

ZBX 9601320 06

**Citizens Insurance Company of America (A Stock Company)
808 North Highlander Way, Howell, MI 48843-1070
Commercial Line Policy
Common Declarations**

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Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBX 9601320 06	07/01/2017	07/01/2018	Citizens Insurance Company of America	2509765

Named Insured and Address :

Agent :

WINONA ORC INDUSTRIES INC
1053 EAST MARK STREET
WINONA MN 55987

NORTH RISK PARTNERS LLC

2048 SUPERIOR DRIVE NW
ROCHESTER MN 55901

Branch : Minnesota Branch Office
Policy Period : From 07/01/2017 To 07/01/2018
12:01 A.M. Standard Time at Your Mailing Address Shown Above.
Business Description: HUMAN SERVICE ORGANIZATION
Legal Entity: Non Profit

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

Commercial Property Coverage	\$7,079.00
Commercial General Liability Coverage	\$2,682.00
Cyber Liability Coverage	\$164.00
Professional Liability Coverage	\$925.00
Commercial Inland Marine Coverage	Not Covered
Commercial Crime Coverage	\$230.00
Commercial Auto Coverage	Not Covered
Total Surcharges Premium	\$35.40
Additional Premium For Policy Minimum	N/A
** Total	\$11,115.40

****INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE**

Countersigned _____ By _____

Agency Bill/Full Paid





WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Group Number ZHE





WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Commercial Lines Surcharges

Minnesota Fire Safety Surcharge Premium:	\$35.40
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Total Minnesota Surcharge Premium:	\$35.40
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WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC**Locations of All Premises You Own, Rent or Occupy****Location: 1**

1053 EAST MARK STREET
Winona MN
55987

Forms Applicable to all Coverage Parts:

*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
401-1126	01/15	Notice - Rejection Of Terrorism Coverage and Disclosure of Premium
* 401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
* 401-1377	12/14	Company Address Listing
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 02 45	09/08	Minnesota Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 53	01/15	Exclusion of Certified Acts of Terrorism
* SIG 11 00	08/16	Signature Page





WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Commercial Property Coverage Part Declaration

Total Property Premium \$7,079.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

Blanket Building and Contents For Premises

Location 1 - Building 1

<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
Blanket Building and Contents	Special	\$4,974.00
Limit of Insurance:	\$4,829,418	
Replacement Cost		
Coinsurance:	100%	

<u>Blanket</u>	<u>LOC</u>	<u>BLDG</u>	<u>APPLICABLE DEDUCTIBLE</u>	
	ALL	ALL	Windstorm/HailDeductible	\$500.00
			Theft Deductible	\$500.00
			Other Deductible:	\$500.00

<u>LOC</u>	<u>BLDG</u>	
1	1	Occupancy: Schools - Trade or vocational
		Territory: 850
		Construction: Noncombustible
		Protection Class: 3

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
1	1	Business Income	Special	\$799.00



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Commercial Property Coverage Part Declaration

Limit Of Insurance:	\$465,000.00
Extended Period of Indemnity	60 Days Included
Business Income Time Deductible	72 Hours
Monthly Limit of Indemnity	1/3

<u>LOC</u>	<u>BLDG</u>	<u>DED BY LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>	
1	1		Windstorm/Hail Deductible	\$500.00
			Theft Deductible:	\$500.00
			Other Deductible:	\$500.00

Additional Premium for Property Minimum :	N/A
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<u>Miscellaneous/Optional Property Coverages:</u>	<u>PREMIUM</u>
Data Breach	\$65.00
Boiler / Machinery / Equipment Breakdown	\$591.00
Gold Property Broadening Endorsement	\$550.00
Human Services - Property Broadening Endorsement	\$100.00



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Forms Applicable to Property Coverage Parts:

*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0803	04/14	Human Services Property Broadening Endorsement
411-0938	01/15	Minnesota Changes - Data Breach Coverage Form
* 451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
* 451-0066	11/16	Important Notice To Policyholders
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 08	10/12	Minnesota Changes
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 50	10/00	Minnesota Changes - Replacement Cost Personal Property
CP 01 57	07/98	Minnesota Changes - Coinsurance
CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
CP 12 21	10/12	Loss Payable Provisions - Minnesota



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Property Schedule of Additional Interest

