D. On exposed films, records, manuscripts and drawings, that are not Valuable Papers and Records, the value blank plus the cost of copying information from back-up or from originals of a previous generation. These costs will not include research, engineering or any costs of restoring or recreating lost information.
- E. On **Fine Arts** articles, the lesser of:
 1. the reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
 2. cost to replace the article;
 3. the value, if any, stated on a declarations on file with **us**.

In the event a **Fine Arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, **we** will be liable for the lesser of the full value of such pair or set or the amount designated on the **declarations**. **You** agree to surrender the pair or set to **us**.

- F. On Valuable Papers And Records, the lesser of the following:
 1. The cost to repair or restore the item to the condition that existed immediately prior to the loss.
 2. The cost to replace the item.
 3. The amount designated for the item on the declarations on file with **us**.
- G. On property in transit:
 1. Property shipped to or for **your** account will be valued at actual invoice to **you**. Included in the value are accrued costs and charges legally due. Charges may include **your** commission as selling agent.
 2. Property sold by **you** and shipped to or for the purchaser's account will be valued at **your** selling invoice amount. Prepaid or advanced freight costs are included.
 3. Property not under invoice will be valued:
 - a. for **your** property, at the valuation provisions of this **Policy** applying at the location from which the property is being transported; or
 - b. for other property, at the actual cash market value at the destination point on the date of **Occurrence**,

less any charges saved which would have become due and payable upon arrival at destination.
- H. On all other property, the loss amount will not exceed the lesser of the following:
 1. All with due diligence and dispatch:



Section 1: Property damage

- a. the cost to repair;
 - b. the cost to rebuild or replace on the same site with new materials of like size, kind and quality;
 - c. the cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
 - d. the cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
2. The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.
 3. The increased cost of demolition, if any, resulting from loss covered by this **Policy**, if such property is scheduled for demolition.
 4. The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense.
 5. The Actual Cash Value if such property is:
 - a. useless to **you**; or
 - b. not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

You may elect not to repair or replace the insured real and/or personal property lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at an **insured location** under this **Policy**. This item does not extend to Demolition And Increased Cost Of Construction.

The term Actual Cash Value wherever used in this **Policy** means the amount it would cost to repair or replace insured property, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

Partial payment of loss

In the event of a loss occurring which has been ascertained to be insured loss or damage under this **policy** and determined by **our** representatives to be in excess of the applicable **policy** deductible, **we** will advance mutually agreed upon partial payment(s) on the insured loss or damage, subject to the **policy's** provisions. To obtain said partial payments, **you** must submit a signed and sworn Proof of Loss as described in this Policy, with adequate supporting documentation

Lenders loss payee and mortgagee interest

1. **We** will pay for loss to specified **insured property** under this **policy** to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
2. The interest of the Lender or Mortgagee (as the case may be) in Property Insured under this **policy** will not be invalidated by:
 - a. any act of neglect of the debtor, mortgagor, or owner (as the case may be) of the property;
 - b. foreclosure, notice of sale, or similar proceedings with respect to the property;
 - c. change in the title or ownership of the property;
 - d. change to a more hazardous occupancy.

Section 1: Property damage

The Lender or Mortgagee will notify **us** of any known change in ownership, occupancy, or hazard and, within 10 days of written request by **us**, may pay the increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this **policy** will cease.

If this **policy** is cancelled at **your** request or **your** agent, the coverage for the interest of the Lender or Mortgagee will terminate 10 days after **we** send to the Lender or Mortgagee written notice of cancellation, unless:

- e. sooner terminated by authorization, consent, approval, acceptance, or ratification of **your** action by the Lender or Mortgagee, or its agent.
- f. this **policy** is replaced by **you**, with insurance providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this **Policy** with respect to such interest will terminate as of the effective date of the replacement insurance, notwithstanding any other provision of this **policy**.

We may cancel this **policy** and/or the interest of the Lender or Mortgagee under this **policy**, by giving the Lender or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this **policy**, **we** may cancel this **policy** for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this **policy** will cease.

If **we** pay the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, **we** will, to the extent of the payment made to the Lender or Mortgagee be subrogated to the rights of the Lender or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At **our** option, **we** may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Lender or Mortgagee to **us**, and the remaining debt or mortgage will be paid by **us**.

If **you** fail to render proof of loss, the Lender or Mortgagee, upon notice of **your** failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this **policy** relating to Arbitration, Settlement Of Claims, and Service Of Suit.

Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this **policy** by agreement in writing.

Asbestos

1. This **policy** only covers asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by and **act of terrorism** or **sabotage**.

This additional coverage is subject to each of the following specific limitations:

- a. The said building or structure must be insured under this **policy**.
- b. The **act of terrorism** or **sabotage**, as insured by this policy, must be the immediate, sole cause of the damage of the asbestos.
- c. **You** must report to **us** the existence and cost of the damage as soon as practicable after the **act of terrorism** or **sabotage** first damaged the asbestos. However, this **policy** does not insure any such damage first reported to **us** more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
- d. This additional coverage does not include any sum relating to:
 - i. any faults in the design, manufacture or installation of the asbestos;
 - ii. asbestos not physically damaged by an **act of terrorism** or **sabotage** including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

Except as set forth in the foregoing Section 1, this **policy** does not insure asbestos or any sum relating thereto.

Section 1: Property damage

Electronic data

This **policy** does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting there from, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Section 2: Time element

Please read **your** declaration page to see if this section is in force.

This section is subject to the general definitions, terms, conditions, limitations and exclusions and to the additional definitions, terms, conditions, limitations and exclusions appearing below.

If **you** need to make a claim refer to 'what to do when a loss occurs' within General Terms.

Definitions

The following extra definitions also apply to the whole of this section:

Gross earnings

The total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by **you**. (Any amount recovered under property damage coverage at selling price for loss or damage to merchandise will be considered to have been sold to **your** regular customers and will be credited against net sales).

Ordinary payroll

The entire payroll expense for all **your** employees except officers, executives, department managers and employees under contract.

Lease interest

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of **your** lease.

Net lease interest

That sum which placed at 6% interest rate compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Commission

The income that would have been received by **you** from the sale of goods not owned by **you**.

