

R * * 10/04/2023 * MAC E352103 05 00 Great American Insurance Company

579315

**TEXAS PERIOD TO FILE A CLAIM OR BRING LEGAL ACTION AGAINST
US NOTICE - WINDSTORM OR HAIL - CATASTROPHE AREA**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

In accordance with Texas Insurance Code Section 2301.010(f), we are notifying you that:

- 1.** With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, any claim must be filed with us not later than one year after the date of the loss or damage that is the subject of the claim, except that a claim may be filed after the first anniversary of the date of the loss or damage for good cause shown by the person filing the claim; and
- 2.** Any legal action brought against us under the policy for loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area, as defined by the Texas Insurance Code, must be brought within the earlier of the following:
 - a.** Two years and one day from the date we accept or reject the claim; or
 - b.** Three years and one day from the date of the loss or damage that is the subject of the claim.

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NOTICE TO TEXAS POLICYHOLDERS CONCERNING FLOOD INSURANCE

Flood Insurance: You may also need to consider the purchase of flood insurance. Your insurance policy does not include coverage for damage resulting from a flood even if hurricane winds and rain caused the flood to occur. Without separate flood insurance coverage, you may have uncovered losses caused by a flood. Please discuss the need to purchase separate flood insurance coverage with your insurance agent or insurance company, or visit www.floodsmart.gov.

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VIRUS OR BACTERIA EXCLUSION ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your Policy (including its endorsements). If there is any conflict between this Notice and the Policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your Policy, including the endorsements attached to your Policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

VIRUS OR BACTERIA EXCLUSION CM 86 86 06 20.

This Endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Inland Marine Insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Inland Marine Insurance, including (if any) property damage and business income coverages.

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**SELECT BUSINESS POLICY
CYBER INCIDENT EXCLUSION ENDORSEMENT
ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement which applies to your renewal policy being issued by us:

SB 83 07 Select Business Policy Cyber Incident Exclusion

When this endorsement is attached to your policy, it generally excludes loss or damage caused directly or indirectly to Covered Property resulting from a cyber incident; however, if a cyber incident as described in this exclusion results in fire or explosion, we will pay for the loss or damage to Covered Property caused by that fire or explosion subject to the applicable limits of insurance.

This exclusion also applies to the Business Electronic Systems and Telecommunication Forms if such endorsements are attached to your policy.

This exclusion does not apply to the extent that coverage is provided in the:

- Additional Coverage – Electronic Data; or
- Additional Coverage – Interruption Of Computer Operations.

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IL 70 01 (Ed. 10 07)

Policy No. MAC E352103 05 00
Renewal Of MAC E352103 04

POLICY COMMON DECLARATIONS

NAMED INSURED Northampton Municipal Utility
District
AND ADDRESS: 6363 Woodway, Suite 800
Houston, TX 77057

**IN RETURN FOR PAYMENT OF THE PREMIUM, AND
SUBJECT TO ALL TERMS OF THIS POLICY, WE
AGREE WITH YOU TO PROVIDE THE INSURANCE AS
STATED IN THIS POLICY.**

AGENT'S NAME AND ADDRESS:
McKee Risk Management, Inc.
610 Freedom Business Ctr Dr
Ste 300
King Of Prussia, PA 19406

Insurance is afforded by the Company named below, a Capital Stock Corporation:
Great American Insurance Company

POLICY PERIOD: From 10/01/2023 To 10/01/2024
12:01 A.M. Standard Time at the address of the Named Insured

This policy consists of the following Coverage Parts for which a premium is indicated. This premium may be subject to adjustment.

	Premium
Commercial Property	\$ 66,181.00
Commercial General Liability	
Commercial Crime and Fidelity	
Commercial Inland Marine	\$ 15,515.00
Commercial Equipment Breakdown	
Commercial Auto	
Commercial Umbrella	
Total	\$ 81,696.00

FORMS AND ENDORSEMENTS applicable to all
Coverage Parts and made part of this Policy at time of
issue are listed on the attached Forms and Endorsements
Schedule IL 88 01 (11/85).

POLICY ALTERNATE MAILING ADDRESS:

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IL 88 01 (Ed. 11 85)

FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition		Date Added * or Date Deleted	Form Description
1.	IL7001	10-07		BusinessPRO Policy Common Declarations
2.	IL0017	11-98		Common Policy Conditions
3.	IL0171	09-07		Texas Changes - Loss Payment
4.	IL0275	11-13		Texas Changes - Cancellation and Nonrenewal Provisions for Casualty Lines and Commercial Package Policies
5.	IL0288	12-19		Texas Changes - Cancellation And Nonrenewal
6.	IL0952	01-15		Cap On Losses From Certified Acts Of Terrorism
7.	IL7268	09-09		In Witness Clause
8.	IL7283	07-18		Texas - Loss Prevention Services
9.	IL7324	07-21		Global Sanction Endorsement
10.	IL7368	01-20		Disclosure Pursuant To Terrorism Risk Insurance Act
11.	IL7236	07-05		Nuclear, Biological or Chemical Exclusion

* If not at inception

COMMON POLICY CONDITIONS

All Coverage Parts included in this Policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

C. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

D. Inspections and Surveys

1. We have the right to:
 - a. make inspections and surveys at any time;
 - b. give you reports on the conditions we find; and
 - c. recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. are safe or healthful; or
 - b. comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

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E. Premiums

The first Named Insured shown in the Declarations:

1. is responsible for the payment of all premiums; and
2. will be the payee for any return premiums we pay.

F. Transfer of Your Rights and Duties Under this Policy

Your rights and duties under this Policy may not be transferred without our written con-

sent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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IL 02 75 (Ed. 11 13)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS CHANGES - CANCELLATION AND NONRENEWAL
PROVISIONS FOR CASUALTY LINES AND COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
FARM COVERAGE PART - FARM LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the **Cancellation Common Policy Condition is replaced by the following:**

2. We may cancel this Policy:

- a. By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.**

However, if this Policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the

effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.

- b. For the following reasons, if this Policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:**

- (1) If this Policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas**

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Insurance Code, we may not cancel this Policy solely because the policyholder is an elected official.

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

- (a) fraud in obtaining coverage;
- (b) failure to pay premiums when due;
- (c) an increase in hazard within the control of the Insured which would produce an increase in rate;
- (d) loss of our reinsurance covering all or part of the risk covered by the Policy; or
- (e) if we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

- c. For the following reasons, if this Policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001 or on one- and two-family dwellings:

- (1) If this Policy has been in effect for less than 90 days, we may cancel coverage for any reason.
- (2) If this Policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel coverage, only for the following reasons:
 - (a) if the first Named Insured does not pay the premium or any portion of the premium when due;

- (b) if the Texas Department of Insurance determines that continuation of this Policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;

- (c) if the Named Insured submits a fraudulent claim; or

- (d) if there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.

- B. The following condition is added and supercedes any provision to the contrary:

Nonrenewal

- 1. We may elect not to renew this Policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this Policy solely because the policyholder is an elected official.
- 2. This paragraph, 2., applies unless the Policy qualifies under paragraph 3. below.

If we elect not to renew this Policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of non-renewal, stating the reason for non-renewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this Policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's premium.

- 3. If this Policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then we will mail or deliver written notice of

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nonrenewal, at least 30 days before the expiration or anniversary date of the Policy, to:

- a. the first Named Insured; and
- b. each unit-owner to whom we issued a certificate or memorandum of insurance.

We will mail or deliver such notice to each last mailing address known to us.

- 4. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 5. The transfer of a policyholder between admitted companies within the same insurance group is not considered a refusal to renew.

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IL 01 71
(Ed. 09 07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES - LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Loss Payment

1. With respect to the **Crime and Fidelity Coverage Part** and **Equipment Breakdown Coverage Part**, the following conditions are added.
2. With respect to the **Commercial Inland Marine Coverage Part**, the following conditions replace item **E. Loss Payment** in the Commercial Inland Marine Loss Conditions:

a. Claims Handling

- (1) Within 15 days after we receive written notice of claim, we will:
 - (a) acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - (b) begin any investigation of the claim; and
 - (c) request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

- (2) We will notify you in writing as to whether:

- (a) the claim or part of the claim will be paid;
- (b) the claim or part of the claim has been denied, and inform you of the reasons for denial;
- (c) more information is necessary; or
- (d) we need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in (2)(a) through (2)(d) above, within:

- (i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

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If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

- b.** We will pay for covered loss or damage within 5 business days after:

(1) we have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or

(2) an appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **a.** and **b.** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

(1) declared a disaster under the Texas Disaster Act of 1975; or

(2) determined to be a catastrophe by the State Board of Insurance.

d. The term "business day," as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the State of Texas.

- B.** With respect to the Commercial Inland Marine Coverage Part the following is added:

We will not be liable for any part of a "loss" that has been paid or made good by others.

IL 02 88 (Ed. 12/19)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

- A.** Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7.** If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
 - 8.** If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
 - a.** Fraud in obtaining coverage;
 - b.** Failure to pay premiums when due;
 - c.** An increase in hazard within the control of the insured which would produce an increase in rate;
 - d.** Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - e.** If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- C.** The following condition is added:
- Nonrenewal**
- 1.** We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
 - 2.** If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, not later than the 60th day before the expiration date. If notice is mailed or delivered later than the 60th day before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's rate.

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IL 09 52 (Ed. 01/15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

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IL 72 68 (Ed. 09 09)

IN WITNESS CLAUSE

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.



PRESIDENT



SECRETARY

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IL 72 83 (Ed. 07/18)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS NOTICE - NOTIFICATION OF THE AVAILABILITY OF
LOSS CONTROL INFORMATION/SERVICES**

This endorsement modifies insurance provided by us:

Loss Prevention Services

Great American Insurance Group is committed to providing loss control/information services, at no charge, to its Texas commercial automobile liability, general liability, and professional liability policyholders in an effort to prevent and reduce potential claims and losses.

Loss Prevention consultation services are provided by Great American Insurance Companies to assist management of insured firms in fulfilling their responsibilities for the control of potential loss producing situations involving their premises and/or operations.

Great American does not warrant that all potential hazards and conditions have been identified or evaluated, or that they are safely controlled. The liability of Great American Insurance Company (and/its affiliates and subsidiaries) is limited to the terms, limits, and conditions of the insurance policies which it writes. Great American Insurance Company assumes no liability beyond that provided under the terms, limits, and conditions of the policies it has issued, when engaging in Loss Prevention consultation services.

Contact Information: Great American Insurance Group
Loss Prevention Department
GAIG.com/LP
Help Line: 1 800-221-7274

This endorsement does not change any other provision of the Policy.

IL 72 83 (Ed. 07/18)

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IL 73 24 (Ed. 07/21)

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

GLOBAL SANCTION ENDORSEMENT

Notwithstanding any other provision of this Policy, this insurance cannot provide coverage and the Insurer shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such coverage or benefit, or the payment of such claim, would violate, conflict with, or expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or any applicable economic or financial sanctions or other trade laws or regulations, including, but not limited to, of the United States of America, European Union, United Kingdom, or Canada.

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IL 73 68 (Ed. 01/20)

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Schedule - Part I

Terrorism Premium (Certified Acts) \$

This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies): MAC E352103 05 00

Additional information, if any, concerning the terrorism premium:

Schedule - Part II

Federal share of terrorism losses is 80%
(Refer to Paragraph B. in this endorsement.)

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap on Insurer Participation in Payment of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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IL 72 36
(Ed. 07 05)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL OR CHEMICAL EXCLUSION

This endorsement modifies insurance provided under the following:

AGRIPAK® FARM AND RANCH POLICY
AgriPro® AGRIBUSINESS® PROTECTION POLICY
BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL INLAND MARINE POLICY
COMMERCIAL PROPERTY COVERAGE PART
EQUINE CARE, CUSTODY AND CONTROL COVERAGE FORM
EQUINE CARE, CUSTODY OR CONTROL POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
SAFEPAK® POLICY
SELECT BUSINESS POLICY
SELECT BUSINESS POLICY COVERAGE FORM

The following exclusion is added:

A. Nuclear, Biological or Chemical Exclusion

Notwithstanding any other provision of this policy, we will not pay for any loss or damage caused, directly or indirectly, in whole or in part, by any of the following, regardless of any other cause(s) or event(s) that may contribute concurrently or in any other sequence to the loss or damage:

1. Any actual, attempted, suspected, or threatened use of any "NBC material" as part of any plan, effort, or design, actually or apparently intended to cause any:
 - a. loss or damage to any tangible or intangible property, or
 - b. "bodily injury" or emotional distress.
2. Any actual, attempted, suspected, or threatened presence, spread, dissemination, release, escape, or distribution of any "NBC material" as a direct or indirect result

of any actual, attempted, suspected, or threatened plan, effort, or design, actually or apparently intended to cause any:

- a. loss or damage to any tangible or intangible property, or
- b. "bodily injury" or emotional distress.

