

Agreement

THIS AGREEMENT is made this 7th day of May, 2019, in the City of Torrance, County of Los Angeles, State of California, by and between **Torrance Unified School District**, a California School District, hereinafter called the “District” and **Lakeshore Equipment Company dba Lakeshore Learning Materials** hereinafter called the “Contractor”, with a principal place of business located at 2695 E. Dominguez Street, Carson, CA 90895.

WITNESSETH, that the District and the Contractor in consideration of the mutual covenants contained herein agree as follows:

1.01 The Work. Within the Contract Time and for the Contract Price, subject to adjustments thereto pursuant to the Contract Documents, the Contractor shall perform and provide all necessary labor, materials, tools, equipment, utilities, services and transportation to complete in a workmanlike manner and in strict compliance with the terms and conditions of the Contract Documents all of the work required in connection with the service referred to as:

BID #10-04.09.19 – CLASSROOM & OFFICE FURNITURE

Contractor shall perform all work covered by the Contract Documents, including without limitation, the specifications and other Contract Documents enumerated in Article 1.05 below, along with all modifications and addenda thereto, in strict accordance with the Contract Documents.

1.02 Contract Time. The Service shall be commenced on the date stated in the District’s Notice to Proceed. The period of the Contract shall be from June 1, 2019, through June 30, 2020, and may be extended yearly by mutual consent through June 30, 2024, and subject to performance reviews made by the District. Annual increases will be based on CPI (not to exceed 3% per year).

1.03 Contract Price. The District shall pay the Contractor as full consideration for the Contractor’s full, complete and faithful performance of the Contractor’s obligations under the Contract Documents, subject to any additions or deduction as provided for in the Contract Documents. The Contract Price is based upon the Contractor’s Bid Proposal. The District’s payment of the Contract Price shall be in accordance with the Contract Documents.

1.04 Contractor’s License. The Contractor and/or installer shall possess at the time this Contract is awarded as well as through the duration of the Contract a Class B and/or C61 in field D34 Contractor’s license, pursuant to Public Contract Code §3300.

1.05 Prevailing Wages. If a District requires prevailing wages due to the scope of a project or believes that the project qualifies for prevailing wages, a separate quote will be issued by the awarded Bidder for the specific manufacturer for labor and installation; and an adjustment in pricing may occur. If a project requires prevailing wage it shall be in accordance with the general prevailing rate of holiday and overtime work in the locality in which the work is to be performed for each craft, classification, or type of work needed to execute the contract as determined by the Director of the Department of Industrial Relations. The following are hereby referenced and made a part of this Agreement and Contractor stipulates to the provisions contained herein. Chapter 1 of Part 7 of Division 2 of the Labor Code (Section 1720 et seq.); and California Code of Regulations, Title 8, Chapter 8, Subchapters 3 – 6 (Section 16000 et seq.)

- 1.06 The Contract Documents.** The Contract Documents consist of all of the bid documents, including certifications, addenda, instructions and this agreement.
- 1.07 Fuel Charge.** Should gas prices in Southern California exceed \$5.01 a gallon for 10 consecutive days, the District and Bidder shall meet to discuss an escalation adjustment to specifically address the issue of gasoline prices. If the price of the gasoline falls below \$5.00 a gallon for 10 consecutive days, the rate of the pay shall automatically revert back to the bid amounts awarded by the Board of Trustees.
- 1.08 Steel Charge.** Steel material cost remain volatile globally and if there is a significant escalation in steel cost per Producer Price Index, District and Bidder shall meet to discuss an escalation adjustment to specifically address the issue of Steel cost.
- 1.09 Authority to Execute.** The individual(s) executing this Agreement on behalf of the Contractor is/are duly and fully authorized to execute this Agreement on behalf of Contractor and to bind the Contractor to each and every term, condition and covenant of the Contract Documents.

IN WITNESS WHEREOF, this Agreement has been duly executed by the District and the Contractor as of the date set forth above.

DISTRICT

CONTRACTOR

Torrance Unified School District,
a California School District

**Lakeshore Equipment Company dba Lakeshore
Learning Materials**

By: _____



Gioconda Padilla

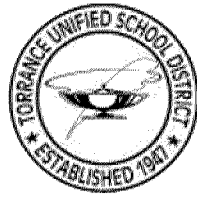
Director, Purchasing & Communication Services

By: _____



Name: Malissa Ramos

Title: Bid Analyst



Agenda Item Details

Meeting	May 06, 2019 - Regular Meeting of the Board of Education
Category	17. ADMINISTRATIVE SERVICES CONSENT ITEMS
Subject	17.8 Approve Award of Bid No. 10-04.09.19 Classroom & Office Furniture
Access	Public
Type	Action
Recommended Action	That approval be given to award Bid No. 10-04.09.19 Classroom & Office Furniture, as presented, and award to multiple vendors, as presented.