Profits

The amount that would have been received by **you** from the sale of goods belonging to **you**, in excess of the cost to **you** of such goods.

Royalties

The income **you** are not able to collect under royalty or licensing agreements

Cover

- A. This **policy** insures time element loss, as provided in the time element coverages below, directly resulting from physical loss or damage insured by Section 1 of this **policy** occurring during the **period of insurance to insured property**.
- B. This **policy** insures time element loss only to the extent it cannot be reduced through:
 1. the use of any property or service owned or controlled by **you**;
 2. the use of any property or service obtainable from other sources;
 3. working extra time or overtime; or
 4. the use of inventory,
 all whether at an **insured location** or at any other location.
- C. This **policy** covers expenses reasonably and necessarily incurred by **you** to reduce the loss otherwise payable under this section of this **policy**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
- D. Except as respects Leasehold Interest, in determining the amount of loss payable, **we** will consider the experience of the business before and after and the probable experience during the Period of Liability.

Time element coverages

Gross earnings

Measurement of loss:

Section 2: Time element

1. The recoverable **gross earnings** loss is the actual loss sustained by **you** of the following during the Period of Liability:
 - a. **gross earnings**;
 - b. less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;
 - c. plus all other earnings derived from the operation of the business.
2. In determining the indemnity payable as the actual loss sustained, **we** will consider the continuation of only those normal charges and expenses (including up to 30 days **ordinary payroll**) that would have been earned had no interruption of production or suspension of business operations or services occurred.
3. There is recovery hereunder but only to the extent that **you** are:
 - i. wholly or partially prevented from producing goods or continuing business operations or services;
 - ii. unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;
 - iii. unable to continue such operations or services during the Period of Liability; and
 - iv. able to demonstrate a loss of sales for the operations, services or production prevented.

Extra expense

1. Measurement of loss:
The recoverable extra expense loss will be the reasonable and necessary extra costs incurred by **you** of the following during the Period of Liability:
 - a. Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** business; and
 - b. Extra costs of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Liability for property obtained in connection with the above.
2. Extra Expense Exclusions: As respects Extra Expense, the following are also excluded:
 - a. Any loss of income.
 - b. Costs that normally would have been incurred in conducting the business during the same period had no physical loss or damage occurred.
 - c. Cost of permanent repair or replacement of property that has been damaged or destroyed.
 - d. Any expense recoverable elsewhere in this **policy**.
3. The term Normal means the condition that would have existed had no physical loss or damage occurred.

Leasehold interest

1. Measurement of loss:
The recoverable Leasehold Interest incurred by **you** of the following:
 - a. If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
 - b. If the lease is cancelled by the lessor pursuant to the lease agreement or by the operation of law; the **lease interest** for the first three months following the loss; and the **net lease interest** for the remaining unexpired term of the lease.



Section 2: Time element

2. Leasehold Interest Exclusions: As respects Leasehold Interest, Time Element Exclusions A, B, and C do not apply and the following applies instead:

This **Policy** does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from any act or omission by **you** that constitutes a default under the lease.

In addition, there is no coverage for **your** loss of **leasehold interest** directly resulting from physical loss or damage to Personal Property.

Rental Insurance

1. Measurement of loss:

The recoverable Rental Insurance loss is the Actual Loss Sustained by **you** of the following during the Period of Liability:

- a. The fair rental value of any portion of the property occupied by **you**;
- b. The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
- c. The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss, all not to include non-continuing charges and expenses.

2. Rental Insurance Exclusions: As respects Rental Insurance, Time Element Exclusions A does not apply and the following applies instead:

This **Policy** does not insure any loss of rental income during any period in which the insured property would not have been tenantable for any reason other than an insured loss.

Commission profits

1. Measurement of loss:

- a. The recoverable **commissions, profits and royalties** loss is the actual loss sustained by **you** of the following during the Period of Liability:
 - i. **commissions, profits and royalties**;
 - ii. less non-continuing expenses and charges during the Period of Liability.
- b. The **commissions, profits and royalties** payable hereunder will be the actual loss sustained of income to **you** during the Period of Liability under any royalty, licensing fee or commission agreement between **you** and another party which is not realizable due to physical loss or damage insured by this **policy** to property of the other party of the type insured by this **policy** located within the **policy's** Territory.
- c. **You** must influence, to the extent possible, said party(ies) with whom the agreements described above have been made to use any other machinery, supplies or locations in order to resume business so as to reduce the amount of loss hereunder, and **you** will cooperate with that party in every way to effect this. This **policy** does not cover any cost to effect the above unless authorized in advance by **us**.
- d. In determining the indemnity payable hereunder, **we** will consider the amount of income derived from such agreements before and the probable amount of income after the date of loss or damage.
- e. There is recovery hereunder but only if such loss or damage interrupts the delivery of goods in whole or in part to **you** or for **your** account.

Commissions, Profits And Royalties Exclusions: As respects **commissions, profits and royalties**, Time Element Exclusions C does not apply.

Coverage extensions

Contingent cover

This **policy** covers the actual loss sustained and Extra Expense incurred by **you** during the Period of Liability:



Section 2: Time element

1. directly resulting from physical loss or damage, as insured by Section 1 of this **policy**; and
2. to property of the type insured by this **policy**,

at any locations of direct suppliers or customers located within the Territory of this **policy**.

The term 'supplier or customer' does not include any company supplying to or receiving from the **insured location**, as described elsewhere in this **policy**, electricity, fuel, gas, water, steam, refrigeration, or sewage.

Contingent Time Element Exclusion: As respects Contingent Time Element, this **policy** does not insure loss resulting from lack of incoming or outgoing transmission of voice, data or video.

Extended period of liability

The **gross earnings** coverage is extended to cover the reduction in sales resulting from:

1. the interruption of business as covered by **gross earnings**;
2. for such additional length of time as would be required with the exercise of due diligence and dispatch to restore **your** business to the condition that would have existed had no loss occurred; and
3. commencing with the date on which **our** liability for loss resulting from interruption of business would terminate if this Extension had not been included herein.

Extended Period of Liability Exclusions:

As respects Extended Period of Liability, the Time Element Exclusions B of this section does not apply and the following applies instead:

This **policy** does not insure against any increase in loss due to fines or damages for breach of contract or for late or non completion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will include only those sales that would have been earned under the contract during the extended Period of Liability.