Location: 1 Building: 1

Loss Payable

MERCHANTS NATIONAL BANK
102 EAST THIRD STREET
PO BOX 248
WINONA MN 55987

Location: 1 Building: 1

1st Mortgagee

MERCHANTS NATIONAL BANK
102 EAST THIRD STREET
PO BOX 248
WINONA MN 55987





WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

Limits of Insurance:

General Aggregate Limit	\$3,000,000
Products-Completed Operations are Included in the General Aggregate Limit	
Each Occurrence Limit	\$1,000,000
Personal and Advertising Injury Limit	\$1,000,000
Damage to Premises Rented to You Limit	\$100,000
Medical Expense Limit, Any One Person	\$10,000
General Liability Deductible:	
Total Advance Commercial General Liability Premium	\$2,682.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0361	06/15	Other Coverage Amendment
421-0366	07/16	Abuse or Molestation Exclusion
421-0548	09/08	Exclusion - Professional Services
421-0550	09/08	Additional Insured-Human Services Organizations
421-0551	09/08	Special Events Limitation Endorsement
421-0552	07/16	Physical Abuse, Sexual Misconduct Or Sexual Molestation Liability Coverage Endorsement (Occurrence - Separate Aggregate)
421-0555	09/08	Innocent Party Defense Coverage Endorsement
421-0582	09/08	Additional Supplementary Payments Endorsement - Human Services
421-0598	09/08	Supplementary Payments - Image Restoration Endorsement
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2921	06/15	Commercial General Liability Enhancement Endorsement - Human Services
421-3566	07/16	Important Notice To Policyholders
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 01 22	12/07	Minnesota Changes - Contractual Liability Exclusion And Supplementary Payments
CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 73	01/15	Exclusion of Certified Acts of Terrorism



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion
CG 22 67	10/93	Corporal Punishment
CG 26 05	02/07	Minnesota Changes
CG 26 81	12/04	Minnesota Changes - Duties Condition





WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Commercial General Liability Classification Schedule Declaration

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47474	334	160 Each Student	Each	3.267	\$523.00

Products – Completed Operations are Included in the General Aggregate Limit

Schools trade or vocational

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47469	334	40 Faculty Members	Each	2.576	\$103.00

Products – Completed Operations are Included in the General Aggregate Limit

Schools faculty liability for corporal punishment of students

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47147	334	\$21,500 Receipts (Sales)	1,000	3.643	\$78.00

Products – Completed Operations are Included in the General Aggregate Limit

Recycling Collection Centers Not-For-Profit only

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	45678	334	\$257,500 Receipts (Sales)	1,000	.276	\$71.00

Products – Completed Operations are Included in the General Aggregate Limit

Laundries and Dry Cleaning Plants

Miscellaneous/Optional General Liability CoveragesAdvance Premium

Employee Benefits Coverage \$316.00

CGL Enhancement - Human Services \$250.00

Physical Abuse, Sexual Misconduct or Sexual Molestation Liability -
Occurrence - Separate Aggregate \$1,341.00

Additional Premium for Coverage Minimum:

N/A

Total Advance General Liability Premium

\$2,682.00

Subline 334 Premises and Operations

Subline 336 Products and/or Completed Operations



CYBER DECLARATIONS

CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

"DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZBX 9601320 06	Citizens Insurance Company of America <i>(A Stock Company)</i> 808 North Highlander Way Howell, MI 48843-1070
Item 1. NAMED INSURED: WINONA ORC INDUSTRIES INC 1053 EAST MARK STREET WINONA MN 55987	
Item 2. POLICY PERIOD Inception Date: 07/01/2017 Expiration Date: 07/01/2018 (12:01 AM standard time at the address shown in Item 1.)	
Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART	
Maximum Aggregate Limit of Liability	\$100,000



Item 4. INSURING AGREEMENTS			
Prior and Pending Proceedings Date:		07/01/2016	
Retroactive Date:		07/01/2016	
Insuring Agreement	Limits of Liability	Deductible	Premium
A. Privacy and Security Liability	\$100,000	\$5,000	\$82
B. Cyber Media Liability	\$100,000	\$5,000	\$82
Item 5. PREMIUM FOR COVERAGE PART			\$164
Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:			
<u>Form Number</u>	<u>Edition Date</u>	<u>Name</u>	
850-0001	01/15	Cyber Coverage Part	
850-0045	01/15	Minnesota Amendatory Endorsement	