However, if a hostile fire results, directly or indirectly, from 1. or 2. above, we will not pay for any loss or damage from that fire, unless an applicable statute of the state whose law applies to this insurance requires us to do so. This is so, even if another exclusion in this Coverage Form, Coverage Part, or Policy also applies, and under that other exclusion we would pay for loss or damage from that fire.

However, if an applicable statute of the state whose law applies to this insurance requires us to pay for loss or damage from that fire, then we will do so, but only

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(a) to the extent necessary to satisfy the minimum mandatory requirements of that statute and

(b) subject to all applicable policy provisions including the Limit of Insurance on the affected property.

Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Coverage Forms or Endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

B. Definitions

The following definitions are added:

1. "NBC material"

"NBC material" means any nuclear, biological, or chemical material or substance

that causes damage to property or is harmful to human health. "NBC material" includes, but is not limited to:

- (1) any radioactive substance or material, and the radiation it releases,
- (2) any pathogen, bacterium, microbe, virus, or other organism,
- (3) any substance or material produced by or from any pathogen, bacterium, microbe, virus, or other organism, and
- (4) any poison, toxin, or other harmful chemical, substance, or material.
- (5) the foregoing list (1) through (4) is only illustrative, and should not be construed as a complete, exclusive, or exhaustive list of all "NBC materials."

2. "Bodily injury"

"Bodily injury" includes any physical injury, disease, or death of any person.

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SB 86 96 (Ed. 11/15)

Policy No. MAC E352103 05 00

SELECT BUSINESS POLICY PLUS DECLARATIONS

NAMED INSURED:

Northampton Municipal Utility
District

POLICY PERIOD:

10/01/2023 to 10/01/2024

TOTAL PROPERTY PREMIUM: \$ 66,181.00

DEDUCTIBLE AMOUNTS:

\$ 5,000 In transit

\$ 5,000 All other

NOT AT A DESCRIBED LOCATION:

Insurance is provided only for those coverages for which a Limit of Insurance has been inserted:

	Newly Acquired or Constructed Locations	At any other location	In transit, in or on any one conveyance unit
Building	\$ 500,000	\$ 50,000	NOT COVERED
Business Personal Property	\$ 250,000	\$ 50,000	\$ 5,000
Business Income	\$ 100,000	\$ 20,000	NOT COVERED
Extra Expense	\$ 10,000	\$ 10,000	NOT COVERED

DESCRIBED LOCATION(S):

At the locations specified below, insurance is provided for those coverages for which a Limit of Insurance has been inserted:

Location: Building: Address:
See SB8118

BUILDING:	Limit \$	Valuation
BUSINESS PERSONAL PROPERTY:	Limit \$	Valuation
BUSINESS INCOME INCLUDING EXTRA EXPENSE:	Limit \$	
MORTGAGEHOLDER:		

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SUPPLEMENTARY DECLARATIONS

- A.** The Limits of Insurance shown below are provided for the Coverages listed and apply separately at each of your locations. If you purchase additional limits for any of these coverages at a specific location, the Limits of Insurance shown at that location will reflect your total limits, including the Limits of Insurance shown below. If there is no separate deductible indicated, the Property Deductible will apply.

\$	25,000	Accounts Receivable
\$	5,000	Brands and Labels Expense
\$	5,000	Claims Data Preparation Expense
\$	2,500	Consequential Loss
\$	50,000	Debris Removal
		Electronic Data Processing
\$	25,000	Equipment
\$	25,000	Data, Programs, Media
\$	5,000	Extra Expense
\$	25,000	Extra Expense
\$	25,000	Fine Arts
\$	5,000	Fire Department Services Charge
\$	2,500	Fire Protection Device Recharge
	Included	Ordinance or Law - Coverage A
\$	100,000	Ordinance or Law - Coverage B
\$	100,000	Ordinance or Law - Coverage C
\$	5,000	Personal Effects
\$	100,000	Pollutant Clean Up and Removal
\$	5,000	Reward Payment
\$	10,000	Valuable Papers

- B.** When Business Income Coverage is included in the Declarations, the following Limits of Insurance below are provided for the Coverages listed and apply separately at each of your locations:

	4 Weeks	Civil Authority
\$	100,000	Dependent Property Business Income
	90 Days	Extended Business Income
	Included	Ordinance or Law - Increased Period of Restoration
\$	100,000	Unfinished Stock in Transit

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- C. When Business Income Coverage is included in the Declarations, the following coverage is provided. The Limit of Insurance is the most we will pay in any one occurrence for loss arising out of a Covered Cause of Loss, regardless of the number of locations covered under this Policy. Payment under this coverage does not increase the applicable Limit of Insurance shown in the Declarations.

\$ 10,000 Utility Services (including Overhead Power Transmission Lines)

FORMS AND ENDORSEMENTS applicable to this Coverage Part and made a part of this Policy at the time of issue are listed on the attached Forms and Endorsements Schedule, SB 88 01.

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SB 81 18 (Ed. 05/16)

**SELECT BUSINESS POLICY
SCHEDULE OF ADDITIONAL PROPERTY LOCATIONS**

Described Locations: At the locations specified below, insurance is provided only for those coverages for which a Limit of Insurance has been inserted.

Schedule of Locations

Loc No.	Bldg. No.	Address	C	V	Coin/BI Opt	Limit of Insurance
		1 Blanket per schedule	BPP/BLDG	RC	NONE	\$ 43,165,400
		2 Blanket per schedule	BI&EE		NONE EPI 90	\$ 250,000
		Utility Services - Direct Damage - Limit of Insurance - \$100,000 is the most we will pay in any one occurrence for loss arising out of a Covered Cause of Loss for all locations covered under this Policy.				

For additional locations, if any, see the Select Business Policy Schedule of Additional Property Locations attached to this Coverage Part.

All other terms and conditions of this Policy remain unchanged.

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SB 81 41 (Ed. 10 10)

SELECT BUSINESS POLICY BLANKET SCHEDULE OF LOCATIONS AND COVERAGES

Described Premises: At the locations specified below, insurance is provided only for those locations and coverages listed below.

Schedule of Locations				
Loc.	Bldg. No.	Address	C	Included in Blanket No.
1	1	29235 Gosling Road, Spring, TX 77389 Fence/Wastewater treatment plant No. 1	BLDG/BPP	1
			BI&EE	2
2	1	24300 1/2 Dovershire, Spring, TX 77389 Fence/Wastewater treatment plant No. 2	BLDG/BPP	1
			BI&EE	2
3	1	6010 Root Road, Spring, TX 77389 Fence/Water Plant No. 1	BLDG/BPP	1
			BI&EE	2
4	1	21400 Northcrest Drive, Spring, TX 77389 Fence/Water Plant No.2	BLDG/BPP	1
			BI&EE	2
5	1	24780 Gosling Road, Spring, TX 77389 Fence/Water Plant No. 3	BLDG/BPP	1
			BI&EE	2
6	1	5722 Root Road, Spring, TX 77389 Fence/Lift Station No. 1	BLDG/BPP	1
			BI&EE	2
7	1	24603 W. Kinscrest Court, Spring, TX 77389 Fence/Lift Station No. 2	BLDG/BPP	1
			BI&EE	2
8	1	24210 Bridgeway, Spring, TX 77389 Fence/Lift Station No. 3	BLDG/BPP	1
			BI&EE	2

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Loc.	Bldg. No.	Address	C	Included in Blanket No.
9	1	25009 Northcrest Drive, Spring, TX 77389 Fence/Lift Station No. 4	BLDG/BPP	1
			BI&EE	2
10	1	24100 1/2 Rosedale Oaks Drive, Spring, TX 77389 Fence/Lift Station No. 5	BLDG/BPP	1
			BI&EE	2
11	1	23950 1/2 Gosling Road, Spring, TX 77389 Fence/Lift Station No. 6	BLDG/BPP	1
			BI&EE	2
12	1	23008 Northcrest Drive, Spring, TX 77389 Tennis Pro Shop/Office Bldg	BLDG	1
			BI&EE	2
13	1	23010 Northcrest Drive, Spring, TX 77389 Northcrest Activity Building	BLDG/BPP	1
			BI&EE	2
	2	23010 Northcrest Drive, Spring, TX 77389 Tennis Courts	BLDG	1
			BI&EE	2
	3	23010 Northcrest Drive, Spring, TX 77389 Tennis Pavilion	BLDG	1
			BI&EE	2
	4	23010 Northcrest Drive, Spring, TX 77389 Tennis Gazebo	BLDG	1
			BI&EE	2
	5	23010 Northcrest Drive, Spring, TX 77389 Tennis Court Restrooms/Storage	BLDG	1
			BI&EE	2
	6	23010 Northcrest Drive, Spring, TX 77389 Northcrest Pavilion (Wooden)	BLDG	1
			BI&EE	2
	7	23010 Northcrest Drive, Spring, TX 77389 Northcrest Pavilion (Metal)	BLDG	1
			BI&EE	2

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Loc.	Bldg. No.	Address	C	Included in Blanket No.
	8	23010 Northcrest Drive, Spring, TX 77389 Northcrest Restrooms	BLDG	1
			BI&EE	2
	9	23010 Northcrest Drive, Spring, TX 77389 Swimming Pool/Splashpad	BLDG	1
			BI&EE	2
	10	23010 Northcrest Drive, Spring, TX 77389 Flood Lights	BLDG	1
			BI&EE	2
	11	23010 Northcrest Drive, Spring, TX 77389 Pool Pavilion	BLDG	1
			BI&EE	2
	12	23010 Northcrest Drive, Spring, TX 77389 Pool Gazebo/Summer Kitchen	BLDG	1
			BI&EE	2
	13	23010 Northcrest Drive, Spring, TX 77389 Pool Garage	BLDG/BPP	1
			BI&EE	2
	14	23010 Northcrest Drive, Spring, TX 77389 Pool Boiler	BLDG	1
			BI&EE	2
	15	23010 Northcrest Drive, Spring, TX 77389 Park Gazebo	BLDG	1
			BI&EE	2
	16	23010 Northcrest Drive, Spring, TX 77389 Playground/Equipment	BLDG	1
			BI&EE	2
	17	23010 Northcrest Drive, Spring, TX 77389 Fences	BLDG	1
			BI&EE	2
	18	23010 Northcrest Drive, Spring, TX 77389 Outside Improvements	BLDG	1
			BI&EE	2
14	1	6000-6002 Inway, Spring, TX 77389 Weight Room/Garage	BLDG/BPP	1
			BI&EE	2

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Loc.	Bldg. No.	Address	C	Included in Blanket No.
	2	6000-6002 Inway, Spring, TX 77389 Swimming Pool	BLDG	1
			BI&EE	2
	3	6000-6002 Inway, Spring, TX 77389 Flood Lights	BLDG	1
			BI&EE	2
	4	6000-6002 Inway, Spring, TX 77389 Fences	BLDG	1
			BI&EE	2
	5	6000-6002 Inway, Spring, TX 77389 Outside Improvements	BLDG	1
			BI&EE	2
	6	6000-6002 Inway, Spring, TX 77389 Weight Room Restrooms	BLDG	1
			BI&EE	2
	7	6000-6002 Inway, Spring, TX 77389 Pavilion	BLDG	1
			BI&EE	2
	8	6000-6002 Inway, Spring, TX 77389 Pavilion Restrooms	BLDG	1
			BI&EE	2
	9	6000-6002 Inway, Spring, TX 77389 Parking Lot Light Fixtures	BLDG	1
			BI&EE	2
	10	6000-6002 Inway, Spring, TX 77389 Summer Kitchen	BLDG	1
			BI&EE	2
	11	6000-6002 Inway, Spring, TX 77389 Playgrounds	BLDG	1
			BI&EE	2
	12	6000-6002 Inway, Spring, TX 77389 Pool Shade Cover	BLDG	1
			BI&EE	2
	13	6000-6002 Inway, Spring, TX 77389 Pool Boiler	BLDG	1
			BI&EE	2