Coverage under this Extension does not apply: (i) for more than the number of consecutive days specified in the Declarations or (ii) to the other coverage extension shown in this section.

Ingress/egress

This **policy** covers the actual loss sustained and Extra Expense incurred by **you** due to the necessary interruption of **your** business due to prevention of ingress to or egress from an **insured location**, whether or not **your** premises or property is damaged, provided that such prevention is a direct result of physical damage, as insured by Section 1 of this **policy**, to the kind of property not excluded by this **policy** situated within one mile of the **insured location**.

Ingress/Egress Exclusions: As respects Ingress/Egress, the following exclusions are applicable:

This **policy** does not insure loss resulting from:

1. lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and voice, data or video;
2. picketing or other action by strikers.

This **policy** does not provide coverage under this Extension for more than the number of consecutive days specified in the Declarations.

Civil or military authority

This **policy** covers the actual loss sustained and Extra Expense incurred by **you** due to the necessary interruption of **your** business due to prevention of access to the **insured location** by order of a civil or military authority, provided that such order is a direct result of physical damage, as insured by Section 1 of this **policy**, to the kind of property not excluded by this **policy** situated within one mile of the **insured location**.

This **policy** does not provide coverage under this Extension for more than the number of consecutive days specified in the Declarations.

On premises services

This **policy** covers the actual loss sustained and Extra Expense incurred by **you** during the Period of Liability directly resulting from physical loss or damage, as insured by Section 1 of this **policy**, to the following property located within 1,000 feet of the **insured location**:

Section 2: Time element

Service interruption

1. Electrical equipment and equipment used for the transmission of voice, data or video.
2. Electrical, fuel, gas, water, steam, refrigeration, sewerage, voice, data or video transmission lines.
1. This **policy** covers the actual loss sustained and Extra Expense incurred by **you** during the Period of Service Interruption at **insured locations** when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of physical loss or damage, as insured by Section 1 of this **policy** to property of the type not otherwise excluded by this **policy** of the supplier of such service located within this **policy's** Territory, that immediately prevents in whole or in part the delivery of such usable services.
2. This Extension will apply when the Period of Service Interruption is in excess of 72 consecutive hours (the Waiting Period).
3. Additional General Provisions:
 - a. **You** will immediately notify the suppliers of services of any interruption of such services.
 - b. **We** will not be liable if the interruption of such services is caused directly or indirectly by loss or damage to overhead transmission lines located beyond one mile from the affected **insured location**.
4. The term Period of Service Interruption means:
 - a. The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the Location receiving the service could or would have resumed normal operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of Liability clause in this section.
 - b. The Period of Service Interruption is limited to only those hours during which **you** would or could have used services(s) if it had been available.
 - c. The Period of Service Interruption does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

Period of liability

- A. The Period of Liability applying to all Time Element Coverages, except Leasehold Interest and as shown below, or if otherwise provided under the Time Element Coverage Extensions, is as follows:
 1. For building and equipment, the period:
 - a. starting from the time of physical loss or damage of the type insured against; and
 - b. ending when with due diligence and dispatch the building and equipment could be:
 - i. repaired or replaced; and
 - ii. made ready for operations,
 under the same or equivalent physical and operating conditions that existed prior to the damage.
 - c. not to be limited by the expiration of this **policy**.
 2. For building and equipment under incidental course of construction:
 - a. the equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and start-up would have been completed had no physical damage happened; and
 - b. due consideration will be given to the actual experience of the business compiled after completion of the construction and start-up.

This item does not apply to Commissions, Profits And Royalties.

Section 2: Time element

3. For stock-in-process and mercantile stock, including finished goods not manufactured by **you**, the time required with the exercise of due diligence and dispatch:
- to restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and
 - to replace physically damaged mercantile stock.
- This item does not apply to Rental Insurance.

4. For raw materials and supplies, the period of time:
- of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but
 - limited to that period for which the damaged raw materials and supplies would have supplied operating needs.

5. If water:
- used for any manufacturing purpose, including but not limited to as a raw material or for power;
 - stored behind dams or in reservoirs; and
 - on any **insured location**,
- is released as the result of physical damage, as insured against under Section 1 of this **policy** to such dam, reservoir or connected equipment, **our** liability for the actual interruption of production or suspension of operations or services due to inadequate water supply will not extend beyond 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to Rental Insurance.

6. For physically damaged exposed films, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to Rental Insurance.

- B. The Period of Liability does not include any additional time due to **your** inability to resume operations for any reason, including but not limited to:
- making changes to equipment;
 - making changes to the buildings or structures except as provided in the Demolition And Increased Cost Of Construction clause in the Property Damage section;
 - restaffing or retraining employees.

If two or more Periods of Liability apply such periods will not be cumulative.

Exclusions

In addition to the exclusions elsewhere in this **policy**, the following exclusions apply to Time Element loss:

This **policy** does not insure against:

- A. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:
- physical loss or damage not insured by this **policy** on or off of the **insured location**;
 - planned or rescheduled shutdown;
 - strikes or other work stoppage;
 - any other reason other than physical loss or damage insured by this **policy**.

Section 2: Time element

- B. Any increase in loss due to:
1. suspension, cancellation or lapse of any lease, contract, license or orders;
 2. fines or damages for breach of contract or for late or non-completion of orders;
 3. for penalties of any nature;
 4. any other consequential or remote loss.
- C. Any loss resulting from loss or damage to finished goods manufactured by **you**, nor the time required for their reproduction

Interdependency

If there is a loss at an **insured location** that involves interdependency at one or more other **insured locations**, the loss, including any resulting interdependency loss, will be adjusted based on the Time Element coverage that applies at the **insured location** where the physical loss or damage insured by this **policy** occurred.

Limit of liability

Our maximum liability in a single **occurrence** regardless of the number of Locations or coverages involved will not exceed the **amount insured**. However, when a sub-limit of liability for a Location or other specified property or coverage is shown, such sub-limit will be the maximum amount payable for any loss arising from physical loss or damage at such Location or involving such other specified property or such coverage.

The sub-limits of liability specified in the declarations and as may be specified elsewhere in this **policy** are program sub-limits of liability and are part of and not in addition to the program limit of liability over this **policy** and all other program policies combined.