ZBX 9601320 06

Citizens Insurance Company Of America, 440 Lincoln Street, Worcester MA 01605

Human Services Professional Liability Declarations

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Policy Number	Policy Period		Coverage is Provided in :	Agency Code
	From	To		
ZBX 9601320 06	07/01/2017	07/01/2018	Citizens Insurance Company Of America	2509765

Named Insured and Address :

Agent :

WINONA ORC INDUSTRIES INC 1053 EAST MARK STREET WINONA MN 55987	NORTH RISK PARTNERS LLC 2048 SUPERIOR DRIVE NW ROCHESTER MN 55901
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LIMITS OF INSURANCE:

Aggregate Limit	\$3,000,000
Each "Wrongful Act" Incident Limit	\$1,000,000

BUSINESS DESCRIPTION

Form of Business	Non Profit
Business Description	HUMAN SERVICE ORGANIZATION
PREMIUM	\$925.00



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

**Forms Applicable to Human Services Professional Liability
Occurrence Coverage Parts:**

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0542	10/08	Human Services Professional Liability Coverage Form
421-0612	09/08	Minnesota Amendatory Endorsement (Occurrence)



WINONA ORC INDUSTRIES INC

ZBX 9601320 06

NORTH RISK PARTNERS LLC

Crime Declaration

Total Crime Premium **\$230.00**

Coverages Provided:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Employee Theft Insuring Agreement	\$209.00
		Limit	\$150,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	7
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A
<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Inside the Premises-Theft of Money and Securities Insuring Agreement	\$19.00
		Limit	\$10,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	N/A
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A
<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Outside The Premises	\$2.00
		Limit	\$10,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	N/A
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A
Additional for Coverage Minimum Premium			N/A
Total Crime Premium			\$230.00

Forms Applicable to Crime Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CR 00 20	05/06	Commercial Crime Coverage Form (Discovery Form)
CR 01 25	08/07	Minnesota Changes
CR 02 20	08/07	Minnesota Changes



THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

In Witness Whereof, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.



Joseph M. Zubretsky
President



Charles Frederick Cronin
Secretary



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

Allmerica Financial Alliance Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

The Hanover American Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Allmerica Financial Benefit Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

The Hanover Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Campmed Casualty & Indemnity Company, Inc.
(A Stock Company)
12100 Sunset Hills Road, Suite 300
Reston, VA 20190-3295

Hanover Lloyds Insurance Company
(A Texas Lloyd's Plan Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of America
(A Stock Company)
808 North Highlander Way
Howell, MI 48843-1070

Massachusetts Bay Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of Illinois
(A Stock Company)
333 West Pierce Road, Suite 300
Itasca, IL 60143-3114

The Hanover New Jersey Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of the Midwest
(A Stock Company)
9229 Delegates Row, Suite 100
Indianapolis, IN 46240-3824

Verlan Fire Insurance Company
(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of Ohio
(A Stock Company)
1300 East 9th Street, Suite 1010
Cleveland, OH 44114-1506



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 CAUSES OF LOSS – BASIC FORM
 CAUSES OF LOSS – BROAD FORM
 CAUSES OF LOSS – SPECIAL FORM

A. COVERAGE

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form and Special Form:

Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage 2.i. **Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and

the deductible shown in the “schedule” will apply.

- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the “schedule”.

c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
 - (a) Make temporary repairs; and
 - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

d. Fungus, Wet Rot, Dry Rot and Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to



the extent that such spoilage is covered under Spoilage coverage.

- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

e. Hazardous Substances

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in 2.j.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the "schedule".

f. Off Premises Equipment Breakdown

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under f.(1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in f.(2) above is the limit for Property Off Premises Coverage Extension shown in your policy.

g. Public Relations

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (a) The media;
 - (b) The public; or
 - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

h. Scientific Animals

We will pay for loss or damage to "scientific animals" resulting from an "accident" to "covered equipment" when the Life Science Property Broadening Endorsement is included in the policy. The most we will pay for loss, damage or expense under this coverage is the lesser of the limit shown in the Life Science Property Broadening Endorsement or \$100,000, unless otherwise shown in the "schedule".

i. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".
- (4) Unless otherwise shown in the "schedule", Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense,

Data Restoration or Spoilage, except that if a limit is shown in the "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

j. Spoilage

(1) We will pay for:

- (a) Physical damage to "perishable goods" due to spoilage;
- (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

- (3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in the "schedule".

B. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

1. The following exclusions are modified:

- a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form apply, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting loss, damage or expense caused by that "accident" or "electronic circuitry impairment".



- b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is replaced by the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

2. The following exclusions are added to the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form:

- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:

- (1) Fire, including smoke from a fire;
- (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
- (3) Any other explosion, except as specifically covered under this endorsement;
- (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
- (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
- (6) Vandalism.

- b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:

- (1) Lightning;
 - (2) Windstorm or hail. However this exclusion does not apply when:
 - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
 - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow or dust entered.
 - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
 - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
 - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
 - (6) Water or other means used to extinguish a fire.
- c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- d. Except as specifically provided under **A.2.d. Fungus, Wet Rot, Dry Rot and Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.
- e. Except as specifically provided under **A.2.h. Scientific Animals** coverage, we

will not pay for any loss or damage to animals.

3. Exclusions 2.b.(1), 2.b.(2), 2.b.(3), and 2.b.(4) above shall not apply if:

- a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

4. Any cause of loss set forth in Exclusion 2.b.(4) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

C. DEFINITIONS

For the purpose of this endorsement only, the following definitions are added:

1. "Accident"

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data",

loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

2. "Boilers and vessels" means:

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- 3. "Cloud computing services" means** professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

4. "Covered equipment"

- a. "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;



- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (5) "Vehicle" or any equipment mounted on a "vehicle";
 - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) Dragline, excavation or construction equipment; or
 - (8) Equipment manufactured by you for sale.
5. "Data" means information or instructions stored in digital code capable of being processed by machinery.
6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
7. "Electronic circuitry impairment"
- a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in b., c. and d. below.
 - b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
 - c. The "covered equipment" must be owned or leased by you, or operated under your control.
 - d. None of the following is "electronic circuitry impairment":
 - (1) Any condition that can be reasonably remedied by:
 - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - (b) Rebooting, reloading or updating software or firmware; or
 - (c) Providing necessary power or supply.
 - (2) Any condition caused by or related to:
 - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days;
 - (b) Insufficient size, capability or capacity of the "covered equipment"; or
 - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
12. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.
- This term does not appear elsewhere in this endorsement, but may appear in the "schedule".
13. "Schedule" means the Equipment Breakdown Coverage Schedule.

14. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

D. DEDUCTIBLE

The Building and Personal Property Coverage Form is modified as follows:

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only in regards to Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form: is replaced by the following:

1. Deductibles for Each Coverage

- a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- b. Unless more specifically indicated in the "schedule":
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

b. Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as



determined above. The result shall be used as the applicable deductible.

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

E. CONDITIONS

1. The following conditions are added to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

a. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

c. Coinsurance

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

2. For the purpose of this endorsement only, **E. Loss Conditions**, **7. Valuation** in the Building and Personal Property Coverage Form is replaced by the following:

7. Valuation

We will determine the value of Covered Property as follows:

- a. Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (1) The cost to repair the damaged property;
- (2) The cost to replace the damaged property on the same site; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

- b. Except as described in c. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

c. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with

like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. The following property will be valued on an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
- (3) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

e. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) The property was manufactured by you;

- (2) The sales price of the property is less than the replacement cost of the property; or

- (3) You are unable to replace the property before its anticipated sale.

f. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



IMPORTANT NOTICE TO POLICYHOLDERS

EQUIPMENT BREAKDOWN COVERAGE REVISION

SUMMARY OF ENDORSEMENT CHANGES

THIS NOTICE CONTAINS IMPORTANT SUMMARY INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ IT CAREFULLY.

THIS NOTICE DOES NOT PROVIDE ANY COVERAGE AND DOES NOT REPLACE ANY PROVISIONS IN YOUR POLICY. 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.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT YOUR INSURANCE AGENT.

The Hanover Insurance Group, in an effort to further address the needs of our policyholders, has modified the **EQUIPMENT BREAKDOWN COVERAGE** endorsement. The new endorsement, **EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)**, is designed to provide an enhanced and streamlined product.

Your expiring EQUIPMENT BREAKDOWN COVERAGE endorsement has been replaced in its entirety with the new EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT) endorsement.

The following is a summary of major changes which will apply to your policy at renewal. This notice does **not** reference every change made in your policy. If you have any questions or concerns, please contact your agent.