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Loc.	Bldg. No.	Address	C	Included in Blanket No.
15	1	6012 Root Road, Spring, TX 77389 Office Building	BLDG/BPP	1
			BI&EE	2
	2	6012 Root Road, Spring, TX 77389 Garage	BLDG/BPP	1
			BI&EE	2
	3	6012 Root Road, Spring, TX 77389 Pond Pavilion No. 2	BLDG	1
			BI&EE	2
	4	6012 Root Road, Spring, TX 77389 NH Community Center/Recreational Bldg	BLDG/BPP	1
			BI&EE	2
	5	6012 Root Road, Spring, TX 77389 Outside Improvements	BLDG	1
			BI&EE	2
	6	6012 Root Road, Spring, TX 77389 Pump Station	BLDG	1
			BI&EE	2
	7	6012 Root Road, Spring, TX 77389 Pond Pavilion No. 1	BLDG	1
			BI&EE	2
	8	6012 Root Road, Spring, TX 77389 Covered Bridge	BLDG	1
			BI&EE	2
	9	6012 Root Road, Spring, TX 77389 Bridge	BLDG	1
			BI&EE	2
	10	6012 Root Road, Spring, TX 77389 Fences	BLDG	1
			BI&EE	2
	11	6012 Root Road, Spring, TX 77389 Parking Lot Light Fixtures	BLDG	1
			BI&EE	2
16	1	22925 1/2 Northcrest Drive, Spring, TX 77389 West Park Restrooms	BLDG	1
			BI&EE	2

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Loc.	Bldg. No.	Address	C	Included in Blanket No.
	2	22925 1/2 Northcrest Drive, Spring, TX 77389 Covered Pavilion	BLDG	1
			BI&EE	2
	3	22925 1/2 Northcrest Drive, Spring, TX 77389 Canoe Ramp	BLDG	1
			BI&EE	2
	4	22925 1/2 Northcrest Drive, Spring, TX 77389 Fishing Pier	BLDG	1
			BI&EE	2
	5	22925 1/2 Northcrest Drive, Spring, TX 77389 Flood Lights	BLDG	1
			BI&EE	2
	6	22925 1/2 Northcrest Drive, Spring, TX 77389 Fences	BLDG	1
			BI&EE	2
	7	22925 1/2 Northcrest Drive, Spring, TX 77389 Outside Improvements	BLDG	1
			BI&EE	2
18	1	24506 Creekview Drive, Spring, TX 77389 Fence/Lift Station No. 7	BLDG/BPP	1
			BI&EE	2

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SB 81 39 (Ed. 02/16)

**SELECT BUSINESS POLICY
DECLARATIONS PAGE AND LOCATION SCHEDULE ABBREVIATIONS KEY**

<u>C</u>	Coverage Type	<u>BI OPTS</u>	Business Income Coverage Options
<u>V</u>	Valuation	<u>LIMIT</u>	Limit of Insurance
<u>COIN</u>	Coinsurance	<u>INCL BLNKT</u>	Include in Blanket
<u>C - COVERAGE TYPES</u>		<u>BI OPTS - BUSINESS INCOME COVERAGE OPTIONS</u>	
BLDG	Building	ALS 12	Actual Loss Sustained Up To 12 Months
BPP	Business Personal Property	ALS	Actual Loss Sustained
STK	Stock	AV	Agreed Value
PPO	Personal Property of Others	MPI	Maximum Period of Indemnity
BI & EE	Business Income with Extra Expense	ML 1/3	Monthly Limit of Indemnity 1/3
BI	Business Income without Extra Expense	ML 1/4	Monthly Limit of Indemnity 1/4
EE	Extra Expense Only	ML 1/6	Monthly Limit of Indemnity 1/6
<u>V - VALUATION</u>		50	50% Coinsurance
RC	Replacement Cost	60	60% Coinsurance
ACV	Actual Cash Value	70	70% Coinsurance
FRC	Functional Replacement Cost	80	80% Coinsurance
<u>C - COINSURANCE</u>		90	90% Coinsurance
80	80% Coinsurance	100	100% Coinsurance
90	90% Coinsurance	125	125% Coinsurance
100	100% Coinsurance	EPI 90	90 Day Extended Period of Indemnity
AV	Agreed Value	EPI 120	120 Day Extended Period of Indemnity
NONE	No Coinsurance	EPI 150	150 Day Extended Period of Indemnity
		EPI 180	180 Day Extended Period of Indemnity
		EPI 270	270 Day Extended Period of Indemnity
		EPI 365	365 Day Extended Period of Indemnity
		EPI 450	450 Day Extended Period of Indemnity
		EPI 540	540 Day Extended Period of Indemnity
		EPI 630	630 Day Extended Period of Indemnity
		EPI 720	720 Day Extended Period of Indemnity
		100/100/100	Extra Expense Only Monthly Percent 100/100/100
		40/80/100	Extra Expense Only Monthly Percent 40/80/100
		35/70/100	Extra Expense Only Montly Percent 35/70/100

All other policy terms and conditions remain unchanged.

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SB 88 01 (Ed. 01 88)

SELECT BUSINESS POLICY FORMS AND ENDORSEMENTS EXTENSION SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

	Form and Edition		Date Added * or Date Deleted	Form Description
1.	SB8696	11-15		Select Business Policy Plus
2.	SB8118	05-16		Select Business Policy Schedule of Additional Property Locations
3.	SB8141	10-10		Select Business Policy Blanket Schedule of Locations
4.	SB8139	02-16		Select Business Policy Declarations Page And Location Schedule Abbreviations Key
5.	SB8601	02-15		Select Business Policy Conditions
6.	SB8307	08-22		Select Business Policy Cyber Incident Exclusion
7.	SB8602	02-15		Select Business Policy Building and Personal Property Coverage Form
8.	SB8605	02-15		Select Business Policy Business Income and Extra Expense Coverage Form
9.	SB8607	02-15		Select Business Policy Extra Expense Coverage Form
10.	SB8114	11-15		Select Business Policy - Business Income Changes - Time Period
11.	SB8170	07-12		Errors And Omissions Endorsement
12.	CP1272	12-98		Texas Changes - Joint or Disputed Loss Agreement
13.	SB8172	06-13		Select Business Policy - Exclusion Of Loss Due To Virus Or Bacteria
14.	SB8207	02-16		Select Business Policy Windstorm Or Hail Percentage Deductible
15.	SB8246	08-15		Water Under The Ground
16.	SB8248	11-15		Select Business Policy Plus
17.	SB8249	02-16		Select Business Policy Business Income Optional Coverages
18.	SB8275	04-18		Select Business Policy- Marijuana Exclusion
19.	SB8287	07-18		Municipal Utility District (Mud) Extension Endorsement
20.	SB8288	07-18		Limitations On Coverage For Covered Property - Cosmetic Damage
21.	SB8292	12-19		Texas - Select Business Policy Appraisal Endorsement
22.	SB8657	02-15		Texas Amendatory Endorsement

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Form and Edition		Date Added * or Date Deleted	Form Description
23.	SB8712 07-02		Select Business Policy Accounts Receivable Extension
24.	SB8220 01-14		CHANGES-FUNGUS-WET/DRY ROT-BACTERIA

* If not at inception

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SB 86 01 (Ed. 02 15)

SELECT BUSINESS POLICY CONDITIONS

This Coverage Part is subject to the following conditions:

General Conditions

A. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, misrepresent or intentionally conceal a material fact concerning:

1. this Coverage Part;
2. the Covered Property;
3. your interest in the Covered Property; or
4. a claim under this Coverage Part.

B. Control of a Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Insurance Under Two or More Coverages

If two or more of this Policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. there has been full compliance with all of the terms of this Coverage Part; and

2. the action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance or more than the actual amount of loss or damage.

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H. Policy Period, Coverage Territory

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. during the policy period shown in the Declarations; and
 - b. within the Coverage Territory.
2. The Coverage Territory is:
 - a. the United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at the time of loss, that party is one of the following:
 - a. someone insured by this insurance;
 - b. a business firm:
 - (1) owned or controlled by you; or
 - (2) that owns or controls you; or
 - c. your tenant.

This will not restrict your insurance.

J. Mortgageholders

1. The term "mortgageholder" includes trustee.

2. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. pays any premium due under this Coverage Part if you have failed to do so;
 - b. submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - c. has notified us if any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

5. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - a. the mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. the mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

6. If we cancel this Policy, we will give written notice to the mortgageholder at least:

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a. 10 days before the effective date of cancellation if we cancel for your nonpayment or premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

7. If we elect not to renew this Policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this Policy.

Loss Conditions

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property, the amount of Net Income and operating expense, or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of Net Income and operating expense, or the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. pay its chosen appraiser; and
2. bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

Neither the appraisers nor the umpire shall attempt to resolve any issue of insurance coverage, policy exclusions, compliance with the Policy terms and conditions, or any issues concerning the Limits of Insurance available under the Policy.

C. Duties in the Event of Loss or Damage

1. You must see that the following are done in the event of loss or damage to Covered Property:

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the loss or damage. Include a description of the property involved.

c. As soon as possible, give us a description of how, when, and where the loss or damage occurred.

d. Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss, and keep a record of your expenses necessary to protect the Covered Property from such a loss, for consideration in the settlement of the claim. However, we will not pay for any subsequent loss or damage resulting from a Cause of Loss that is not a Covered Cause of Loss. Also, if feasible, set damaged property aside and in the best possible order, for examination.

e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

h. Cooperate with us in the investigation or settlement of the claim.

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- i. If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
2. We may examine any insured under oath while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

D. Loss Payment

1. In the event of direct physical loss or damage covered by this Coverage Part, at our option, we will either:
 - a. pay the value of lost or damaged property;
 - b. pay the cost of repairing or replacing the lost or damaged property, subject to 2. below;
 - c. take all or any part of the property at an agreed or appraised value; or
 - d. repair, rebuild or replace the property with other property of like kind and quality subject to 2. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the **Valuation Condition** in this Coverage Part or any applicable provision which amends or supersedes the **Valuation Condition**.
2. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
3. The amount of Business Income loss will be determined based on:
 - a. the Net Income of the business before the direct physical loss or damage occurred;
 - b. the likely Net Income of the business if no physical loss or damage occurred but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - c. the operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - d. other relevant sources of information, including:
 - (1) your financial records and accounting procedures;
 - (2) bills, invoices and other vouchers; and
 - (3) deeds, liens, or contracts.
4. The amount of Extra Expense will be determined based on:
 - a. All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (1) the salvage value that remains of any property bought for temporary use during the "period of restoration," once "operations" are resumed; and
 - (2) any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b. Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

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5. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
6. We will not pay you more than your financial interest in the Covered Property.
7. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
8. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
9. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - a. we have reached agreement with you on the amount of loss; or
 - b. an appraisal award has been made.
10. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Co-insurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer of Rights of Recovery against Others to Us Condition in this Policy.

E. Recovered Property

1. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.
2. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may, at your own expense:
 - a. stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - b. remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

F. Resumption of Operations

1. We will reduce the amount of your:
 - a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations," in whole or in part by using damaged or undamaged property (including merchandise or stock) at the described location or elsewhere.
 - b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
2. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay losses based on the length of time it would have taken to resume operations as quickly as possible.

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G. Vacancy

1. Description of Terms

- a. As used in the **Vacancy** Condition, the term building and the term vacant have the meaning set forth in (1) and (2) below:

(1) When this Policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means that unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(2) When this Policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (a) rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (b) used by the building owner to conduct customary operations.

- b. Buildings under construction or renovation are not considered vacant.

2. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) vandalism;
- (2) sprinkler leakage, unless you have protected the system against freezing;
- (3) building glass breakage;

(4) water damage;

(5) theft; or

(6) attempted theft.

- b. With respect to Covered Causes of Loss other than those listed in 2.(a)(1) through 2.(a)(6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

H. Valuation

1. If actual cash value is indicated in the Declarations as the method of valuation we will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage except as provided in b. through g. below.