The sub-limits of liability specified in the declarations apply in the aggregate, unless otherwise specified, for all Locations and coverages combined.

Our maximum liability (or sub-limit of liability) in a single **occurrence** regardless of the number of Locations or coverages involved will not exceed the **amount insured**. When a limit of liability for a Location or other specified property or coverage is shown, such limit will be the maximum amount payable for any loss arising from physical loss or damage at such Location or involving such other specified property or coverage.

Section 3: Biological, chemical or nuclear events

Please read **your** declaration page to see if this section is in force.

This section is subject to the general definitions, terms, conditions, limitations and exclusions and to the additional definitions, terms, conditions, limitations and exclusions appearing below.

If **you** need to make a claim refer to 'what to do when a loss occurs' within General Terms.

Definitions

The following extra definitions also apply to the whole of this section:

Biological or biochemical agent or material

A pathogen in sufficient concentration to cause incapacitating, lethal or damaging effect upon people or property.

Chemical agent or material

Any compound in sufficient concentration to cause incapacitating, damaging or lethal effect upon people or property.

Nuclear or radiological material

Nuclear reaction, nuclear radiation or radioactive particles in sufficient concentration to cause incapacitating, lethal, or damaging effects upon people or property, whether released or dispersed by nuclear or conventional devices subject to the express limitations stated in Paragraph A.1. of the Exclusions section.

Waiting period

The number of days stated in this **policy** from the date on which the government or military authority publishes the written order prohibiting access to the **insured location(s)** until the Period of Liability commences.

Section 3: Biological, chemical or nuclear events

Part one – prohibited access

Cover

If an **act of terrorism** or **sabotage** during the **period of insurance** results in the actual physical release or dispersal of:

1. **biological or biochemical agent or material;**
2. **chemical agent or material;**
3. **nuclear or radiological material,**

and, as a direct result of that release or dispersal, an authorized government or military authority issues a written order prohibiting **you** from access to an **insured location(s)** during the **period of insurance**, then **we** will pay **you** up to the **amount insured** for:

1. the loss **gross earnings**, as insured under Section 2 of this **policy**, sustained by **you** resulting directly from the interruption of **your** business at such **insured location(s)**, and
2. the necessary and reasonable extra expense, as insured under Section 2 of this **policy**, **you** incur in order to continue as nearly as practicable the normal conduct of **your** business had access not been prohibited at such **insured location(s)**.

This **policy** does not provide insurance except as expressly stated in this section.

Basis of settlement

We will review and adjust any claim that qualifies for coverage under the insurance provided. For each **occurrence** up to the **amount insured**, **we** will pay **you** the **gross earnings** loss and extra expense for any **insured location(s)** where access is prohibited as set forth in this section.

The basis for loss settlement will be in accordance with the measurement of loss provisions of Section 2 – Time element.

The coverage extensions shown in Section 2 do not apply to this section.

Exclusions

A. This **policy** does not insure any claim or circumstance involving prohibition of access to any **insured location(s)** caused by or resulting from the following a Nuclear Installation whether arising concurrently or in any sequence.

A Nuclear Installation means:

- i. any nuclear reactor;
- ii. any facility using nuclear fuel for the production of nuclear material, or any facility for the processing of nuclear material, including any facility for the reprocessing of irradiated nuclear fuel; and/or
- iii. any facility where nuclear material is stored.

B. This **policy** does not insure or pay that part of any claim **you** make to **us** that arises from or involves:

1. an increase in the **gross earnings** or **extra expense** as the result of the act(s) or omission(s) of employees following issuance of an order prohibiting access to **insured location(s)**, whether described as striking, boycotting, picketing or otherwise;
2. an increase in **gross earnings** or **extra expense** that relates to any effect or condition beyond the end of the Period of Liability, as described in Section B of this **policy**, regardless whether it starts during the Period of Liability or it is described as the suspension, lapse, or cancellation of any lease, license, contract, order, or otherwise;
3. fines or penalties or liabilities to third-parties of any kind;
4. any loss of market share or other consequential loss; and/or
5. any amount **you** are entitled to recover from a third-party or authority, including but not limited to any grant, subsidy, compensation, relief, scheme, bond, indemnity, or other type of reimbursement.



Section 3: Biological, chemical or nuclear events

Part two – total loss

Cover

If an **act of terrorism** or **sabotage** during the **period of insurance** results in the actual physical release or dispersal of:

1. **biological or biochemical agent or material;**
2. **chemical agent or material;**
3. **nuclear or radiological material,**

and, as a direct result of that release or dispersal, an authorized government or military authority issues a written order requiring the:

1. building or structure declared to and agreed by **us** to be demolished; or
2. building or structure declared to and agreed by **us** to be decontaminated and/or debris of such contaminated building or structure to be removed in a manner to satisfy such written order and the cost of such decontamination and/or removal exceeds 80% of the reinstatement cost value declared to **us**,

then **we** will pay **you** the **amount insured**.

Exclusions

We are not liable for the costs required for removing neither contaminated uninsured property nor the contaminant therein or thereon, whether or not the contamination results from an insured event.

Conditions

It is a condition precedent to **our** liability that the values **you** have declared to **us** represent the cost of reinstating the insured building or structure, with materials of like kind and quality without any deduction for depreciation.

If the reinstatement values declared to **us** are less than the correct insured values as determined above, then **we** will not be liable to pay **your** claim under this extension.



Section 3: Biological, chemical or nuclear events

Part three – decontamination and clean-up

Cover

If an **act of terrorism** or **sabotage** during the **period of insurance** results in the actual physical release or dispersal of:

1. **biological or biochemical agent or material;**
2. **chemical agent or material;**
3. **nuclear or radiological material,**

and, as a direct result of that release or dispersal, an authorized government or military authority issues a written order requiring **you** to decontaminate and/or clean up the **named location(s)** then this **policy**, notwithstanding anything contained herein to the contrary and subject to all its terms, conditions, limitations and exclusions, shall include the reasonable and necessary expense incurred by **you** to clean up property insured under this policy at the **insured location(s)**.

The maximum we will pay shall in no event exceed the **amount insured**.

Exclusions

This insurance does not insure or pay that part of any claim **you** make to **us** that arises from or involves any expense of clean up or removal of land or water.