Public Content

Summary:

Board approval is requested to award Bid No. 10-04.09.19 Classroom & Office Furniture, to the vendors listed below, as presented. In accordance with established procedures, staff completed the review of all bid requirements, including but not limited to, manufacturer certifications, licenses, and compliance with Disabled Veteran Business Enterprises (DVBE) requirements. A total of 11 sealed bids were publicly opened on April 9, 2019.

1. CM School Supply
2. Culver-Newlin
3. ELB Education
4. Lakeshore Learning
5. McDowell-Craig
6. MeTEOR Education
7. Office Solutions (Blue Space Interiors)

Additionally, Administration recommends rejecting bids from four vendors that were deemed non-responsive and disqualified pursuant to the terms and conditions of the bid and its addenda: Group Vivo, Office Depot (Work Space), Southwest School & Office Supply, and Virco.

This bid may be used by school and community college districts throughout California by virtue of its "piggyback" clause (Public Contract Code 20118, 20652) and may be extended for an additional four years, for a total life of five years from the date of the award date, through May 6, 2024, by mutual consent of the District and the awarded vendor (Education Code 39644). A technology clause is included in the bid, allowing product and component upgrades that meet the general technical requirements of a school district. School districts will also be able to use a catalog discount from the most current manufacturer's catalog.

Financial Impact:

Funding may be provided from various sources, including, but not limited to, General Fund, Categorical Programs, and Nutrition Services.

Requested By:

Superintendent
Deputy Superintendent - Administrative Services
Director - Purchasing and Communications

NOI SUMMARY.pdf (257 KB)

Administrative Content

Motion & Voting

That approval be given to award Bid No. 10-04.09.19 Classroom & Office Furniture, as presented, and award to multiple vendors, as presented.

Motion by Jeremy Gerson, second by Betty Lieu.

Final Resolution: Motion Carries

Aye: Terry Ragins, Don Lee, Betty Lieu, James Han, Jeremy Gerson

ACORDTM**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

5/16/2019

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

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

PRODUCER Marsh & McLennan Agency LLC Marsh & McLennan Ins. Agency LLC 1 Polaris Way #300 Aliso Viejo, CA 92656		CONTACT NAME: Nick Newell PHONE (A/C, No, Ext): 949-425-7312 E-MAIL ADDRESS: Nick.Newell@MarshMMA.com FAX (A/C, No):	
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A : Hartford Fire Insurance Company	19682
		INSURER B : XL Specialty Insurance Company	37885
		INSURER C : Sentry Casualty Company	28460
		INSURER D :	
		INSURER E :	
		INSURER F :	

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR \$10K (Prem Liab) <input checked="" type="checkbox"/> SIR \$500K -All Other GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			72EC50F7567	07/01/2018	07/01/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			72JUNVK0890	07/01/2018	07/01/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10000			US00079148LI18A	07/01/2018	07/01/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			901691001	07/01/2018	07/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C				901691002	07/01/2018	07/01/2019	
				\$500,000 Retro			

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


Hired Auto Physical Damage:

Limit - \$50,000

Comprehensive Ded - \$500

Collision Ded - \$1,000

(See Attached Descriptions)

CERTIFICATE HOLDER Torrance Unified School District 2336 Plaza Del Amo Torrance, CA 90501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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DESCRIPTIONS (Continued from Page 1)

Torrance Unified School District is included as additional insured as respects to General Liability and Auto Liability per attached endorsements.

Lakeshore Equipment Company
DBA: Lakeshore Learning Materials

NAMED INSURED

- Lakeshore Equipment Company
- DBA: Lakeshore Learning Materials
- DBA: Lakeshore Curriculum Materials Company
- DBA: Lakeshore Learning Stores
- DBA: Toys to Grow On, Inc.
- Lakeshore Kids and Company, Inc.
- JoAnn Kaplan DBA Design Landscape & Kaplan Landscape
- Kaplan & Kaplan, LLC (as respects 2649-2654 and 2695 E. Dominguez St., Carson, CA; 1500 Dominguez St., Long Beach, CA; 2777-79 El Presidio, Carson, CA; 20974 S. Santa Fe Ave., Carson, CA)
- Montague Associates
- Building C LLC (as respects 20850 S. Alameda St., Carson, CA)
- Lakeshore Warehouse LLC (as respects 2161 Dominguez St., Carson, CA)
- Lakeshore Warehouse East LLC (as respects 547 McKinney Ave., Midway, KY)
- DC2, LLC (as respects 547 McKinney Ave., Midway, KY)



COMMERCIAL GENERAL LIABILITY COVERAGE FORM (EXCESS - BROAD FORM)

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

Throughout this policy the words "you" and "your" refer to the Named Insured in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II Who Is An Insured.