- b. If the Limit of Insurance for Building satisfies the Additional Condition, Co-insurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement. The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value, even when attached to the building:

(1) awnings or floor coverings;

(2) appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or

(3) outdoor equipment or furniture.

- b. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

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- c. "Finished stock" you have manufactured at the selling price, as if no loss or damage occurred, less discounts and expenses you otherwise would have had.
 - d. Glass at the cost of replacement with safety glazing material if required by law.
 - e. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the loss or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration date of the renewal option period will replace the expiration of the lease in this procedure.

 - (3) Nothing if others pay for repairs or replacement.
 - f. Exhibitions and displays at your cost.
 - g. Patterns, molds, models, and dies at replacement cost if actually replaced. Otherwise at actual cash value.
2. If replacement cost is indicated in the Declarations as the method of valuation we will determine the value of Covered Property in the event of loss or damage as follows:
- a. At replacement cost (without deduction for depreciation) as of the time of loss or damage except as provided in b. through i. below:
 - b. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
 - c. "Finished stock" you have manufactured at the selling price, as if no loss or damage occurred, less discounts and expenses you otherwise would have had.
 - d. Glass at the cost of replacement with safety glazing material if required by law.
 - e. Tenant's Improvements and Betterments at:
 - (1) Replacement cost of the loss or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease;
 - (c) if your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (3) Nothing if others pay for repairs or replacement.
- f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

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- (1) blank materials for reproducing the records; and
 - (2) labor to transcribe or copy the records when there is a duplicate.
- g. Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac at actual cash value.
- h. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage that replacement cost coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- i. We will not pay on a replacement cost basis for any loss or damage:
 - (1) until the lost or damaged property is actually repaired or replaced; and
 - (2) unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- j. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3) subject to k. below:
 - (1) the Limit of Insurance applicable to the lost or damaged property;
 - (2) the cost to replace, the lost or damaged property with other property:
 - (a) of comparable material and quality; and
 - (b) used for the same purpose; or
 - (3) the amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new location, the cost described in (2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original location.

- k. The cost of repair or replacement does not include any increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

- l. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

Tenants' Improvements and Betterments are not considered to be the personal property of others.

I. Limitation - Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- 1. 60 consecutive days from the date of direct physical loss or damage; or
- 2. the period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described location due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- a. electronic data processing recording or storage media such as films, tapes, discs, drums or cells;
- b. data stored on such media; or

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- c. programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

J. Definitions

- 1. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

- 2. **"Finished stock"** means stock you have manufactured.

Finished stock also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations. Finished stock does not include stock you have manufactured that is held for sale on the location of any retail outlet insured under this Coverage Part.

- 3. **"Operations"** means:

- a. your business activities occurring at the described location; and
- b. the tenantability of the described location, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

- 4. **"Rental Value"** means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the location described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described location which is occupied by you; and

- b. continuing normal operating expenses incurred in connection with that location, including:

- (1) payroll; and

- (2) the amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

5. "Period of Restoration"

Period of Restoration means the period of time that:

- a. begins immediately after the time of direct physical loss or damage for Business Income or Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described location; and

- b. ends on the earlier of:

- (1) the date when the property at the described location should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2) the date when business is resumed at a new permanent location.

Period of restoration does not include any increased period required due to the enforcement of any ordinance or law that:

- a. regulates the construction, use or repair, or requires the tearing down of any property; or
- b. requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

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

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SB 83 07 (Ed. 08/22)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SELECT BUSINESS POLICY
CYBER INCIDENT EXCLUSION**

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM ACTUAL
LOSS SUSTAINED UP TO 12 MONTHS
BUSINESS ELECTRONIC SYSTEMS AND TELECOMMUNICATIONS FORMS

A. The following exclusion is added to Section C. Exclusions of the Select Business Policy Building and Personal Property Coverage Form:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code (including malware and ransomware) that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. The following exclusion is added to Section B. Exclusions of the Business Electronic Systems and Telecommunications Forms:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code (including malware and ransomware) that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

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C. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** or **B.1.** through **B.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a) **Select Business Policy Building and Personal Property Coverage Form Section E. Additional Coverages 8. Electronic Data c. (3)**
- b) **Select Business Policy Business Income And Extra Expense Coverage Form Section E. Additional Coverages 4. Interruption of Computer Operations c. (3)**
- c) **Select Business Policy Extra Expense Coverage Form Section E. Additional Coverages 3. Interruption of Computer Operations c. (3)**
- d) **Select Business Policy Business Income Without Extra Expense Coverage Form Section E. Additional Coverages 5. Interruption of Computer Operations c. (3)**
- e) **Select Business Policy Business Income And Extra Expense Coverage Form Actual Loss Sustained Up To 12 Months Section E. Additional Coverages 4. Interruption of Computer Operations c. (3)**

3. Cyber Enhancement Endorsements

The exclusion in Paragraph **A.** or **B.** does not apply to the **Select Business Policy Cyber Enhancement Endorsement** or the **Select Business Policy Cyber Enhancement Endorsement Business Income and Extra Expense Coverage Form Actual Loss Sustained Up to 12 Months** when attached to your policy.

D. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the **Select Business Policy Building and Personal Property Coverage Form** or **Business Electronic Systems and Telecommunications Forms** and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A** or **B.**

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SB 86 02 (Ed. 02 15)

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section J. - **Definitions**.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property shown in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section A.1., and limited in A.2., **Property Not Covered**, if a Limit of Insurance is shown in the Declarations for that type of property.

a. **Building**, meaning the building or structure described in the Declarations, including:

- (1) completed additions;
- (2) fixtures, including outdoor fixtures and signs;
- (3) signs, whether attached to building or not
- (4) permanently installed:
 - (a) machinery;
 - (b) equipment; and
- (5) personal property owned by you that is used to maintain or service the building or structure or its location, including but not limited to:

- (a) fire extinguishing equipment;
- (b) outdoor furniture;
- (c) floor coverings; and
- (d) appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) if not covered by other insurance:

- (a) additions under construction, alterations and repairs to the building or structure;
- (b) materials, equipment, supplies and temporary structures, on or within 1000 feet of the described location, used for making additions, alterations or repairs to the building or structure.

b. **Your Business Personal Property** as shown in the Declarations consisting of the following:

- (1) furniture and fixtures;
- (2) machinery and equipment;
- (3) "stock";
- (4) all other personal property owned by you and used in your business;

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- (5) labor, materials or services furnished or arranged by you on personal property of others;
 - (6) your use interest as tenant in Improvements and Betterments. Improvements and Betterments are fixtures, alterations, installations or additions:
 - (a) made a part of the building or structure you occupy but do not own; and
 - (b) you acquired or made at your expense but cannot legally remove;
 - (7) leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others;
 - (8) signs, including signs attached to building, provided there is no coverage for the sign under the Building Covered Property.
 - c. **Personal Property of Others** that is in your care, custody or control as shown in the Declarations.

However, our payment for loss of, or damage to Personal Property of Others will only be for the account of the owner of the property.
- e. contraband, or property in the course of illegal transportation or trade;
 - f. the cost of excavations, grading, backfilling or filling;
 - g. foundations of buildings, structures, or boilers if their foundations are below:
 - (1) the lowest basement floor; or
 - (2) the surface of the ground, if there is no basement;
 - h. land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
 - i. personal property while airborne or waterborne (other than while on regular ferries or railroad car floats);
 - j. bulkheads, pilings, piers, wharves or docks;
 - k. property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
 - l. retaining walls that are not part of a building;
 - m. underground pipes, flues or drains;
 - n. electronic data except as provided under **Additional Coverages - Electronic Data**. **Electronic Data** means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or

2. Property Not Covered

Covered Property does not include:

- a. accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes, or securities. Lottery tickets held for sale are not securities;
- b. animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. automobiles held for sale;
- d. bridges, roadways, walks, patios or other paved surfaces;

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device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph n. does not apply to your "stock" of prepackaged software or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;

- o. the cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawing and card index systems. Refer to the Coverage Extension for Valuable Papers and Records (Other than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;

- p. vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) are licensed for use on public roads; or
- (2) are operated principally away from the described location.

This paragraph does not apply to:

- (a) vehicles or self-propelled machines, other than autos, you manufacture, process or warehouse;
- (b) vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) rowboats or canoes out of water at the described location; or
- (d) trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

- q. the following property while outside of buildings:

- (1) grain, hay, straw or other crops;
- (2) trees, shrubs or plants, (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

- r. property of others for which you have responsibility as a carrier for hire or as a broker, carloader, consolidator, freight forwarder, shipping association or similar arranger of transportation operation.

B. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss unless loss is:

- 1. excluded in Section C. **Exclusions**; or
- 2. limited in Section D. **Limitations**;

that follow.

C. Exclusions

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

a. Ordinance or Law

The enforcement of or compliance with any ordinance or law:

- (1) regulating construction; use or repair of any property; or
- (2) requiring the tearing down of any property including the cost of removing its' debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) an ordinance or law that is enforced even if the property has not been damaged; or

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- (2) the increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a direct physical loss to that property.

(a) airborne volcanic blast or airborne shockwaves;

(b) ash, dust or particulate matter; or

(c) lava flow.

b. Earth Movement

- (1) earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) landslide, including any earth sinking, rising or shifting related to such event;
- (3) mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But, if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for that resulting loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in paragraphs **(1)** through **(5)**, is caused by an act of nature, man-made or is otherwise caused.

This exclusion does not apply to Covered Personal Property in due course of transit.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation or radioactive contamination results in fire we will pay for that loss or damage caused by the fire.

e. Utility Services

The failure of power or other utility service supplied to the described location however caused, if the failure:

- (1) originates away from the described location; or
- (2) originates at the described location, but only if such failure involves equipment used to supply the utility service to the described location from a source away from the described location.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power or the failure of communication, water or other utility services results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to internet access or access to any electronic, cellular or satellite network.

f. War and Military Action

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

g. Water

- (1) Flood, surface water, waves, (including tidal wave and tsunami) tides, tidal water, overflow of any body of water, or spray, by any of these all whether driven by wind or not.

- (2) Mudslide or mudflow.

- (3) Water under the ground surface pressing on, or flowing or seeping through:

- (a) foundations, walls, floors or paved surfaces;

- (b) basements, whether paved or not; or

- (c) doors, windows or other openings; or

- (4) Waterborne material carried or otherwise moved by any of the water referred to in paragraph (1) or (3), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in paragraphs (1) through (4), is caused by an act of nature, man-made or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water, as described in paragraphs g.(1) through g.(4) above results in fire, explosion, theft or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion, theft or sprinkler leakage.

This exclusion does not apply to Covered Personal Property in due course of transit.

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h. "Fungus," Wet Rot, Dry Rot and Bacteria

Presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria.

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

This exclusion does not apply:

- (1) when "fungus," wet or dry rot or bacteria results from fire or lightning; or
- (2) to the extent that coverage is provided in the Additional Coverage - Limited Coverage for Fungus, Wet Rot, Dry Rot and Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **C.1.a.** through **C.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy (including electric arcing) that damages, disturbs, disrupts or otherwise interferes with any:

- (1) electrical or electronic wire, device, appliance, system or network; or
- (2) device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) electrical current, including arcing;

(b) electrical charge produced or conducted by a magnetic or electromagnetic field;

(c) pulse of electromagnetic energy; or

(d) electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

b. Delay, loss of use or loss of market.

c. Smoke, vapor or gas from agricultural smudging or industrial operations.

d. (1) wear and tear;

(2) rust, or other corrosion, decay, deterioration, spoilage, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(3) smog;

(4) settling, cracking, shrinking or expansion;

(5) disease, infestation or damage by insects, birds, rodents or other animals;

(6) mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;

(7) changes:

(i) in humidity

(ii) of temperature

all whether atmospheric or not;

(8) marring or scratching.

But if an excluded cause of loss that is listed in **2.d (1) through (8)** results in a "specified cause of loss" or building glass breakage, we will pay for the

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loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for the loss or damage caused by or resulting from the explosion of gases or fuel within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) you do your best to maintain heat in the building or structure; or
 - (2) you drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees, authorized representatives, whether acting alone or in collusion with each other or any other party; or theft by any person to whom you entrust the property for any purpose whether acting alone or in collusion with each other or any other party.