Section 4: Liability

Please read **your** declaration page to see if this section is in force.

This section is subject to the general definitions, terms, conditions, limitations and exclusions and to the additional definitions, terms, conditions, limitations and exclusions appearing below

IMPORTANT NOTICE

This is a Claims Made and Reported policy. This means that, subject to the terms and conditions of this **policy**, the coverage provided by this **policy** only covers **claims** first made against **you** or a circumstance which could reasonably be expected to give rise to a **claim** during the **period of insurance** and reported to **us** in writing as soon as reasonably possible and in no event longer than 90 days after the expiry of this **policy**. **Claims expenses** that are incurred in defending any **claim** against **you** will reduce, and may completely exhaust, the limit of liability available to pay **damages**.

Please review the coverage provided by this section of **your policy** carefully and discuss the coverage with **your** insurance agent or broker.

Definitions	The following extra definitions also apply to the whole of this section:
Bodily injury	All physical injury to a third-party human being, other than the perpetrator(s) of the act of terrorism , including death, sickness, disease or disability and all consequent mental injury, anguish or shock to such human suffering such physical injury.
Claim	A written demand received by you for damages covered by this policy , including the institution of arbitration proceedings.
Claims expenses	All fees, costs and expenses incurred with the written consent of underwriters resulting from the investigation, adjustment, appraisal, defence or appeal of a claim , suit or proceeding relating to a claim . Claims expenses do not include the salaries, expenses, overhead or other charges by you for any time spent in cooperating in the defence, settlement and investigation of any claim
Damages	A monetary judgment, monetary award or monetary settlement made with our written approval.
Employee	The following persons working for you for the purpose of your business: <ol style="list-style-type: none">1. any person employed by you under a contract of service or apprenticeship;2. any person supplied to, hired by or borrowed by you;3. labour masters and persons supplied by them;4. persons employed by labour only sub-contractors;5. self employed persons and voluntary helpers;6. any person attending under a work experience scheme;7. a prospective employee who is undergoing practical work experience while being assessed by you as to his or her suitability for employment.
Joint venture	A joint venture, co-venture, joint lease, joint operating agreement or partnership in which you have a financial interest.
Property damage	Physical loss of, physical damage to or physical destruction of tangible property including the resulting loss of use of such tangible property.
Pollutant or contaminant	Includes but is not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence, or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Cover

The indemnity

We will pay on **your** behalf, up to the **amount insured**, for any **damages** and **claims expenses** which **you** shall become legally liable to pay because of any **claim** or **claims** for **bodily Injury** and/or **property damage**, first made against **you** during the **period of insurance** and reported to **us** in writing no later than 90 days after the expiry of this **policy**, caused by an **act of terrorism** or **sabotage** occurring at the **insured location(s)** during the **period of insurance**. This cover is subject to the general terms, conditions and exclusions stated in this policy and to the additional terms, conditions, limitations and exclusions shown in this section.

Multiple **acts of terrorism** or **sabotage** which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one **act of terrorism** or **sabotage**.

All **claims** arising out of the same or a continuing **act of terrorism** or **sabotage**, including **acts of terrorism** or **sabotage** which have or appear to have a related purpose or common leadership, within a period of 72 hours shall be considered a single **claim** and deemed to have been made at the time the first of such **claims** is reported to **us** and shall be subject to one Limit of Liability.

Defence and settlement

We shall have the right, but not the obligation, to take over and conduct in **your** name the defence of any **claim** against **you** seeking **damages** which are payable under the terms of this section of **your policy**. **We** will not pay any costs in defence of a claim which is excluded by this **policy**. **We** reserve the right to appoint lawyers to handle the **claim** on **your** behalf.

It is agreed that the Limit of Liability available to pay **damages** shall be reduced and may be completely exhausted by payment of **claims expenses**.

We shall have the right at **our** expense to make any investigation **we** deem necessary, including, without limitation, any investigation with respect to the application for this insurance and statements made in the application and with respect to coverage.

If **you** shall refuse to consent to any settlement or compromise recommended by **us** and **you** elect to contest the **claim**, **our** liability for any **damages** and **claims expenses** shall be limited to the amount for which the **claim** could have been settled plus the **claims expenses** incurred up to the time of the refusal to settle, or the **amount insured**, whichever is less. **We** have the right to withdraw from the defence of the **claim** by tendering control of the defence to **you**.

We have no obligation to pay any **damages** or **claims expenses**, or to defend a **claim**, after the **amount insured** has been exhausted by payment of **damages** or **claims expenses**, or after **we** deposit the available **amount insured** in court and, upon such payment, **we** shall have the right to withdraw from the defence of the ongoing **claim** by tendering control of the defence to **you**.

Limit of liability

The **amount insured** stated in the declarations as ‘each and every **claim**’ is the limit of **our** liability for all **damages** and **claims expenses** arising out of an **act of terrorism** or **sabotage**, regardless of the number of **you** under this policy, **claims** or claimants.

Multiple **acts of terrorism** or **sabotage** which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one **act of terrorism** or **sabotage**.

The **amount insured** stated in the declarations as ‘aggregate’ is the total limit of **our** liability for all **damages** and **claims expenses** arising out of the **claims** first made against **you** during the **period of insurance** and reported to **us** in writing no later than 90 days after the expiry of this **policy**.

Exclusions

This insurance does not cover **damages** or **claims expenses** with respect to any **claim** directly or indirectly arising from, caused by or due to injury or death to employees of **yours**, including temporary, contract or borrowed employees, or arising under any workers’ compensation, unemployment compensation or disability laws, statutes or regulations.

Conditions

Other insurance

This insurance will act as primary insurance, and will respond first, in the event **you** are otherwise insured incidentally for any **damages** and **claims expenses** which are indemnifiable under this **policy** (namely under a more general or combined policy providing coverage, in addition, for other risks not indemnified under this **policy**).

Where **you** are, irrespective of this **policy**, insured specifically by any other insurance in respect of any **damages** and **claims expenses** which would otherwise have been indemnifiable under this **policy** (namely under a policy which does not provide coverage for other risks not indemnifiable under this **policy**), there shall be no contribution or participation by **us** for such **damages** and **claims expenses** or that part of such **damages** and **claims expenses** for which **you** are entitled to be indemnified by such other insurance. This condition will apply whether or not **you** are actually indemnified by such other insurance or if such other insurance is avoided or rescinded.