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

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that you or any insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies; but only to the extent that such "bodily injury" or "property damage" is in excess of the "self-insured retention" that has been exhausted solely by your payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".
- b. You are responsible for payment of expenses for any defense counsel selected by or on behalf of you or any insured, including "claim expenses", until the "self-insured retention" has been exhausted solely by your payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".

If we make a payment relating to the defense counsel or defense of any claim against you or any insured within the "self-insured retention", it will be on your behalf, and you must reimburse us within seven business days of the date you receive notice that such payments have been made.

"Claim expenses" and other defense expenses incurred subsequent to the exhaustion of the "self-insured retention" are payable by us, as provided in Supplementary Payments.

- c. If the claim is within the amount of the "self-insured retention", then subject to subsection d. below, you shall have the duty to defend any "suit" brought against you or any insured seeking damages because of "bodily injury" or "property damage" to which this insurance applies. Such duty shall continue until the "self-insured retention" has been exhausted solely by your payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".

If, however, the amount you have paid on your behalf or on behalf of any insured, for "claim expenses" or judgments and settlements for a claim exceeds the amount of the "self-insured retention", then we shall have the right and duty to defend you or such insured against such claim. Our right and duty to defend ends when we have used up the Limits of Insurance in the payment of judgments or settlements to which this Coverage Part applies.

- d. If the amount you have paid, on your behalf or on behalf of any insured, for "claim expenses" and judgments or settlements for a claim does not exceed the amount of the "self-insured retention", we shall not be obligated to assume charge of, participate in, or pay for the investigation or defense of any claim or "suit".

However, if such claim or "suit", in our opinion, involves or is reasonably likely to involve payment by us under this Coverage Part, we shall:

- (1) Require you or the insured against whom a claim is made or "suit" is brought, to obtain our written consent regarding the selection of any defense counsel;
- (2) At our own expense, have the right but not the duty to investigate and to assign counsel in addition to any defense

counsel assigned by or on behalf of you or the insured. Such additional counsel shall have the right to participate in the investigation, defense or settlement of any claim or "suit" on our behalf; and

- (3) Have the right but not the duty to assume control of the defense, and we shall have that right even if we have not elected to assign additional defense counsel.

If we assume control of the defense:

- (a) We shall have the right to select or dismiss defense counsel for the purpose of continuing the defense of any "suit"; and
- (b) You shall continue to pay, or reimburse us for, any "claim expenses" pursuant to the defense of you or any insured until the "self-insured retention" is exhausted.

During the course of controlling the defense we shall have the right but not the duty to settle the claim or "suit" by paying all or part of the "self-insured retention" or Limits of Insurance. Such payment is on your behalf, and you are responsible for reimbursing us for payments of damages and "claim expenses" within the "self-insured retention" we have made, within seven business days of the date you receive notice that such payments have been made.

If we avail ourselves of the foregoing right(s), you and any other insured, your and any other insured's claim servicing agency and we shall cooperate in such investigation, defense or settlement.

Any right or opportunity we have exercised to participate in or control the defense ends at our discretion, but in all events ends when we have used up the limit of insurance in the payment of judgments or settlements to which this Coverage Part applies.

- e. In no event shall:

- (1) The "self-insured retention" be reduced by your or any insured's overhead, cost of investigation of claims by salaried "employees" or "employee" time; nor any expenses or appeals not incurred with our written consent pursuant to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition in Section IV or the Appeals Condition in Section IV; or
- (2) We have any obligation or liability to pay

sums or performs acts or services unless explicitly provided for under Supplementary Payments – Coverages A and B.

- f. The amount we will pay for damages is limited as described in Section III – Limits Of Insurance. We have no other obligation to pay anything unless explicitly provided for under Supplementary Payments – Coverages A and B.

- g. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the "policy period"; and
- (3) Prior to the "policy period", no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the "policy period", that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the "policy period" will be deemed to have been known prior to the "policy period".

- h. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- i. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

j. Incidental Medical Malpractice

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
- (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purposes of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this policy applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations; or
- (e) To the extent that any such injury or damage is included in the "products-completed operations hazard".