This exclusion:

- (1) applies whether or not an act occurs during your normal hours of operation.

- (2) does not apply to acts of destruction by your employees (including temporary employees and leased employees workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:

- (1) an abrupt falling down or caving in;
- (2) loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described location, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) to the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b) to collapse caused by one or more of the following:
 - (i) the "specified causes of loss";
 - (ii) breakage of building glass;
 - (iii) weight of rain that collects on a roof; or

(iv) weight of people or personal property.

of part or all of any property on or off the described location.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss," we will pay for the loss or damage caused by that "specified cause of loss."

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following 3.a. through 3.c. But if an excluded Cause of Loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

(1) planning, zoning, development, surveying, siting;

(2) design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) materials used in repair, construction, renovation or remodeling; or

(4) maintenance;

4. Additional Exclusion

The following provisions apply only to the specified property:

Loss or Damage to Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

D. Limitations

1. We will pay for direct physical loss or damage to Covered Personal Property which is in due course of transit at your risk if the Covered Personal Property is:

a. in the custody of a carrier or bailee for hire; or

b. on vehicles you own or operate; but

only up to the Transit Limit of Insurance shown in the Declarations and subject to the Transit deductible shown in the Declarations.

2. We will not pay for loss or damage to any of the following types of property if the loss or damage occurs at an unnamed location or while in transit:

a. musical instruments;

b. contractors' equipment, including cranes.

This limitation does not apply to musical instruments or contractors equipment you manufacture, process or hold for sale.

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3. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form.

- d. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- e. Property that has been transferred to a person or to a place outside the described location on the basis of unauthorized instructions.
- f. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) changes in or extremes of temperature;

(3) disease;

(4) frost or hail; or

(5) rain, snow, ice or sleet.

4. We will not pay more than \$10,000 for loss or damage to the interior of any building or structure or to the contents in the building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- a. the building or structure first sustains damage by a Covered Cause of Loss to its roof, excluding temporary coverings, or walls through which the rain, snow, sleet, ice, sand or dust enters; or
- b. the loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

5. We will only pay for loss of or damage to animals if the loss or damage is caused by any of the "specified causes of loss" or building glass breakage, and then only if they are killed or their destruction is made necessary.

6. The special limit shown for each category, a. through c., is the total limit for loss of or damage to all property in that category, unless a higher Limit of Insurance is shown in the Declarations.

The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.
- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

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- c. \$250 for stamps, tickets (including lottery tickets held for sale) and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

- 7. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder, or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. results in discharge of any substance from any automatic fire protection system; or
- b. is directly caused by freezing.

E. Additional Coverages

1. Collapse

- a. for the purpose of this Additional Coverage, collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
- b. we will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:
 - (1) the "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - (2) building decay that is hidden from view, unless the presence of such decay is known, or should have been known, to an insured prior to collapse;

- (3) insect, bird, rodent or other animal damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- (4) weight of people or personal property;
- (5) weight of rain that collects on a roof;
- (6) use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

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

- c. This Additional Coverage Collapse does not apply to:

- (1) a building or any part of a building that is in danger of falling down or caving in;
- (2) a part of a building that is standing even if it has separated from another part of the building;
- (3) a part of a building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- d. With respect to the following property:

- (1) outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

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- (2) awnings, gutters and downspouts;
- (3) yard fixtures;
- (4) outdoor swimming pools;
- (5) fences;
- (6) piers, wharves and docks;
- (7) beach or diving platforms or appurtenances;
- (8) retaining walls; and
- (9) walks, roadways and other paved surfaces;

if the abrupt collapse is caused by a Cause of Loss listed in **b.(2)** through **b.(6)**, we will pay for loss or damage to that property only if:

- (1) such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
 - (2) the property is Covered Property under this Coverage Form.
- e. if personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (1) the collapse was caused by a Cause of Loss listed in **b.(1)** through **b.(6)** above;
 - (2) the personal property which collapses is inside a building; and
 - (3) the property which collapses is not of a kind listed in **c.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this paragraph **e.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- f. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- g. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- h. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **1.a.** through **1.g.**

2. Limited Coverage for "Fungus," Wet Rot, Dry Rot and Bacteria

- a. The coverage described in **2.b.** only applies when the "fungus," wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(1) a "specified cause of loss" other than fire or lightning; or

(2) flood, if the Flood Coverage Endorsement applies to the affected location.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- b. We will pay for loss or damage by "fungus," wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

(1) direct physical loss or damage to Covered Property caused by "fungus," wet or dry rot or bacteria, including the cost of removal of the "fungus," wet or dry rot or bacteria;

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- (2) the cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus," wet or dry rot or bacteria; and
 - (3) the cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus," wet or dry rot or bacteria are present.
- c. The coverage described under 2.b. of this Limited Coverage is limited to \$15,000 or the Limit of Insurance as shown in the Declarations, whichever is greater. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus," wet or dry rot or bacteria, we will not pay more than a total of \$15,000 or the Limit of Insurance as shown in the Declarations, whichever is greater, even if the "fungus," wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- d. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus," wet or dry rot or bacteria, and other loss or damage, we will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus," wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus," wet or dry rot or bacteria causes an increase in

the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- e. The terms of this Limited Coverage do not increase or reduce the coverage provided under paragraph F.6. (Water Damage, Other Liquids, Powder or Molten Material Damage) of this form or under the Additional Coverage - Collapse.

3. Debris Removal

- a. Subject to paragraphs c. and d., we will pay your expense to remove debris of Covered Property and other debris that is on the described location when such debris is caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the direct physical loss or damage.

- b. Debris Removal does not apply to costs to:
 - (1) remove debris of property of yours that is not insured under this Policy, or property in your possession that is not Covered Property;
 - (2) remove debris of property owned by or leased to the landlord of the building where your described location is located, unless you have a contractual responsibility to insure such property and it is insured under this Policy;
 - (3) remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (4) remove property of others of a type that would not be Covered Property under this Coverage Form;

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(5) remove deposits of mud or earth from the grounds of the described location;

(6) extract "pollutants" from land or water; or

(7) remove, restore or replace polluted land or water.

c. Subject to the exception in paragraph d., the following provisions apply:

(1) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(2) Subject to (1) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

d. We will pay up to the limit shown for Debris Removal on the Declarations for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(1) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(2) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical

loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if d.(1) and/or d.(2) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage plus the limit shown for Debris Removal on the Declarations for each location in any one occurrence under the Debris Removal Additional Coverage.

e. Examples

The following examples assume that there is no coinsurance penalty and the limit shown under Debris Removal Additional Coverage on the Declarations page equals \$10,000.

Example #1

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
(\$ 50,000 - \$500)	
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable	\$ 10,000
(\$ 10,000 is 20% of \$ 50,000)	

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of paragraph c.

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
(\$ 80,000 - \$500)	
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	\$ 20,500
Basic Amount	\$ 10,500
Additional Amount	\$ 25,000

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The basic amount payable for debris removal expense under the terms of paragraph c. is calculated as follows: $\$80,000 (\$79,500 + \$500) \times 25\% = \$20,000$; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of paragraph d., because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense ($\$79,500 + \$30,000 = \$109,500$) would exceed the Limit of Insurance (\$90,000).

The additional amount of covered debris removal expense is limited to \$25,000, which is equal to the limit shown on the Declarations page, as stated under paragraph d. Thus, the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

4. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to the limit specified in the Declarations for service at each location described in the Schedule of Locations.

Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of service performed.

This Additional Coverage applies to your liability for fire department service charges:

- a. assumed by contract or agreement prior to loss; or
- b. required by local ordinance.

No Deductible applies to this Additional Coverage.

5. Fire Protection Device Recharge

We will pay, up to the limit listed in the Declarations for this Additional Coverage, to recharge or refill your fire protective devices that are permanently installed in buildings at the described location.

This Additional Coverage only applies when such devices have been discharged while being used to combat a covered fire.

6. Claims Data Preparation Expense

We will pay, up to the limit listed in the Declarations for this Additional Coverage, for reasonable costs you incur in preparing loss data required by policy conditions after a loss covered by this Coverage Part. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss. This does not include public adjusters fees.

7. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at each location if the release, discharge, seepage, migration, escape or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period.

The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay for each described location under this Additional Coverage is stated in the Declarations for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this Policy.

No Deductible applies to this Additional Coverage.

8. Electronic Data

- a. Under this Additional Coverage, electronic data has the meaning described under Property Not Covered - Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- b. Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- c. The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage - Electronic Data, subject to the following:
 - (1) Coverage under this Additional Coverage - Electronic Data is limited to the "specified causes of loss" and Collapse as defined in this form.
 - (2) If the Policy is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage - Electronic Data.
 - (3) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage

caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- d. The most we will pay under this Additional Coverage - Electronic Data is \$2,500 or the Limit of Insurance as shown in the Declarations, whichever is greater, for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the Policy year in which the occurrence began.

9. Preservation of Property

If it is necessary to move Covered Property from the described location to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- a. while it is being moved or while temporarily stored at another location; and
- b. only if the loss or damage occurs within 30 days after the property is first moved.

10. Brands and Labels Expense

If branded or labeled merchandise that is covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, we will pay reasonable expenses you incur to:

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- a. stamp the word salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- b. remove the brands or labels if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

The most we will pay under this Additional Coverage - Brands and Labels expense, is \$5,000 or the Limit of Insurance as shown in the Declarations, whichever is greater.

11. Consequential Loss

We will pay up to \$2,500 per occurrence, unless a different Limit of Insurance is shown on the declarations, for the reduction in value of undamaged Business Personal Property parts of a product which becomes unmarketable. The reduction in value must be the direct result of physical loss or damage from a covered Cause of Loss to another part of the product.

12. Reward Payment

- a. We will reimburse you for rewards paid as follows:

(1) Up to \$5,000 per occurrence unless a different Limit of Insurance is shown in the Declarations, to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a) replacement Cost of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or
- (b) the amount determined by the loss settlement procedure applicable to the Covered Property.

(2) Up to \$5,000 per occurrence unless a different Limit of Insurance is shown in the Declarations, to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

(a) replacement Cost based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

(b) the amount determined by the loss settlement procedure applicable to the Covered Property.

- b. This Additional Coverage applies subject to the following conditions:

(1) An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the necessary information or return the stolen Covered Property, and who is not:

- (a) you or any family member;
- (b) you "employee" or any of his or her family members;
- (c) an employee of a law enforcement agency;
- (d) an employee of a business engaged in property protection;
- (e) any person who had custody of the Covered Property at the time the theft was committed; or
- (f) any person involved in the crime.

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(2) There will be no reimbursement for a reward paid unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

(3) The amount of the reward is the most we will reimburse under this Additional Coverage for loss in any one occurrence.

(4) The Insured must have posted public notice of the reward prior to the person having been the first to voluntarily provide the necessary information or return the stolen Covered Property.

F. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described location.

1. Newly Acquired or Constructed Property

a. Buildings

If this Policy covers Building, you may extend that insurance to apply to:

(1) your new buildings while being built on the described location; and

(2) buildings you acquire at locations, other than the described location, intended for:

(a) similar use as the building described in the Declarations; or

(b) use as a warehouse.

The most we will pay for loss or damage under this Extension is the Limit of Insurance for this Coverage Extension, shown in the Declarations.

b. Your Business Personal Property

(1) If this Policy covers Your Business Personal Property, you may extend that insurance to apply to:

(a) Business Personal Property, including such property that you newly acquire, at any location you acquire other than fairs, trade shows or exhibitions;

(b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

(c) Business Personal Property, that you newly acquire, located at the described location.

The most we will pay for loss or damage under this Extension is the Limit of Insurance for this Coverage Extension, shown in the Declarations.

(2) This extension does not apply to:

(a) personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(b) personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

c. Period of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

(1) this Policy expires;

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(2) 90 days expire after you acquire the property or begin construction on that part of the building that would qualify as covered property; or

(3) you report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

d. If the coverage provided by this extension has expired due to Item c. above, the Limit of Insurance shown in the Declarations for "At Any Other Location" will apply.

2. Personal Effects

You may extend the insurance that applies to Your Business Personal Property to apply to personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under this Extension is stated in the Declarations for this Extension per each described location. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

No Deductible applies to this Coverage Extension.