Section 4: Liability

Part two – employers' liability

IMPORTANT NOTICE

This is an excess liability claims made and reported **policy** which is not subject to the terms and conditions of any other insurance including compulsory insurance of liability to employees.

Cover

We will pay on **your** behalf, up to the limit of liability stated in the declarations, any **damages** which **you** may become legally liable to pay as compensation for **bodily injury** to an **employee** of **yours** during the course of their employment in **your** business, provided such **bodily injury** is caused solely and directly by an **act of terrorism** or **sabotage** occurring during the **period of insurance** at the **insured location(s)**. We will also pay **claims expenses**.

Multiple **acts of terrorism** or **sabotage** which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one **act of terrorism** or **sabotage**.

All **claims** arising out of the same or a continuing **act of terrorism** or **sabotage**, including **acts of terrorism** or **sabotage** which have or appear to have a related purpose or common leadership, within a period of 72 hours shall be considered a single **claim** and deemed to have been made at the time the first of such **claims** is reported to **us** and shall be subject to one Limit of Liability.

Defence and settlement

We shall have the right, but not the obligation, to take over and conduct in **your** name the defence of any **claim** against **you** seeking **damages** which are payable under the terms of this section of **your policy**. We will not pay any costs in defence of a claim not covered by this **policy**. We reserve the right to appoint lawyers to handle the **claim** on **your** behalf.

It is agreed that the limit of liability available to pay **damages** shall be reduced and may be completely exhausted by payment of **claims expenses**.

We shall have the right at **our** expense to make any investigation we deem necessary including, without limitation, any investigation with respect to the application for this insurance and statements made in the application and with respect to coverage.

If **you** shall refuse to consent to any settlement or compromise recommended by **us** and **you** elect to contest the **claim**, **our** liability for any **damages** and **claims expenses** shall be limited to the amount for which the **claim** could have been settled plus the **claims expenses** incurred up to the time of the refusal to settle, or the **amount insured**, whichever is less. We have the right to withdraw from the defence of the **claim** by tendering control of the defence to **you**.

We have no obligation to pay any **damages** or **claims expenses**, or to defend a **claim**, after the **amount insured** has been exhausted by payment of **damages** or **claims expenses**, or after we deposit the available **amount insured** in court and, upon such payment, we shall have the right to withdraw from the defence of the ongoing **claim** by tendering control of the defence to **you**.

Limit of liability

The excess **amount insured** stated in the declarations as 'each and every **claim**' is the limit of **our** liability for all **damages** and **claims expenses** arising out of an **act of terrorism** or **sabotage** regardless of the number of **claims** or claimants. The insurance provided by this policy shall always be excess over the underlying limit of liability stated in the declarations.

Multiple **acts of terrorism** or **sabotage** which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one **act of terrorism** or **sabotage**.

The excess **amount insured** stated in the declarations as 'aggregate' is the total limit of **our** liability for all **damages** and **claims expenses** arising out of the **claims** first made against **you** during the **period of insurance** and reported to **us** in writing no later than 90 days after the expiry of this **policy**.

Conditions

- Compulsory insurance **You** must maintain, during the **period of insurance**, insurance cover in accordance with the provisions of any law relating to compulsory insurance of liability to **employees**. Only losses which, except for the amount thereof, would have been payable under this Policy may reduce or exhaust the underlying limit of liability stated in the declarations. If **you** fail to comply with this condition **we** will not be liable to pay any claim under this section of insurance.
- Other insurance Where **you**, irrespective of this **policy**, are insured in whole or in part by any other insurance in respect of any **damages** and **claims expenses** which would otherwise have been indemnifiable in whole or in part by **us**, there shall be no contribution or participation by **us** for such **damages** and **claims expenses** or that part of such **damages** and **claims expenses** for which **you** are entitled to be indemnified by such other insurance. This condition will apply whether or not **you** are actually indemnified by such other insurance or if such other insurance is avoided or rescinded.
- Failure of underlying insurance The insurance provided by this **policy** shall always be excess over the underlying limit of liability stated in the declarations regardless of the uncollectibility (in whole or in part) of any underlying insured amounts for any reason, including, but not limited to, the financial impairment or insolvency of an underlying Insurer or the avoidance or rescission or breach of contract terms of any underlying insurance.
- The risk of uncollectibility (in whole or in part) of other insurance, whether because of financial impairment or insolvency of an underlying or other insurer or for any other reason, including avoidance or rescission or breach of contract terms of any underlying insurance, is expressly retained by **you** and is not in any way or under any circumstances insured or assumed by **us**.



Section 4: Liability

General terms which apply to part one and part two of this section

Conditions

We will not be liable to pay any claim under this insurance unless **you** comply with all the requirements in the following conditions.

Notice and proof of loss

You must notify **us** in writing as soon as reasonably possible and in no event later than 90 days after the expiry of this **policy** of any **claim** or of any circumstance which could reasonably be expected to give rise to a **claim**.

You must immediately forward to **us** through persons named in the declarations every demand, notice, summons or other process received by him or his representative. **You** must keep **us** fully informed of the **claim** and forward to **us** copies of all relevant correspondence and legal processes.

A **claim** or any circumstance which could reasonably be expected to give rise to a **claim** shall be considered to be reported to **us** when notice is first given to **us** through persons named in the declarations.

Assistance and cooperation

You shall cooperate with **us** in all investigations, including investigations regarding the application for and coverage under this insurance and, upon **our** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of acts, errors or omissions in respect of loss insured under this **policy**.

You shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

You must not admit liability, make an offer or promise of any payment, assume any obligation, incur any expense, enter into any settlement, acquiesce or agree to any judgment or award or otherwise dispose of any **claim** without **our** prior written agreement.

If required by **us**, **you** must agree to an examination under oath by **our** appointed representative.