Solely to the extent "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; subparagraph (d) does not apply to "bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor. This exception also does not apply if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or access the effects of "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "aircraft", "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "aircraft", "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of "aircraft" or watercraft;

- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or
- (6) An "aircraft" that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising directly or indirectly, out of:

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

j. Damage to Property

"Property Damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or

subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" arising from the use of elevators.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at the job site.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

q. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any "employment-related practices"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

r. Asbestos

- (1) "Bodily injury" or "property damage" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

s. Distribution Of Material In Violation Of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any Statute, ordinance or regulation, other than TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

t. Aircraft Products

(1) "Bodily injury" or "property damage" included in the "products - completed operations hazard" and arising out of the design, manufacture, sale, handling or distribution of "aircraft products", or reliance upon any representation or warranty made with respect thereto, or to any liability arising out of the "grounding" of any "aircraft"; or

(2) Liability assumed by you under any contract or agreement if such liability arises out of "aircraft products" designed, manufactured, sold, handled or distributed by you or by others trading under your name.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that you or any insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies; but only to the extent that such "personal and advertising injury" is in excess of the "self-insured retention" that has been exhausted solely by the payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".
- b. You are responsible for payment of expenses for any defense counsel selected by or on behalf of you or any insured, including "claim expenses", until the "self-insured retention" has been exhausted solely by the payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".

If we make a payment relating to the defense counsel or defense of any claim against you or any insured within the "self-insured retention", it will be on your behalf, and you must reimburse us within seven business days of the date you receive notice that such payments have been made.

"Claim expenses" and other defense expenses incurred subsequent to the exhaustion of the "self-insured retention" are payable by us, as provided in Supplementary Payments.

- c. If the claim is within the amount of the "self-insured retention", then subject to subsection d. below, you shall have the duty to defend any "suit" brought against you or any insured seeking damages because of "personal and advertising injury" to which this insurance applies. Such duty shall continue until the "self-insured retention" has been exhausted solely by the payment of "claim expenses" and that portion of judgments or settlements to which this insurance would have applied in the absence of the "self-insured retention".

If, however the amount you have paid on your behalf or on behalf of any insured, for "claim expenses" or judgments and settlements for a claim exceeds the amount of the "self-insured retention", then we shall have the right and duty to defend you or such insured against such claim. Our right and duty to defend ends when we have used up the Limits of

Insurance in the payment of judgments or settlements to which this Coverage Part applies.

- d. If the amount you have paid, on your behalf or on behalf of any insured, for "claim expenses" and judgments or settlements for a claim does not exceed the amount of the "self-insured retention", we shall not be obligated to assume charge of, participate in, or pay for the investigation or defense of any claim or "suit".

However, if such claim or "suit", in our opinion, involves or is reasonably likely to involve payment by us under this Coverage Part, we shall:

- (1) Require you or the insured against whom the claim is made or "suit" is brought, to obtain our written consent regarding the selection of any defense counsel;
- (2) At our own expense, have the right but not the duty to investigate and to assign counsel in addition to any defense counsel assigned by or on behalf of you or the insured. Such additional counsel shall have the right to participate in the investigation, defense or settlement of any claim or "suit" on our behalf; and
- (3) Have the right but not the duty to assume control of the defense, and we shall have that right even if we have not elected to assign additional defense counsel.

If we assume control of the defense:

- (a) We shall have the right to select or dismiss defense counsel for the purpose of continuing the defense of any "suit"; and
- (b) You shall continue to pay, or reimburse us for, any "claim expenses" pursuant to the defense of you or any insured.

During the course of controlling the defense we shall have the right but not the duty to settle the claim or "suit" by paying all or part of the "self-insured retention" or Limits of Insurance. Such payment is on your behalf, and you are responsible for reimbursing us for payments of damages and "claim expenses" within the "self-insured retention" we have made within seven business days of the date you receive notice that such payments have been made.

If we avail ourselves of the foregoing right(s), you and any other insured, your and any other

insured's claim servicing agency and we shall cooperate in such investigation, defense or settlement.

Any right or opportunity we have exercised to participate in or control the defense ends at our discretion, but in all events ends when we have used up the limit of insurance in the payment of judgments or settlements to which this Coverage Part applies.

e. In no event shall:

(1) The "self-insured retention" be reduced by your or any insured's overhead, cost of investigation of claim by salaried "employees", or "employee" time; nor any expenses or appeals not incurred with our written consent pursuant to the Duties In The Event of Occurrence, Offense, Claim or Suit Condition in Section IV or the Appeals Condition in Section IV; or

(2) We have any obligation or liability to pay sums or performs acts or services unless explicitly provided for under Supplementary Payments – Coverages A and B.

f. The amount we will pay for damages is limited as described in Section III – Limits Of Insurance. We have no other obligation to pay anything unless explicitly provided for under Supplementary Payments – Coverages A and B.

g. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the "policy period".

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" arising out of an offense committed by, at the direction or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the "policy period".