3. Valuable Papers and Records (Other than Electronic Data)

a. You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered Electronic Data.

b. Coverage under this Extension is limited to the "specified causes of loss" and Collapse as defined in this form.

c. Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described location, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

4. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your trees, shrubs and plants (other than trees, shrubs or plants which are stock or are part of a vegetated roof) piers, wharves, docks or retaining walls (not attached to buildings), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- a. fire;
- b. lightning;
- c. explosion;
- d. riot or Civil Commotion; or
- e. aircraft.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described location the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described location.

5. Non-Owned Detached Trailers

- a. You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (1) the trailer is used in your business;
- (2) the trailer is in your care, custody or control at the location described in the Declarations; and
- (3) you have a contractual responsibility to pay for loss or damage to the trailer.

- b. We will not pay for loss or damage that occurs:

- (1) while the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (2) during hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

- c. The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

- d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

6. Water Damage, Other Liquids, Powder or Molten Material Damage - Tear Out Expense

In the event of covered loss or damage caused by or resulting from water (or steam), other liquid, powder or molten material damage occurs, we will also pay the necessary cost to access the specific break, hole or crack in the pipe, appliance or fitting to repair the break, hole or crack.

We will not pay to access any other parts of the system that may otherwise be damaged (for example by rust or normal wear and tear) where there was no break, hole or crack where covered water, liquid, powder or molten material was released.

We will also not pay the cost to repair or replace the break, hole or crack or the cost to repair or replace that which was removed in gaining access to the break, hole or crack.

7. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

Each of these Extensions is additional insurance, except for 6. **Water Damage, Other Liquids, Powder or Molten Material Damage** and 7. **Glass**.

Payments under the following Extensions will not increase the applicable Limit of Insurance:

- (1) **Water Damage, Other Liquids, Powder or Molten Material Damage**

- (2) **Glass**.

The Additional Condition, Coinsurance, does not apply to these Extensions.

G. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;

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2. Pollutant Clean-up and Removal;
3. Increased Cost of Construction; and
4. Electronic Data.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

H. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by a Coinsurance Condition. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

I. Optional Coverages

1. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) the Limit of Insurance that applied on the most recent of the Policy inception date, the Policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) the percentage of annual increase shown in the Declarations expressed as a decimal (example 8% is .08), times

- (3) the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is \$100,000
and the annual percentage increase is 8%
The number of days since the beginning of the Policy year (or last change) is 146
The amount of increase is
 $\$100,000 \times .08$
 $\times 146 \div 365 = \$3,200$

2. Ordinance or Law

- a. Each of the Coverages - Coverage A, Coverage B and Coverage C - applies only if that Coverage(s) is chosen by entry in the Declarations and then only with respect to the Building property identified for that Coverage(s) in the Declarations.

b. Application of Coverage

The coverage provided by this Optional Coverage applies only if both (1) and (2) are satisfied and then subject to the qualifications set forth in (3).

(1) The ordinance or law:

- (a) regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described location; and

- (b) is in force at the time of loss.

But coverage under this Optional Coverage applies only in response to the minimum requirements of the ordinance or law.

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Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this Optional Coverage.

(2) (a) the building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of the ordinance or law; or

(b) the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.

(c) but if the building sustains direct physical damage that is not covered under this Policy, and such damage is the subject of the ordinance or law, then there is no coverage under this Optional Coverage even if the building has also sustained covered direct physical damage.

(3) In the situation described in (2)(b) above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this Optional Coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of or compliance with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages A, B and/or C of this Optional Coverage.

c. We will not pay under Coverages A, B and/or C of this Optional Coverage for:

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

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

d. Coverage

(1) Coverage A - Coverage for Loss to the Undamaged Portion of the Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of or compliance with any ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

(2) Coverage B - Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the

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same building, as a consequence of enforcement of any ordinance or law that requires demolition of such undamaged property.

If attached, the Coinsurance Additional Condition Endorsement does not apply to Demolition Cost Coverage.

(3) Coverage C - Increased Cost of Construction Coverage

(a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

(i) repair or reconstruct damaged portions of that Building property; and/or

(ii) reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

(i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

If attached, the Coinsurance Additional Condition Endorsement, does not apply to Increased Cost of Construction Coverage.

(b) When a building is damaged or destroyed and Coverage C applies to that building in accordance with **(3)(a)** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **(3)(a)**:

(i) the cost of excavations, grading, backfilling and filling;

(ii) foundation of the building;

(iii) pilings; and

(iv) underground pipes, flues and drains.

The items listed in **(b)(i)** through **(b)(iv)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Provision **(3)(b)**.

e. Loss Payment

(1) All following loss payment Provisions **e.(2)** through **e.(4)**, are subject to the apportionment procedures set forth in Section **b.(3)** of this Optional Coverage.

(2) When there is a loss in value of an undamaged portion of a building, to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

(a) If the replacement cost valuation applies, and the property is being repaired or replaced, on the same or another location, we will not pay more than the lesser of:

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- (i) the amount you would actually spend to repair, rebuild or reconstruct the Building property, but not for more than the amount it would cost to restore the Building property on the same location and to the same height, floor area, style and comparable quality of the original property insured; or
 - (ii) the Limit of Insurance shown in the Declarations as applicable to the covered Building property.
- (b) If the replacement cost valuation applies and the property is **not** repaired or replaced, or if the replacement cost valuation does **not** apply, we will not pay more than the lesser of:
 - (i) the actual cash value of the Building property at the time of loss; or
 - (ii) the Limit of Insurance shown in the Declarations as applicable to the covered Building property.
- (3) Loss payment under Coverage B
Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

 - (a) the amount you actually spend to demolish and clear the site of the described location; or
 - (b) the applicable Limit of Insurance shown for Coverage B in the Declarations.
- (4) Loss payment under Coverage C
- Increased Cost of Construction Coverage will be determined as follows:
 - (a) We will not pay under Coverage C:
 - (i) until the property is actually repaired or replaced, at the same or another location; and
 - (ii) unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same location, or if you elect to rebuild at another location, the most we will pay under Coverage C is the lesser of:
 - (i) the increased cost of construction at the same location; or
 - (ii) the applicable Limit of Insurance shown for Coverage C in the Declarations.
 - (c) If the ordinance or law requires relocation to another location, the most we will pay under Coverage C is the lesser of:
 - (i) the increased cost of construction at the new location; or
 - (ii) the applicable Limit of Insurance shown for Coverage C in the Declarations.

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f. Under this Optional Coverage we will not pay for loss due to any ordinance or law that:

- (1) you were required to comply with before the loss, even if the building was undamaged; and
- (2) you failed to comply with.

This includes the following:

- (a) intentional disregard of the ordinance or law; or
- (b) the failure to recognize and comply with the ordinance or law; or
- (c) the failure of Code Enforcement Authority having responsibility for the jurisdiction in which the building is located to enforce the ordinance or law.

3. Utility Services

a. Coverage

We will pay for loss of or damage to Covered Property described in the Declarations, caused by the interruption of service to the described location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property, not on the described premise.

b. Exception

Coverage under this Optional Coverage does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in this coverage form.

c. Utility Services

(1) **Water Supply Services**, meaning the following types of property supplying water to the described location:

- (a) pumping stations; and
- (b) water mains.

(2) **Communication Supply Services**, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location, such as:

- (a) communication transmission lines, including optic fiber transmission lines;
- (b) coaxial cables; and
- (c) microwave radio relays except satellites.

(3) **Power Supply Services**, meaning the following types of property supplying electricity, steam or gas to the described location:

- (a) utility generating plants;
- (b) switching stations;
- (c) substations;
- (d) transformers; and
- (e) transmission lines.

d. As used in this optional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

e. The Utility Services Limit of Insurance as shown on the Declarations is part of, not in addition to, the Limit of Insurance stated in the Declarations, as applicable to the Covered Property.

J. Definitions

- 1. **"Fungus"** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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3. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

4. **"Specified Causes of Loss"** means the following: fire; lightning; explosion; wind-storm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sink-hole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. **Sinkhole collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This cause of loss does not include:

- (1) the cost of filling sinkholes; or
- (2) sinking or collapse of land into man-made underground cavities.

b. **Falling objects** does not include loss or damage to:

- (1) personal property in the open; or
- (2) the interior of a building or structure, or property inside a building or structure unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. **Water damage** means:

- (1) accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts) that

is located on the described location and contains water or steam; and

- (2) accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described location and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this Policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

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SB 86 05 (Ed. 02 15)

SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

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

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us," and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section I. **Definitions.**

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- a. Business Income including "Rental Value."
- b. Business Income other than "Rental Value."
- c. "Rental Value."

If option a. is selected, the term Business Income will include "Rental Value." If option c. is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to property, at locations which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described location includes the area within 1000 feet of the site of the described location.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your location means:

- a. the portion of the building which you rent, lease or occupy; and
- b. the area within 1000 feet of the building or within 1000 feet of the location described in the Declarations, whichever distance is greater (with re-

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spect to loss of or damage to personal property in the open or personal property in a vehicle); and

- c. any area within the building or at the described location, if that area serves, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense coverage is provided at the location described in the Declarations only if the Declarations show that Business Income coverage applies at that location.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue "operations" at the described location or at replacement locations or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations."

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

B. Covered Causes of Loss, Exclusions and Limitations

Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

- 1. excluded in Section C. **Exclusions**, of the **Select Business Policy Building and Personal Property Coverage Form**;
- 2. limited in Section D. **Limitations** of the **Select Business Policy Building and Personal Property Coverage Form**;
- 3. limited in Section C. **Additional Limitation**, below; or
- 4. excluded in Section D. **Special Exclusions**, below.

C. Additional Limitation - Interruption of Computer Operations

- 1. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage - Interruption of Computer Operations**.
- 2. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage - Interruption of Computer Operations**.
- 3. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- 4. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is in-

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egrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

6. Any loss caused by or resulting from damage or destruction of property in transit.

D. Special Exclusions

We will not pay for:

1. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described location, however caused, if the failure occurs outside of a covered building.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

2. Any loss caused by or resulting from:

- a. damage or destruction of "finished stock"; or
- b. the time required to reproduce "finished stock."

This exclusion does not apply to Extra Expense.

3. Any increase of loss caused by or resulting from:

- a. delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- b. suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations" we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the **Extended Business Income Additional Coverage**.

4. Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."

5. Any other consequential loss.

E. Additional Coverages

1. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the location described in the Declarations due to direct physical loss of or damage to property, other than at the described location, caused by or resulting from any Covered Cause of Loss, provided that both of the following apply:

- (a) access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described location is within that area but is not more than five miles from the damaged property; and

- (b) the action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin immediately after the time of the first action of civil authority and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

The coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described location and will end:

- a. four consecutive weeks after the date of that action; or
- b. when your Civil Authority Coverage for Business Income coverage ends;

whichever is later.

2. Extended Business Income

a. Business Income other than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this Policy, we will pay for the actual loss of Business Income you incur during the period that:

- (1) begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

- (2) ends on the earlier of:

- (a) the date you could restore your "operations," with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (b) 90 consecutive days after the date determined in (1) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the vicinity of the described location.

Loss of Business Income must be caused by direct physical loss or damage at the described location caused by or resulting from any Covered Cause of Loss.

b. "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (1) begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

- (2) ends on the earlier of:

- (a) the date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

- (b) 90 consecutive days after the date determined in (1) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the vicinity of the described location.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described location caused by or resulting from any Covered Cause of Loss.

3. Alterations and New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described location caused by or resulting from any Covered Cause of Loss to:

- a. new buildings or structures, whether complete or under construction;
- b. alterations or additions to existing buildings or structures; and
- c. machinery, equipment, supplies or building materials located on or within 1000 feet of the described location and:

- (1) used in the construction, alterations or additions; or

- (2) incidental to the occupancy of new buildings.

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If such direct physical loss or damage delays the start of "operations," the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

4. Interruption of Computer Operations

- a. Under this Additional Coverage, electronic data has the meaning described under **Additional Limitation - Interruption of Computer Operations**.
- b. Subject to all provisions of the Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the **Additional Limitation - Interruption of Computer Operations** does not apply based on paragraph C.4. therein.
- c. With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (1) Coverage under this **Additional Coverage - Interruption of Computer Operations** is limited to the "specified causes of loss" as defined in the **Select Business Policy Building and Personal Property Coverage Form**, and **Collapse** as set forth in that Form.
 - (2) If the **Select Business Policy Building and Personal Property Coverage Form** is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this **Additional Coverage - Interruption of Computer Operations**.
 - (3) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into

or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- d. The most we will pay under this **Additional Coverage - Interruption of Computer Operations** is \$2,500 (or the Limit of Insurance shown in the Declarations, whichever is greater), for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- e. This **Additional Coverage - Interruption of Computer Operations** does not apply to loss sustained or expense incurred after the end of the "period of restoration," even if the amount of insurance stated in d. above has not been exhausted.