Joint ventures

With regard to any liability of **yours** which is insured under this **policy** and arises in any manner out of the operations or existence of any **joint venture** the **amount insured** under this **policy** shall be limited to **your** percentage interest in the **joint venture**. Where the percentage interest of **your** interest in a **joint venture** is not evidenced in writing, the percentage to be applied shall be that which would be imposed by law at the inception of the **joint venture**. Such percentage shall not be increased by the insolvency of any members of such **joint venture** or any other parties. This **joint venture** clause shall not apply to any liability **you** incur where, as a result of a **claim**, the terms of the **joint venture** agreement place the whole liability of the **joint venture** on **you**.

Section 4: Liability

General exclusions which apply to part one and part two of this section

Exclusions

- A. This insurance does not cover **damages** or **claims expenses** with respect to any **claim** directly or indirectly arising from, caused by or due to:
1. any **act of terrorism** or **sabotage** involving the emission, discharge, dispersal, release or escape of any chemical or biological agent.
 2. any threat or hoax of an **act of terrorism** or **sabotage**.
 3. any **act of terrorism** or **sabotage** by electronic means including computer hacking or the introduction into any computer of any form of corrupting, harmful or otherwise unauthorised instructions or code. This exclusion shall not apply to the detonation of any explosive bomb or missile by remote controlled devices or the launch, guidance or firing systems of such bomb or missile.
 4. any **pollutant or contaminant**, however such **pollutant or contaminant** may have been introduced or arisen.
 5. nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
 6. loss of market, loss of income, loss of use or any other consequential loss other than loss of income or loss of use at the property physically lost or physically damaged by an **act of terrorism** or **sabotage** as insured by this policy.
 7. loss, injury or damage arising out of employment related claims, of any type, including but not limited to employee claims of wrongful termination of employment, discrimination, harassment, false arrest, slander, invasion of privacy, assault or battery, or mental anguish or humiliation when asserted in connection with an employment related claim.
 8. loss, injury or damage caused by or resulting from **your** recklessness or deliberate misconduct.
 9. loss or damage to property:
 - a. owned, leased, rented or occupied by **you**;
 - b. in **your** care, custody or control or the care, custody or control of any person under contract with **you**.
 10. mental injury, anguish or shock where no actual physical injury has occurred to the claimant.
 11. loss or damage arising from goods or products designed, manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by **you**.
 12. criminal, dishonest, fraudulent or malicious conduct by **you**.
- B. This insurance does not cover:
1. fines, penalties, punitive or exemplary damages, sanctions or any additional damages resulting from the multiplication of compensatory damages.
 2. the excess amount stated in the declarations.

Nothing contained in the above exclusions shall extend this policy to cover any liability which would not have been covered had these exclusions not been incorporated herein.



Endorsement 1

NAMED INSURED: Lee County Board of County Commissioners

E1.4 Policyholder Disclosure Notice of Terrorism Insurance Cover

Page 1 of 2

YOU ARE HEREBY NOTIFIED THAT FOLLOWING THE TERRORISM RISK INSURANCE ACT OF 2002, AS AMENDED, COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT REMIBURSES 85% THROUGH 2015; 84% BEGINNING JANUARY 1, 2016; 83% BEGINNING JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 AND 80% BEGINNING JANUARY 1, 2020

OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS THE U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEEDS \$100 BILLION IN ANY ONE CALENDAR YEAR. IF THE AGGREGATE OF SUCH LOSSES FOR ALL INSURERS EXCEEDS \$100 BILLION, COVERAGE MAY BE REDUCED.

Acts of Terrorism, as defined in Section 102(1) of the Act, as amended, is as follows: The term "Act of Terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an Act of Terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Notwithstanding the TRIA program, this Policy insures against all terrorism perils in accordance with the terms, conditions and exclusions of this insurance. Your policy includes coverage for terrorism losses that are outside the TRIA definition of an "Act of Terrorism" as above. It also provides coverage for you according to your Policy terms, conditions, exclusions and limits, irrespective of any cap.

The allocation of the premium for TRIA coverage is provided below and does not include any charges for the portion of loss covered by the United States government under the Act.

The allocation we have made in respect of US exposures to Acts of Terrorism, as defined under TRIA, is 80% of your current premium. This premium allocation applies to expiry of the risk or 12:00 midnight December 31, 2020, the date on which the TRIA program is scheduled to terminate, whichever is sooner.



Endorsement 1

NAMED INSURED: Lee County Board of County Commissioners

E1.4 Policyholder Disclosure Notice of Terrorism Insurance Cover

Page 2 of 2

PLEASE RETAIN A COPY OF THIS DISCLOSURE NOTICE FOR YOUR RECORDS

Policyholder/Applicant's Signature

Print Name

Date

On behalf of certain underwriters at Lloyd's	_____	Underwriter Reference	_____

Ed. 01/15

Endorsement effective: 10/01/2015

Policy No.: UTS2540678.15

Endorsement No: 1

Processed Date: 09/21/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)



Endorsement 2

NAMED INSURED: Lee County Board of County Commissioners

E7.1 Florida Amendatory Endorsement

Page 1 of 2

In consideration of the premium charged, and on the understanding this endorsement leaves all other terms, conditions, and exclusions unchanged, it is agreed the Cancellation provision is deleted in its entirety and replaced with the following.

Cancellation

1. This policy may be cancelled by the named insured by giving Underwriters advance written notice stating when thereafter such cancellation will be effective. If the named insured cancels this policy, Underwriters will retain the customary short rate proportion of the premium.

2. Policies in effect for 90 days or less

If this policy has been in effect for 90 days or less, Underwriters may cancel this policy by mailing to the first named insured by registered, certified or other first class mail, at the address shown in the Declarations, written notice of cancellation, accompanied by the reasons for cancellation, at least:

- (a) 10 days before the effective date of cancellation if Underwriters cancel for non-payment of premium; or
- (b) 20 days before the effective date of cancellation if Underwriters cancel for any other reason, except Underwriters may cancel immediately if there has been:
 - i. A material misstatement or misrepresentation; or
 - ii. A failure to comply with the underwriting standards established by Underwriters.

3. Policies in effect for more than 90 Days

If this policy has been in effect for more than 90 days, Underwriters may also cancel this policy by mailing to the first named insured by registered, certified, or other first class mail, at the address shown in the Declarations, written notice, including the reason(s) for cancellation, stating when not less than 45 days thereafter (or 10 days thereafter when cancellation is due to non-payment of premium), the cancellation will be effective.