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services.

i. Infringement Of Intellectual Property Rights

"Personal and advertising injury" arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of:

(1) Copyright;

(2) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(3) Title of any literary or artistic work.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 20.a., b. and c. of "personal and

advertising injury" under the Definitions Section.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your website, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising directly or indirectly out of:

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

p. Internet Advertisements And Content Of Others

"Personal and advertising injury" arising out of:

- (1) An "advertisement" for others on your website;
- (2) Placing a link to a website of others on your website;
- (3) Content, including information, sounds, text, graphics, or images from a website of others displayed within a frame or border on your website; or
- (4) Computer code, software or programming used to enable;
 - (a) Your website; or
 - (b) The presentation or functionality of an "advertisement" or other content on your website.

q. Right Of Privacy Created By Statute

"Personal and advertising injury" arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act.

r. Violation Of Anti-Trust law

"Personal and advertising injury" arising out of a violation of any anti-trust law.

s. Securities

"Personal and advertising injury" arising out of the fluctuation in price or value of any stocks, bonds or other securities.

t. Discrimination

"Personal and advertising injury" arising out of discrimination.

u. Employment-Related Practices

"Personal and advertising injury" to:

- (1) A person arising out of any "employment-related practices"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment-related practices" are directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

v. Asbestos

- (1) "Personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:
 - (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
 - (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
 - (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

w. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any Statute, ordinance or regulation, other than TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. You will pay:

- a. With respect to any claim or "suit" against you or any other insured that you have a duty to defend, all "claim expenses" you incur, within the amount of the "self-insured retention". Even if we elect to assume control of the defense, you will continue to pay such expenses, or reimburse us for such expenses within the amount of the "self-insured

retention", at our sole discretion and direction. If we pay such expenses, you must reimburse us for all such expenses within seven business days of the date you receive notification that such payment has been made.

- b. Prejudgment interest awarded against you or any insured on that portion of the judgment or settlement that is within or equal to the amount of the "self-insured retention". Your payment will be in the ratio that your liability for the judgment rendered or settlement made bears to the whole amount of such judgment or settlement.
- c. Interest on that portion of a judgment or settlement that accrues after entry of the judgment and before you have paid, offered to pay, or deposited in court the part of the judgment that is within or equal to the amount of the "self-insured retention". Your payment will be in the ratio that your liability for the judgment rendered or settlement made bears to the whole amount of such judgment or settlement.

Paragraphs **b.** and **c.** above will not reduce the amount of the applicable "self-insured retention".

2. We will pay:

- a. With respect to any claim you investigate or settle, or any "suit" against you or any other insured you have a duty to defend, all "claim expenses" in excess of the "self-insured retention".

We will pay all "claim expenses" we incur if we have elected to associate with the defense counsel assigned by or on behalf of you or any other insured, whether within or in excess of the "self-insured retention".

- b. The following in the ratio that our liability for the judgment rendered or settlement made bears to the whole amount of such judgment or settlement:
 - (1) Prejudgment interest awarded against you or any other insured on that portion of the judgment or settlement we pay that is in excess of the amount of the "self-insured retention".
 - (2) Interest on that portion of a judgment or settlement that accrues after entry of the judgment and before you have paid, offered to pay, or deposited in court the part of the judgment that is in excess of the amount of the "self-insured retention".
 - (3) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability

Coverage applies. We do not have to furnish these bonds.

- (4) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (5) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- (6) All costs taxed against the insured in the "suit".

These payments will not reduce the limits of insurance.

- 3. If we defend you or any other insured against a "suit" and an indemnitee of such insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with you and us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send you and us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and

- (d) Cooperate with you and us with respect to coordinating other applicable insurance available to the indemnitee; and

- (2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met,

- (1) Attorneys fees incurred by you in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at your request will be borne by you as "claim expenses" until the "self-insured retention" is exhausted; and
- (2) Attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be borne by us as "claim expenses" by us after the "self-insured retention" has been exhausted.

Notwithstanding the provisions of paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance; however, such payments will reduce the "self-insured retention" to the same extent that other "claim expenses" reduce the "self-insured retention."

Your obligation to defend an insured's indemnitee and to pay for attorneys fees and necessary litigation expenses as Supplementary Payments ends when you have used up the applicable "self-insured retention" in the payment of judgments, settlements, or "claim expenses"; or when the conditions set forth above, or the terms of the agreement described in paragraph **f.** above, are no longer met.

Our obligation to defend you or any other insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers", (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (1)(b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by, or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to the liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Newly Acquired or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial

interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract agreement.

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement.