5. Limited Coverage for "Fungus," Wet Rot, Dry Rot and Bacteria

The following coverage applies only if Business Income and Extra Expense coverage applies to the described location and only if the "suspension" of "operations" satisfies all terms and conditions of this coverage form.

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

F. Coverage Extensions

1. Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) this Policy expires;

(2) 90 days expire after you acquire or begin to construct the property; or

(3) you report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This extension is additional insurance.

2. Property at Any Other Location

- a. You may extend your Business Income Coverage to apply to property at any location other than a described location or newly acquired locations.
- b. The most we will pay, at each location, for loss under this Extension is the limit shown on the Declarations for this Coverage Extension.

G. Limits of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Extra Expense;
2. Civil Authority;
3. Extended Business Income; or
4. Alterations and New Buildings.

The amounts of insurance stated in the **Interruption of Computer Operations Additional Coverage** and the **Coverage Extensions** apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

H. Optional Coverages

1. Dependent Property Business Income

- a. When indicated in the Declarations, we will pay for the actual loss of business income you sustain due to necessary

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"suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to "dependent property" caused by or resulting from a Covered Cause of Loss. However, coverage under this Optional Coverage does not apply when the only loss to "dependent property" is loss or damage to electronic data, including destruction or corruption of electronic data. If the "dependent property" sustains loss or damage to electronic data and other property, coverage under this coverage form will not continue once the other property is repaired, rebuilt or replaced. The term electronic data has the meaning set forth above in the Additional Limitation section of this Coverage Form.

b. We will pay no more than the Limit of Insurance for Business Income or the limit in the Declarations for this Optional Coverage, whichever is less.

c. We will reduce the amount of your

(1) Business Income loss, other than Extra Expense, to the extent you can resume "operations," in whole or in part, by using any available:

(a) source of materials; or

(b) outlet for your products.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. The following is added to the **Definitions** section:

(1) **"Dependent Property"** means property operated by others whom you depend on to:

(a) deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the

following services is not a Contributing Location with respect to such services:

(i) water supply services;

(ii) power supply services;

(iii) communication supply services, including services relating to internet access or access to any electronic network;

(b) accept your products or services (Recipient Locations);

(c) manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(d) attract customers to your business (Leader Locations).

(2) **"Period of Restoration"** with respect to "dependent property" is the period of time that:

(a) begins at the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the location of the "dependent property"; and

(b) ends on the date when the property at the location of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

(a) regulates the construction, use or repair, or requires the tearing down, of any property; or

(b) requires any Insured or others to test for, monitor, clean up, remove, contain,

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treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet or dry rot or bacteria.

due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or

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

- (2) any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants," "fungus," wet or dry rot or bacteria.

2. Ordinance or Law - Increased Period of Restoration

a. Application of Coverage

When indicated in the Declarations that this coverage applies, if a Covered Cause of Loss occurs to property at the location described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:

- (1) regulates the demolition, construction or repair of any property;
- (2) requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
- (3) is in force at the time of loss.

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

- b. We will not pay under this Optional Coverage for loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- (1) the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or

- c. The "Period of Restoration" definition is replaced by the following:

3. "Period of Restoration" means the period of time that:

- a. begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described location; and

- b. ends on the earlier of:

- (1) the date when the property at the described location should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

- (2) the date when business is resumed at a new permanent location.

"Period of Restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

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

3. Unfinished Stock in Transit

When indicated in the Declarations page, we will pay for the loss of Business Income you sustain due to direct physical loss or damage by a Covered Cause of Loss to "unfinished stock" while in transit.

The most we will pay is the Limit of Insurance for Unfinished Stock in Transit shown on the Declarations.

4. Utility Services

- a. When indicated in the Declarations that this Coverage applies, we will pay for loss of Business Income or Extra Expense at the described location, when a "suspension" of "operations" is caused by the interruption of utility service to that location. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the property described below, if such property is located outside of a covered building described in the Declarations:

(1) Water Supply Property, meaning the following types of property supplying water to the described location:

- (a) pumping stations; and
- (b) water mains.

(2) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described location, such as:

- (a) communication transmission lines, including optic fiber transmission lines;
- (b) coaxial cables; and
- (c) microwave radio relays except satellites.

(3) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described location:

- (a) utility generating plants;
- (b) switching stations;
- (c) substations;
- (d) transformers; and
- (e) transmission lines.

b. As used in this coverage option, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

c. The Utility Services Limit of Insurance as shown in the Declarations is part of, not in addition to, the Limit of Insurance stated in the Declarations, as applicable to the Business Income.

d. Exception:

Coverage under this Optional Coverage does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning set forth in Item C. Additional Limitation included in this Form.

I. Definitions

1. "Finished Stock" means stock you have manufactured.

"Finished Stock" also includes whiskey and alcoholic products being aged.

"Finished Stock" does not include stock you have manufactured that is held for sale at the location of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. your business activities occurring at the described location; and
- b. the tenantability of the described location, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

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3. "Period of Restoration" means the period of time that:

- a. begins immediately after the time of direct physical loss or damage for Business Income or Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described location; and
- b. ends on the earlier of:
 - (1) the date when the property at the described location should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) the date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. regulates the construction, use or repair, or requires the tearing down, of any property; or
- b. requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

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

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

5. "Rental Value" means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the location described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described location which is occupied by you; and
- b. continuing normal operating expenses incurred in connection with that location including:
 - (1) payroll; and
 - (2) the amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. the slowdown or cessation of your business activities; or
- b. that a part or all of the described location is rendered untenable, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

7. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

8. "Unfinished Stock" means merchandise held in storage or for sale, raw materials and in-process goods, including supplies used in their packing or shipping.

SELECT BUSINESS POLICY EXTRA EXPENSE COVERAGE FORM

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

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us," and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

A. Coverage

We will pay for the actual and necessary Extra Expense you sustain due to the direct physical loss of or damage to property, at the location described in the Declarations and for which an Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described location includes the area within 1000 feet of the site of the described location.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your location means:

- a. the portion of the building which you rent, lease or occupy; and
- b. the area within 1000 feet of the building or within 1000 feet of the location described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- c. any area within the building or at the described location, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

Extra Expense

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

1. Avoid or minimize the "suspension" of business and to continue "operations" at the described location or at a replacement location or a temporary location, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the "suspension" of business if you cannot continue "operations."

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

B. Covered Causes of Loss, Exclusions and Limitations

Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

1. excluded in Section **C. Exclusions**, of the **Select Business Policy Building and Personal Property Coverage Form**;

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2. limited in Section **D. Limitations** of the **Select Business Policy Building and Personal Property Coverage Form**;
3. excluded in Section **C. Special Exclusions**, below; or
4. limited in Section **D. Additional Limitation**, below.

C. Special Exclusions

We will not pay for:

1. Any increase of loss caused by or resulting from:
 - a. delay in rebuilding, repairing or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - b. suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations" we will cover such loss that affects your Extra Expense during the "period of restoration."
2. Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration."
3. Any other consequential loss.
4. Any loss caused by or resulting from damage or destruction of property in transit.

D. Additional Limitation - Interruption of Computer Operations

1. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the **Additional Coverage - Interruption of Computer Operations**.

2. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
3. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

E. Additional Coverages

1. Civil Authority

We will pay for the actual and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the location described in the Declarations due to direct physical loss of or damage to property, other than at the described location, caused by or resulting from any Covered Cause of Loss, provided that both of the following apply:

- (a) access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described location is within that area but is not more than five miles from the damaged property; and
- (b) the action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

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Civil Authority Coverage will begin immediately after the time of the first action of civil authority that prohibits access to the described location and will end four consecutive weeks after the date of that action.

2. Alterations and New Buildings

We will pay for the actual and necessary Extra Expense you incur due to direct physical loss or damage at the described location caused by or resulting from any Covered Cause of Loss to:

- a. new buildings or structures, whether complete or under construction;
- b. alterations or additions to existing buildings or structures; and
- c. machinery, equipment, supplies or building materials located on or within 1000 feet of the described location and:
 - (1) used in the construction, alterations or additions; or
 - (2) incidental to the occupancy of new buildings.

3. Interruption of Computer Operations

- a. Under this Additional Coverage, electronic data has the meaning described under **Additional Limitation - Interruption of Computer Operations**.
- b. Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the **Additional Limitation - Interruption of Computer Operations** does not apply based on paragraph D.3. therein.

- c. With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(1) Coverage under this **Additional Coverage - Interruption of Computer Operations** is limited to the "specified causes of loss" as defined in the **Select Business Policy Building and Personal Property Coverage Form**, and **Collapse** as set forth in that form.

(2) If the **Select Business Policy Building and Personal Property Coverage Form** is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this **Additional Coverage - Interruption of Computer Operations**.

(3) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

- d. The most we will pay under this **Additional Coverage - Interruption of Computer Operations** is \$2,500 (or the limit of insurance shown in the Declarations, whichever is greater), for all loss sustained in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust

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this amount, then the balance is available for loss sustained as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss in a subsequent policy year(s), all loss is deemed to be sustained in the policy year in which the interruption began.

- e. This **Additional Coverage - Interruption of Computer Operations** does not apply to loss sustained after the end of the "period of restoration," even if the amount of insurance stated in d. above has not been exhausted.

F. Coverage Extensions

1. Newly Acquired Locations

- a. You may extend your Extra Expense Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay for loss under this Extension is \$100,000 at each location unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) this Policy expires;
- (2) 90 days expire after you acquire or begin to construct the property; or
- (3) you notify us of how you want this coverage to apply to that location.

We will charge you additional premium from the date you acquire the property.

This Extension is additional insurance.

2. Property at any Other Location

- a. You may extend your Extra Expense Coverage to apply to property at any location other than a described location or a newly acquired location.
- b. The most we pay, at each location, for loss under this Extension is the limit shown in the Declarations.

G. Limits of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Civil Authority;

2. Alterations and New Buildings.

The amounts of insurance stated in the Interruption of Computer Operations Additional Coverage and the Coverage Extensions apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

H. Definitions

- 1. **"Operations"** means your business activities occurring at the described location.
- 2. **"Period of Restoration"** means the period of time that:
 - a. begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described location; and
 - b. ends on the earlier of:
 - (1) the date when the property at the described location should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) the date when business is resumed at a new permanent location.

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"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. regulates the construction, use or repair, or requires the tearing down of any property; or
- b. requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

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

3. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
4. **"Suspension"** means the slowdown or cessation of your business activities.

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SB 81 14 (Ed. 11/15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SELECT BUSINESS POLICY
BUSINESS INCOME CHANGES - TIME PERIOD**

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

The **Select Business Policy Business Income and Extra Expense Coverage Form** is amended as follows:

- A.** Under section **E. Additional Coverages**, item **1. Civil Authority**, the second paragraph is deleted in its entirety and replaced with the following:

The Civil Authority Coverage for Business Income will begin 72 Hours hours after the time of the first action of civil authority and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

- B.** Under section **H. Optional Coverages**, item **1. Dependent Property Business Income**, paragraph d., (2), (a) is deleted in its entirety and replaced with the following:

(a) begins 72 Hours hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the location of the "dependent property"; and

- C.** Under section **H. Optional Coverages**, item **2. Ordinance or Law - Increased Period of Restoration**, paragraph c., 3., a. is deleted in its entirety and replaced with the following:

a. begins 72 Hours hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described location; and

- D.** Under section **I. Definitions**, item **3. "Period of Restoration,"** paragraph a. is deleted in its entirety and replaced with the following:

a. begins 72 Hours hours after the time of direct physical loss or damage for Business Income or Extra Expense Coverage caused by or resulting from any Covered Cause of Loss at the described location; and

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SB 81 70 (Ed. 07 12)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ERRORS AND OMISSIONS ENDORSEMENT

This endorsement modifies coverage provided by your:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY EXTRA EXPENSE COVERAGE FORM

The following is added to **Section E. Additional Coverages**:

Errors and Omissions Coverage

We will pay for loss or damage, which is not otherwise payable under this Coverage Part solely because of the items listed below:

- (a) any error or unintentional omission by you in the description of the address of the property as scheduled under this Coverage Part or in any subsequent endorsements; or
- (b) any error or unintentional omission by you that results in deletion or cancellation of any premises insured under this Policy.