Underwriters may cancel this policy only for one of the following reasons:

- (a) Non-payment of premium;
- (b) The policy was obtained by a material misstatement;
- (c) There has been a failure to comply with underwriting requirements established within 90 days of the effective date of coverage;
- (d) There has been a substantial change in the risk covered by the policy; or
- (e) The cancellation is for all insureds under such policies for a given class of insureds.

Endorsement 2

NAMED INSURED: Lee County Board of County Commissioners

E7.1 Florida Amendatory Endorsement

Page 2 of 2

4. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice. If Underwriters cancel this policy, any return premium will be calculated pro rata. Payment or tender of any unearned premium by Underwriters will not be a condition precedent to the effectiveness of the cancellation. If return premium is not refunded with the notice of cancellation, Underwriters will mail the refund within 15 working days after the date cancellation takes effect.

Non-renewal

If Underwriters elect not to renew this policy, Underwriters will mail or deliver to the first named insured written notice of non-renewal, including the reason for non-renewal, not less than 45 days before the end of the policy period.

Underwriters will mail or deliver the notice of non-renewal to the first named insured at the last known mailing address. If the notice of non-renewal is mailed, proof of mailing will be sufficient proof of notice.

TER E7 FL (07/13)

Endorsement effective: 10/01/2015

Policy No.: UTS2540678.15

Endorsement No: 2

Processed Date:09/21/2015

Hiscox Inc.



By : Carl Bach
(Authorized Representative)

Endorsement 3

NAMED INSURED: Lee County Board of County Commissioners

E100.2 Service of Suit

Page 1 of 1

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that services of process in such suit may be made upon

Hiscox Inc.
520 Madison Ave. - 32nd Floor
New York, NY 10022
Attn: Head of Claims

and that in any suit instituted against one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and / or upon the request of the Insured (or reinsured) to give a written undertaking to the Insured (or reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

N.M.A. 1998

Endorsement effective: 10/01/2015
Endorsement No: 3

Policy No.: UTS2540678.15
Processed Date: 09/21/2015

Hiscox Inc.



By : Carl Bach
(Authorized Representative)



Endorsement 4

NAMED INSURED: Lee County Board of County Commissioners

E240.9 Lloyd's Syndicate

Page 1 of 1

Proportion Percent: 100%
Syndicate: 33
Contract #: B1234INC1S3315
Registration Date: December 22, 2005

Endorsement effective: 10/01/2015

Policy No.: UTS2540678.15

Endorsement No: 4

Processed Date: 09/21/2015

Hiscox Inc.

A handwritten signature in black ink, appearing to read "Carl Bach". The signature is fluid and cursive, with a large initial "C" and "B".

By : Carl Bach
(Authorized Representative)

Endorsement 5

NAMED INSURED: Lee County Board of County Commissioners

E246.2 Premium Payment Clause

Page 1 of 1

PREMIUM PAYMENT CLAUSE

Notwithstanding any provision to the contrary within this contract or any endorsement hereto, in respect of non payment of premium only the following clause will apply.

The (Re)Insured undertakes that premium will be paid in full to (Re)Insurers within 30 days of inception of this contract (or, in respect of installment premiums, when due).

If the premium due under this contract has not been so paid to (Re)Insurers by the 30th day from the inception of this contract (and, in respect of installment premiums, by the date they are due) (Re) Insurers shall have the right to cancel this contract by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to (Re)Insurers on a pro rata basis for the period that (Re) Insurers are on risk but the full contract premium shall be payable to (Re)Insurers in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this contract.

It is agreed that (Re)Insurers shall give not less than 30 days prior notice of cancellation to the (Re) Insured via the broker. If premium due is paid in full to (Re)Insurers before the notice period expires, notice of cancellation shall automatically be revoked. If not, the contract shall automatically terminate at the end of the notice period.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

LSW3001

30/9/08

Endorsement effective: 10/01/2015

Policy No.: UTS2540678.15

Endorsement No: 5

Processed Date:09/21/2015

Hiscox Inc.



By : Carl Bach
(Authorized Representative)

Endorsement 6

NAMED INSURED: Lee County Board of County Commissioners

E263.2 Application of Sublimits Endorsement

Page 1 of 1

The sub-limits of liability shown in this policy apply in the aggregate, unless otherwise specified, for all locations and coverages combined.

Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.

This endorsement takes precedence over and, if in conflict with any other wording in the contract bearing on the application of sublimits, replaces that wording.

Endorsement effective: 10/01/2015

Policy No.: UTS2540678.15

Endorsement No: 6

Processed Date:09/21/2015

Hiscox Inc.



By : Carl Bach
(Authorized Representative)



ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Hiscox is committed to complying with the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) requirements. OFAC administers and enforces economic sanctions policy based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, and narcotics traffickers as Specially Designated Nationals (SDN's) and Blocked Persons. OFAC has also identified Sanctioned Countries. A list of Specially Designated Nationals, Blocked Persons and Sanctioned Countries may be found on the United States Treasury's web site <http://www.treas.gov/offices/enforcement/ofac/>.

Economic sanctions prohibit all United States citizens (including corporations and other entities) and permanent resident aliens from engaging in transactions with Specially Designated Nationals, Blocked Persons and Sanctioned Countries. Hiscox may not accept premium from or issue a policy to insure property of or make a claim payment to a Specially Designated National or Blocked Person. Hiscox may not engage in business transactions with a Sanctioned Country.

A Specially Designated National or Blocked Person is any person who is determined as such by the Secretary of Treasury.

A Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States.

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy may be rendered void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

- (1) Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to US economic trade sanctions;
- (2) Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country government, where any action in connection with such claim or suit is prohibited by US economic or trade sanctions;
- (3) Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to US economic or trade sanctions;
- (4) Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country government, where any activities related to such property are prohibited by US economic or trade sanctions; or
- (5) Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to US economic or trade sanctions.

Please read your Policy carefully and discuss with your broker/agent or insurance professional. You may also visit the US Treasury's website at <http://www.treas.gov/offices/enforcement/ofac/>.



CONFORMITY NOTICE

(This does not amend, extend, or alter the coverages or any other provisions contained in your policy)

Whenever the symbol "\$" is used in this policy, it shall mean United States Dollars (USD).