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made part of this Coverage Part.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business; and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or

normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in subparagraphs (d) or (f); or
 - (ii) Such inspections adjustments or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury" or "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

c. Lessors of Land or Premises

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers or Surveyors

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In connection with your premises; or
- (2) In the performance of your ongoing operations performed by you or on your behalf.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

- 1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- 2. Supervisory, inspection, architectural or engineering activities.

e. Permits issued By State or Political Subdivisions

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

With respect to the insurance afforded these additional insureds, this insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

Any other person or organization who is not an insured under paragraphs **a.** through **e.** above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations,
- (2) In connection with your premises owned by or rented to you; or
- (3) In connection with "your work" and included within the "products-completed operations hazard", but only if;
 - (a) The written contract or agreement requires you to provide such coverage to such additional insured; and
 - (b) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds under this provision is described in Section III – Limits Of Insurance. Such limits of insurance apply only in excess of the "self-insured retention".

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III LIMITS OF INSURANCE

1. The Most We Will Pay

Subject to item **1.a.** of the **Insuring Agreement**, the Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;

- b. Claims made or "suits" brought; or

- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit

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

- a. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- b. Damages under Coverage **B**.

3. Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Personal and Advertising Injury Limit

Subject to **2.** above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Each Occurrence Limit

Subject to **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for damages under Coverage **A** because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. How Limits And Self Insured Retention Apply to Additional Insureds

If you have agreed in a contract or agreement that another person or organization be added as an insured on your policy:

- a. You are responsible for payment of any "self-insured retention" on behalf of such person or organization; and
- b. The most we will pay on behalf of such insured or any other insured endorsed to this Coverage Part is the lesser of:
 - (1) The limits of insurance specified in the contract or agreement; or
 - (2) The Limits of Insurance shown in the Declarations.

Any amount we pay shall be in excess of the "self-insured retention" and is part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

The Limits of Insurance of this Coverage Part and the amount of the "self-insured retention" apply separately to each "policy period". If the "policy

period" is extended after issuance for an additional period, such additional period will be deemed to be part of the "policy period" for purposes of determining the applicable Limits of Insurance and "self-insured retention".

SECTION IV COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Your bankruptcy or insolvency, or the bankruptcy of any other insured or of the insured's estate will not relieve:

- a. Us of our obligations under this Coverage Part, or
- b. You of your obligations to defend any claim or "suit" against you or any other insured.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice of Occurrence Or Offense

You or any insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim Or Suit

If a claim is made or "suit" is brought against any insured, you or any insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable if the claim or "suit" is likely to exceed the "self-insured retention".

You or any insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit" involving or likely to involve a sum in excess of the "self-insured retention";
- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit";

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance or the "self-insured retention" may also apply;

- (5) Advise us of the name and address of defense counsel retained to represent the insured's interest with respect to the "self-insured retention". Further, if the claim or "suit", in our opinion, involves or is reasonably likely to involve payment by us under this Coverage Part, we shall require you or the insured against whom a claim is made or "suit" is brought, to obtain our written consent regarding the selection of any defense counsel;

- (6) Furnish us the following information:

- (a) Quarterly loss runs identifying all open and paid claims and "claim expenses". Such loss runs shall be furnished until all claims and "claim expenses" are paid;

- (b) Complete information on all claims reserved for 50% or more of the amount of the "self-insured retention". This information must be furnished within 30 days from the date such reserve is established;

- (c) Complete information on all claims (including multiple claims) arising out of an "occurrence" or offense which might require payment in excess of the "self-insured retention". This information must be furnished within 30 days from the date such possibility first arises;

- (d) Complete information on any claim arising out of an "occurrence" or offense involving a minor child, or any of the following injuries:

(i) Death,

(ii) Quadriplegia,

(iii) Paraplegia,

(iv) Brain Damage,

(v) Loss of Vision,

(vi) Loss of Limb, or

(vii) Hospitalization for more than 30 days.

This information must be furnished within 30 days from the date such claim is first made; and

(7) Maintain adequate claim records and supporting data which document reserves for payment of claims, dates and amounts of any settlements, including specific identification of "claim expenses" incurred and paid.

d. Acceptance Or Rejection of Settlement Within The "Self-Insured Retention"

You, any insured as described in Section II - Who Is an Insured or any insured endorsed to this Coverage Part shall, as respects the "self-insured retention", exercise good faith in evaluating whether to accept or reject a settlement offer extended by a party making a claim. The failure to exercise such good faith by you, and any such insured will relieve us of any obligation to pay any sum in excess of the amount of the settlement that could have been accepted.

e. Obligations At The Insureds Own Cost

No insureds will, except at the insured's own cost, make or agree to any settlement for a sum in excess of the "self-insured retention" without our consent.