No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the description of the type of coverage or the type of property that you requested we insure.

It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The policy premium will be adjusted accordingly to reflect the date the premises should have been covered had no error or omission occurred.

Coverage under this Additional Coverage applies only to the extent this Policy would have provided coverage had the error or unintentional omission not been made. This extension of coverage does not cover any loss or damage if coverage is provided in whole or in part elsewhere in this Policy.

Limits of Insurance

The most we will pay for Errors and Omissions is the lesser of:

- a. the total amount payable under the **Loss Payment** conditions identified in Select Business Policy Conditions, Section **Loss Conditions**, paragraph **D. Loss Payment**; or
- b. the Errors and Omissions sub-limit described below.

\$100,000 in any one "loss" Errors and Omissions sub-limit.

The deductible or waiting period applies to this Additional Coverage.

The coinsurance provision, if any, of your policy does not apply to this Additional Coverage.

All other terms and conditions remain unchanged.

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CP 12 72
(Ed. 12 98)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES - JOINT OR DISPUTED LOSS AGREEMENT

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

- A.** This endorsement is intended to facilitate payment of insurance proceeds when:
1. both a boiler and machinery policy and this commercial property policy are in effect;
 2. damage occurs to Covered Property that is insured by the boiler and machinery policy and this commercial property policy; and
 3. there is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.
- B.** This endorsement does not apply if:
1. both the boiler and machinery insurer(s) and we do not admit to any liability; and
 2. neither the boiler and machinery insurer(s) nor we contend that coverage applies under the other insurer's policy.
- C.** The provisions of this endorsement apply only if all of the following requirements are met:
1. the boiler and machinery policy carried by the Named Insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
 2. the damage to the Covered Property was caused by a loss for which:
 - a. both the boiler and machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - b. either:
 - (1) the boiler and machinery insurer(s) does not admit to any liability for payment, while we contend that:
 - (a) all liability exists under the boiler and machinery policy; or
 - (b) some liability exists under both the boiler and machinery policy and this commercial property policy;
 - (2) we do not admit to any liability for payment, while the boiler and machinery insurer(s) contends that:
 - (a) all liability exists under this commercial property policy; or
 - (b) some liability exists under both the boiler and machinery policy and this commercial property policy; or
 - (3) both the boiler and machinery insurer(s) and we:
 - (a) do not admit to any liability for payment; and

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(b) contend that some or all liability exists under the other insurer's policy; and

3. the total amount of the loss is agreed to by you, the boiler and machinery insurer(s) and us.

D. If the requirements listed in Paragraph C. above are satisfied, we and the boiler and machinery insurer(s) will make payments to the extent, and in the manner, described as follows:

1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this commercial property policy and one-half (1/2) the amount of the loss that is in disagreement.
2. The boiler and machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the boiler and machinery policy and one-half (1/2) the amount of loss that is in disagreement.
3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs 1. and 2., do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable. Notwithstanding any disagreement between the insurers, the insured will be paid the entire amount of the loss the insurers have agreed to cover within the time period specified in the law.
4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the boiler and machinery policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and

machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.

6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. ARBITRATION

1. If any of the circumstances described in Paragraphs C.2.a. and C.2.b. exist, then the boiler and machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
2. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the boiler and machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.
3. If we and the boiler and machinery insurers agree to submit to arbitration as described in E.1. above, the insured will incur no delay in receiving payment in the manner specified in Paragraph D.
4. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

F. FINAL SETTLEMENT BETWEEN INSURERS

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s).

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SB 81 72 (Ed. 06 13)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SELECT BUSINESS POLICY
EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY EXTRA EXPENSE COVERAGE FORM

- A.** The exclusion set forth in paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "Fungus," Wet Rot or Dry Rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants."
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
- 1.** Exclusion of "Fungus," Wet Rot, Dry Rot and Bacteria; and
 - 2.** Additional Coverage - Limited Coverage for "Fungus," Wet Rot, Dry Rot and Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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SB 82 07 (Ed. 02/16)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SELECT BUSINESS POLICY
WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY CONDITIONS
SELECT BUSINESS BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Schedule

Location Number	Building Number	Windstorm or Hail Deductible Percentage - Enter 1%, 2% or 5%
ALL	ALL	5%
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

The Windstorm or Hail Deductible, as shown in the Schedule and set forth in this endorsement, applies to covered loss or damage caused directly or indirectly by Windstorm or Hail. This Deductible applies to each occurrence of Windstorm or Hail.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this Policy. If this Policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings:

Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

Windstorm or Hail Deductible Calculations

A. Calculation of the Deductible - All Policies

1. A Deductible is calculated separately for, and applies separately to:
 - a. each building that sustains loss or damage;
 - b. the personal property at each building at which there is loss or damage to personal property; and
 - c. personal property in the open.

If there is damage to both a building and personal property in that building, separate deductibles apply to the

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building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition; Agreed Value Optional Coverage; or any provision in a Value Reporting Form relating to full reporting or failure to submit reports.
3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises.

B. Calculation of the Deductible - Specific Insurance

1. Property not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

2. Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is the latest value(s) shown in the most recent Report of Values on file with us.

However:

- a. If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- b. If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

C. Calculation of the Deductible - Blanket Insurance

1. Property not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of the property that has sustained loss or damage. The value(s) to be used is that shown in the most recent Statement of Values on file with us.

2. Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to 1%, 2% or 5% (as shown in the Schedule) of the value(s) of that property as of the time of loss or damage.

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SB 82 46 (Ed. 08/15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER UNDER THE GROUND

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Paragraph (3) of **C. Exclusions, g. Water** is deleted.

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SB 82 48 (Ed. 11/15)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELECT BUSINESS POLICY PLUS

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following provisions are added to the **Select Business Policy Building and Personal Property Coverage Form, Additional Coverages**:

A. Building and Personal Property Additional Coverages

1. Accounts Receivable

We will pay up to the limit shown on the Declarations for direct physical loss or damage to your records of accounts receivable on or away from locations described in the Schedule of Locations. The limit applies at each described location.

This Additional Coverage is subject to the provisions of the **Accounts Receivable Coverage Form, CM 00 66**, with the exception of the Limit of Insurance provision contained in that form. **Accounts Receivable Coverage Form, CM 00 66**, is made a part of this Policy.

2. Electronic Data Processing (including Equipment, Data, Programs, Media and Extra Expense)

We will pay up to the limit shown on the Declarations for direct physical loss or damage to your Electronic Data Processing Equipment, Data, Programs, Media and Extra Expense. The limit applies at each described location.

This Additional Coverage is subject to the provisions of the **Business Electronic Systems and Telecommunications Form CM 76 58**, with the exception of the Limit

of Insurance provision contained in that form. **Business Electronic Systems and Telecommunications Form CM 76 58** is made a part of this Policy.

3. Extra Expense

We will pay for Extra Expense that you incur resulting from direct physical loss or damage to property described in the Schedule of Locations. The limit applies at each described location.

This Additional Coverage is subject to the provisions of the **Select Business Policy Extra Expense Coverage Form, SB 86 07**, with the exception of the Limit of Insurance provision contained in that form. **Select Business Policy Extra Expense Coverage Form, SB 86 07** is made a part of this Policy.

4. Fine Arts

We will pay up to the limit shown on the Declarations for direct physical loss or damage to your Fine Arts. The limit applies at each location described in the Schedule of Locations.

This Additional Coverage is subject to the provisions of the **Commercial Fine Arts Coverage Form, CM 76 69**, with the exception of the Limit of Insurance and the Coinsurance provisions contained in that form. **Commercial Fine Arts Coverage Form, CM 76 69**, is made a part of this Policy.

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SB 82 49 (Ed. 02/16)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SELECT BUSINESS POLICY
BUSINESS INCOME OPTIONAL COVERAGES**

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM

The following Optional Coverages apply at the described location(s) if shown as applicable by entry in the Declarations:

A. Maximum Period of Indemnity

The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

1. The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
2. The Limit of Insurance shown in the Declarations.

B. Monthly Limit of Indemnity

The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

1. the Limit of Insurance, multiplied by
2. the fraction shown in the Declarations for this Optional Coverage.

Example

The Limit of Insurance is:	\$120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1 - 30:	\$40,000
Days 31 - 60:	\$20,000
Days 61 - 90:	<u>\$30,000</u>
	\$90,000

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We will pay:	
Days 1 - 30:	\$30,000
Days 31 - 60:	\$20,000
Days 61 - 90:	<u>\$30,000</u>
	\$80,000
The remaining \$10,000 is not covered.	

C. Business Income Agreed Value

The Coinsurance Condition, if any, does not apply at the described location(s) to which this Optional Coverage applies.

The most we will pay for loss of Business Income and Extra Expense is the Limit of Insurance shown in the Declarations.

D. Extended Period of Indemnity

Under section E.2., **Extended Business Income**, the number 90 in subparagraphs **a.(2)(b)** and **b.(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

All other policy terms and conditions remain unchanged.

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SB 82 75 (Ed. 04/18)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELECT BUSINESS POLICY - MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY BUSINESS INCOME WITHOUT EXTRA EXPENSE COVERAGE FORM
SELECT BUSINESS POLICY EXTRA EXPENSE COVERAGE FORM

- A. "Marijuana" is added to A.2. Property Not Covered of the Select Business Policy Building and Personal Property Coverage Form.**
- B. The Select Business Policy Business Income and Extra Expense Coverage Form, the Select Business Policy Business Income Without Extra Expense Coverage Form, and the Select Business Policy Extra Expense Coverage Form do not apply to that part of Business Income loss or Extra Expense incurred due to a "suspension" of your "operations" which involve the design, manufacture, distribution, sale, serving, furnishing, use, or possession of "marijuana".**
- C. Paragraphs A. and B. above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served, or furnished for bodily:**
- a. ingestion;**
 - b. inhalation;**
 - c. absorption; or**
 - d. consumption.**
- D. For the purpose of this endorsement, the following definition is added:**

"Marijuana":

1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

- 2. Paragraph D.1. above includes, but is not limited to, any of the following containing such THC or cannabinoid:**
- a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or**

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b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:

(1) resin, oil or wax;

(2) hash or hemp; or

(3) infused liquid or edible marijuana;

whether derived from any plant or part of any plant set forth in Paragraph **D.2.a.** above or not.

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SB 82 87 (Ed. 07/18)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MUNICIPAL UTILITY DISTRICT (MUD) EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Section A.1.a.(2) is deleted and replaced by the following:

(2) Fixtures, including outdoor fixtures and signs, other than fences.

B. The following is added to **Section A.1.a.**:

Fences including perimeter fences, whether attached to building or not.

C. Section A. Coverage, 1.a., is amended to add the following:

Underground pipes, flues, drains and wells that are

- a.** necessary for the service of the Covered Property; and
- b.** within 1,000 feet of the scheduled location.

For the purpose of this coverage, paragraph **A.2.m** does not apply.

All other policy terms and conditions remain unchanged.

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SB 82 88 (Ed. 07/18)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATIONS ON COVERAGE FOR COVERED PROPERTY - COSMETIC DAMAGE

This endorsement modifies insurance provided under the following:

SELECT BUSINESS POLICY BUILDING AND PERSONAL PROPERTY COVERAGE FORM
SELECT BUSINESS POLICY CONDITIONS

The following applies with respect to loss or damage caused by or resulting from wind or hail to buildings or structures identified in the Schedule of Locations shown in the Declarations.

We will not pay for cosmetic damage to Covered Property caused by wind and/or hail. For the purpose of this endorsement, cosmetic damage means that the wind and/or hail caused marring, pitting or other superficial damage that altered the appearance of the property, but such damage does not prevent the property from continuing to function for its intended purpose to the same extent as it did before the cosmetic damage occurred.

All other policy terms and conditions remain unchanged.