451-0038 11 16 EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

Changes That May Broaden Coverage:

A. COVERAGE

- There are 3 new coverages: **2.f. Off Premises Equipment Breakdown**; **2.g. Public Relations**; and **2.h. Scientific Animals**.
- In paragraph **2.d.** by replacing the coverage for **Mold** with a new coverage called **Fungus, Wet Rot, Dry Rot and Bacteria**. "Fungus" is a defined term, which includes mold. As the new coverage name indicates, coverage in the new edition includes wet rot, dry rot and bacteria.
- In paragraph **2.i.** by adding "Data Restoration"; by adding "a failure or disruption of service. The failure or disruption of service must be caused by"; by adding "including overhead transmission lines"; by adding "a landlord's utility"; by deleting "with whom you have a contract to supply"; by adding "who provides"; by adding "'cloud computing services'"; by adding "'Cloud computing services' must be provided by a professional provider with whom you have a contract"; by adding "With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to 'data' stored in the equipment of a provider of 'cloud computing services'"; by adding "If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply"; by adding "in any 'one equipment breakdown'"; and by adding "Data Restoration".
- In paragraph **2.j.** by adding "or 'electronic circuitry impairment'".

Other Changes:

A. COVERAGE

- In the preamble by adding "Without an 'accident' or 'electronic circuitry impairment', there is no Equipment Breakdown Coverage"; and by introducing "electronic circuitry impairment" as a new defined term.



- In paragraph 1. preamble by deleting the words "As used in this Additional Coverage, 'accident' means a fortuitous event that causes direct"; adding "or 'electronic circuitry impairment'. We will consider 'electronic circuitry impairment' to be"; and deleting "The event must be one of the following:".
- In the 11 04 edition, paragraphs 1.a. – 1.e. have been deleted.
- In paragraph 2. preamble by putting "schedule" in quotes making it a defined term. "Schedule" is in quotes throughout the new endorsement. The use of quotes for "schedule" will not be called out again hereafter; and by adding "or 'electronic circuitry impairment'. However, with respect to coverage 2.i. Service Interruption below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an 'accident' and will not apply to the direct result of 'electronic circuitry impairment'".
- In paragraph 2. the order of the coverages has changed in some cases. This notice will follow the order of coverages identified in the new edition.
- In paragraph 2.a. by deleting "The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule"; by adding "However, if a deductible is shown in the 'schedule', then with respect to this endorsement only, the 'period of restoration' will begin immediately after the 'accident' or 'electronic circuitry impairment', and the deductible shown in the 'schedule' will apply"; and by adding "The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the 'schedule'".
- In paragraph 2.c. by adding "damaged".

B. EXCLUSIONS

- The exclusion section has been rewritten in its entirety. All major changes are identified below.
- In 1.a. by adding "or 'electronic circuitry impairment'"; and by adding "caused by that 'accident' or 'electronic circuitry impairment'".
- In 1.b. by adding "'electronic circuitry impairment'" in the preamble.
- In 2.b.(3) by adding "elevator collision".
- In 2.b.(4) by adding "Breakage of glass"; and adding "(caused by cold weather)".
- In 2.b.(6) by adding "Water or other means used to extinguish a fire".
- In 2.d. by adding "'electronic circuitry impairment'".
- In 2.e. by adding "Except as specifically provided under A.2.h. Scientific Animals coverage".
- By adding paragraphs 3. and 4.

C. DEFINITIONS

- The following are new Definitions: "Cloud computing services"; "Electronic circuitry"; "Electronic circuitry impairment"; "One equipment breakdown" (replaces "one accident"); and "Schedule".
- In paragraph 1. by putting the meaning of "accident" in the Definitions section. In the 11 04 edition the meaning of "accident" was partly at the beginning of the endorsement and partly in the Exclusions section.

D. DEDUCTIBLE

- In the preamble by deleting "The definitions stated above apply to Section B. of this endorsement".
- In paragraph 3.b. by adding "or 'electronic circuitry impairment'".
- In paragraph 3.c. by adding "or 'electronic circuitry impairment'".

E. CONDITIONS

- In paragraph 1. preamble by adding "the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions".
- In paragraph 1.a. by adding "or 'electronic circuitry impairment'".
- By adding paragraph 2.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 110
Fire Following Premium	\$ 0
Other than Fire Following Premium	\$ 110

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.



Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of 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 Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

Rejection of Terrorism Insurance Coverage

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

Citizens Insurance Company Of America
Insurance Company

ZBX 9601320 06
Quote or Policy Number