If any insured makes a payment, assumes any obligation, or incurs any expense, other than for first aid, without our consent, such payment, obligation or expense will be at the insured's own cost.

f. Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an insured, such insured must submit such claim or "suit" to the other insurer for defense and indemnity.

g. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs **a.** and **b.** apply to you or to any insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any insured that is an individual;
- (2) Any partner, if you or an insured is a partnership;
- (3) Any manager, if you or any insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an insured is a corporation;
- (5) Any trustee, if you or an insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

Paragraph **g.** applies separately to you and any insured.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

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

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

4. Other Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis, except when purchased specifically to apply in excess of this insurance.

If this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for damages in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the "policy period" is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;

(2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business that exist at the inception date of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, your responsibility under the "self-insured retention" and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer of Rights Of Recovery

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

b. How Recoveries Shall Be Applied

Recoveries shall be applied to reimburse:

(1) First, any interest (including the Named Insured) that paid any amount in excess of our Limits of Insurance;

(2) Second, us, along with any other insurers having a quota share interest at the same level; and

(3) Third, such interests (including the Named Insured) of whom this insurance is excess.

However, a different apportionment may be made to effect settlement of a claim by agreement signed by all interests.

c. Apportionment Among All Interests

Reasonable expenses incurred in the exercise of rights of recovery shall be apportioned among all interests in the ratio of their respective losses for which recovery is sought.

d. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

10. Maintenance of Self-Insured Retention

You shall do whatever is required, including provision of sufficient funds, to maintain the "self-insured retention" in full effect during the currency of this policy. If the "self-insured retention" becomes invalid, suspended, unenforceable or uncollectable for any reason, including bankruptcy or insolvency, we shall be liable only to the extent we would have been had such "self-insured retention" remained in full effect.

The first Named Insured shall give us written notice as soon as practicable of any change in the operating status of any "self-insured retention", or when the sum of all incurred losses and "claim expenses" equals or exceeds 70% of the "self-insured retention".

11. Appeals

a. For amounts within the "self-insured retention":

(1) If we or you with our consent, elect to appeal a judgment, then any resultant additional expenses, settlements or judgments to which this insurance applies shall reduce the amount of the "self-insured retention". We shall be liable for such additional expenses, settlements or judgments that are in excess of the "self-insured retention".

(2) If you or any insured, without our consent, elects to appeal a judgment, any resultant additional expenses, settlements or judgments shall not reduce the amount of the "self-insured retention". We shall not be liable for such resultant additional

expenses, settlements or judgments, whether or not they are in excess of the "self-insured retention".

b. For amounts in excess of the "self-insured retention":

- (1)** If you or any insured elects to appeal, and such appeal is with our consent, then we shall be liable for any additional expenses, settlements or judgments to which this policy applies.
- (2)** If you or any insured elect to appeal, and such appeal is without our consent, then we shall not be liable for any additional expenses, settlements or judgments.
- (3)** If you or any insured elect not to appeal a judgment, then we may, at our option, make such appeal at our cost and expense, and we shall be liable for any additional expenses, settlements or judgments to which this policy applies.

We will in no event be obligated to post or obtain any appeal bond, but we will pay for the cost of such a bond obtained by the insured on appeals we consent to, and taxable costs, disbursements and interest incidental thereto.

SECTION V – DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a.**
 - (1)** Radio;
 - (2)** Television;
 - (3)** Billboard;
 - (4)** Magazine;
 - (5)** Newspaper; or
- b.** Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a.** The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
 - b.** An interactive conversation between or among persons through a computer network.
- 2. "Advertising idea"** means any idea for an "advertisement".
- 3. "Aircraft"** includes but is not limited to heavier-than-air flying vehicles, helicopters, gliders, missiles or spacecraft.
- 4. "Aircraft products"** means "aircraft" and any other goods or products manufactured, sold, handled or

distributed or services provided or recommended by the insured or by others trading under his or her name for use in the manufacture, repair, operation, maintenance or use of any "aircraft".

"Aircraft products" includes:

- a.** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "aircraft products"; and
 - b.** The providing of or failure to provide warnings or instructions.
- 5. "Asbestos hazard"** means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.
- 6. "Auto"** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
- 7. "Bodily injury"** means physical:
- a.** Injury;
 - b.** Sickness; or
 - c.** Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

8. "Claim expenses" means:

- a.** All expenses incurred by or on behalf of you or any other insured with our written consent; and
- b.** All expense incurred by us on behalf of you or any other insured, if we assume control of the defense pursuant to paragraph **1.c** of the Insuring Agreement.

But "claim expenses" include only those expenses incurred in the investigation or defense of claims or "suits". The following are not "claim expenses":

- (1)** Claim fees paid to your or any other insured's claim servicing agency;
 - (2)** Any expenses associated with appeals made by you or any other insured without our consent for judgments or settlements, whether greater or lesser than the amount of the "self-insured retention";
 - (3)** Salaries of your "employees", any other insured's "employees", and our "employees", except the costs and expenses of our staff defense counsel and legal assistants; or
 - (4)** Damages.
- 9. "Coverage territory"** means:
- a.** The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in a. above;

(2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory or in a settlement we agree to.

10. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

11. "Employment-Related Practices" means:

a. Refusal to employ a person;

b. Termination of a person's employment; or

c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person.

12. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

13. "Grounding" means:

a. The withdrawal of one or more "aircraft" from flight operations; or

b. The imposition of speed, passenger or load restrictions on such "aircraft" by reason of the existence of or alleged or suspected existence of any defect, fault or condition in such "aircraft" or any part thereof:

(1) Sold, handled or distributed by the insured; or

(2) Manufactured, assembled or processed by any other person or organization:

(a) According to specifications, plans, suggestions, orders or drawings of the insured; or

(b) With tools, machinery or other equipment furnished to such persons or organizations by the insured;

Whether such "aircraft" so withdrawn or restricted are owned or operated by the same or different person or organizations.

14. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

15. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for any injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
- 16. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 17. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an "aircraft", watercraft or "auto";
 - b. While it is in or on an "aircraft", watercraft or "auto"; or
 - c. While it is being moved from an "aircraft", watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the "aircraft", watercraft or "auto".
- 18. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- 19. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 20. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;

- f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement"; or
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement".
- 21. "Policy period"** means the period beginning with the inception date shown in the Declarations and ending with the earlier of:
- a. The date of cancellation of this Coverage Part; or
 - b. The expiration date shown in the Declarations.
- 22. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 23. "Products-completed operations hazard":**
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.
- 24. "Property damage"** means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- As used in this definition, computerized or electronically stored data, programs or software are not tangible property. Electronic data means information, facts or programs:
- a. Stored as or on;
 - b. Created or used on; or
 - c. Transmitted to or from;
- computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 25. "Self-insured retention"** refers to the amount(s) set forth in the Declarations as such, and is defined below:
- a. As respects the All Coverages (including Products-Completed Operations) Aggregate Retention, "self-insured retention" means the amount you must pay as damages and "claim expenses" for all "personal and advertising injury" and all "occurrences" taking place during the "policy period";
 - b. Subject to a. above, as respects the Products-Completed Operations Aggregate Retention, "self-insured retention" means the amount you must pay as damages and "claim expenses" for all "occurrences" taking place during the "policy period" and arising out of the "products-completed operations hazard";
 - c. Subject to a. above, as respects the General Aggregate Retention, "self-insured retention" means the amount you must pay as damages and "claim expenses" for all "personal and

advertising injury" and all "occurrences" arising out of other than the "products-completed operations hazard"; and

- d. Subject to **b.** or **c.** above, whichever applies, as respects the Personal and Advertising Injury Retention, or the Each Occurrence Retention, "self-insured retention" means the amount you must pay as damages and "claim expenses" for "personal and advertising injury", or any one "occurrence", respectively, before we will pay anything.

You are responsible for payment of any sums in satisfaction of the "self-insured retention" regardless of whether you or any other insured is found legally liable for damages.

Your obligation to pay the "self-insured retention" shall apply fully and separately to each "policy period" shown in the Declarations and shall not be reduced by:

- a. The payment of any deductible amount, any participation of the insured or any amount retained by the insured under any other policy of insurance for any other applicable "policy period";
- b. Any payment made on your behalf by another, including any payment from any other applicable insurance;
- c. Any defense costs or damages to which this insurance does not apply; or
- d. Any amount we pay pursuant to **1.b.** of the Insuring Agreement, unless you reimburse us.

However, if the "policy period" is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the applicable "self-insured retention".

- 26. "Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

- 27. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- 28. "Volunteer worker"** means a person who

- a. Is not your "employee";
- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

- 29. "Your product":**

- a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

- 30. "Your work":**

- a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

1. BROAD FORM INSURED

A. Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
 - (a) That is a partnership or joint venture,
 - (b) That is an "insured" under any other policy,
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

B. Employees as Insureds

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

C. Lessors as Insureds

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
 - (1) The agreement requires you to provide direct primary insurance for the lessor and
 - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

D. Additional Insured if Required by Contract

- (1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:
 - f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS – OF SECTION IV – BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

E. Primary and Non-Contributory if Required by Contract

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life Insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions **4.c.** and **4.d.** do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

9. EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

11. TWO OR MORE DEDUCTIBLES

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

14. HIRED AUTO - COVERAGE TERRITORY

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

- e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

15. WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

- c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.
- b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.