

Bxs Insurance, Inc.
16 Thompson Park
Hattiesburg, MS 39401

07/29/2022

Crystal Tower Condominium Association Inc.
FBP2330751
New Business

Dear Producer:

We would like to thank you for choosing The Hartford Steam Boiler Inspection and Insurance Company.

For your information, we offer an on-line self-service policy management tool, HSB Client Connection "My Policies", that provides you with the ability to electronically request and track policy changes and view important policy information including billing details and policy documents.

We appreciate your business. If you have any questions or require additional service, please contact HSB Customer Solutions.

Sincerely,



Matthew Forman
Senior Vice President - Operations

**In the event you need to fax information to HSB, for your convenience, the reverse side of this letter can be used as a Fax Cover Letter.*

Self Service: www.hsb.com/clientconnect
To Report a Claim: 888-472-5677 (Tel); 888-329-5677 (Fax); New_Loss@hsb.com
Inspection Service: 800-333-4677 (Tel); NSCInsp_Hotline@hsb.com

****COVERAGE IS NOT BOUND UNTIL CONFIRMED BY THE COMPANY****

To: **Policy Services Department**

No. of Pages:
(including this page)

Fax #: **1-800-298-4084**

From:

Bxs Insurance, Inc.
9203634

Date:

Effective Date of Change:

Named Insured: Crystal Tower Condominium Association Inc.

Policy No.: FBP2330751

Change Name Insured to:

Change Mailing Address to:

Additional Interest:

Action: Add Revise Delete

Type: Additional Insured Loss Payee 1st, 2nd, 3rd (circle one) Mortgagee

Name:

Address:

Acct. No.:

Locations:

Action: Revise Delete

Information: Loc. No. Address/City/State/Zip

Action: Add (Loss History Attached):

<u>Address/City/State/Zip</u>	<u>Building Value - \$</u>	<u>Contents Value - \$</u>	<u>Business Income Value - \$</u>	<u>Occupancy</u>
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Cancellation Request *(Lost Policy Release must be attached)*
Reason for Cancellation:

Additional Instructions:

Premium Invoice

The Hartford Steam Boiler Inspection and Insurance Company
P.O. Box 70658, Chicago, IL 60673-0658

If you have any questions about this bill, please call 1-800-472-1866.

Producer:
Bxs Insurance, Inc.
16 Thompson Park
Hattiesburg, MS 39401

Invoice Date: 07/29/2022

Insured:
Crystal Tower Condominium Association Inc.

Policy NumberFBP2330751
Policy Term.....05/25/2022 to 05/25/2023
Transaction Effective Date.....05/25/2022
Type of TransactionNew Policy

Premium.....	\$1,672.00
Commission 20.00% (-).....	\$334.40
Total Surcharges/Taxes (+).....	\$0.00

Please Pay \$1,337.60 by 09/14/2022 or this policy is subject to cancellation.

Please submit payment with a copy of this invoice to the address below. Make checks payable to Hartford Steam Boiler.

Hartford Steam Boiler
P.O. Box 70658
Chicago, IL 60673-0658

Amount Enclosed: \$ _____

The Hartford Steam Boiler Inspection and Insurance Company
P.O. Box 61509 • King of Prussia, Pennsylvania 19406-0909
Tel: 1-800-472-1866 • Fax: 1-800-298-4084
Customer_Solution_Center@hsb.com



Hartford Steam Boiler

FIRST Insurance Funding
450 Skokie Blvd, Ste 1000
Northbrook,, IL 60062-7917

07/29/2022

Insured: Crystal Tower Condominium Association Inc.
Policy Number: FBP2330751
Account Number: XXX-96538079

Dear Premium Finance Company:

We have received your notice that you are financing the premium on this policy.

Your request for the cancellation of this policy in accordance with any applicable state requirements will be recognized by our company. Return premium, if any, for cancellation of this policy will be paid to you in accordance with any applicable state requirements.

Sincerely,

Customer Service Representative

Hartford Steam Boiler
Customer Services

Self Service: www.hsb.com/clientconnect
To Report a Claim: 888-472-5677 (Tel); 888-329-5677 (Fax); New_Loss@hsb.com
Inspection Service: 800-333-4677 (Tel); NSCInsp_Hotline@hsb.com

The Hartford Steam Boiler Inspection and Insurance Company
P.O. Box 61509 • King of Prussia, Pennsylvania 19406-0909
Tel: 1-800-472-1866 • Fax: 1-800-298-4084
Customer_Solution_Center@hsb.com



Hartford Steam Boiler

Bxs Insurance, Inc.
16 Thompson Park
Hattiesburg, MS 39401

07/29/2022

Insured: Crystal Tower Condominium Association Inc.
Policy Number: FBP2330751
Account Number: XXX-96538079

Dear Producer:

We have received a notice of financed premium for the captioned insured.

In accordance with applicable state law, we are required to pay the net return premium for cancellation to the finance company. Rather than return any commission due to the insured in the event of cancellation, you should pay the finance company any return commission due for any such cancellation.

Sincerely,

Customer Service Representative

Hartford Steam Boiler
Customer Services

Self Service: www.hsb.com/clientconnect
To Report a Claim: 888-472-5677 (Tel); 888-329-5677 (Fax); New_Loss@hsb.com
Inspection Service: 800-333-4677 (Tel); NSCInsp_Hotline@hsb.com

HSB TechAdvantage™ Common Policy Declarations

Presented by: **Bxs Insurance, Inc.**
(601)554-7300

To report a claim - Call 1-888-HSB-LOSS (472-5677); Fax 1-888-329-5677.
For questions and information about your policy – Call 1-800-472-1866.

Issue Date..... 07/29/2022

Policy Number FBP2330751

Named Insured:
Crystal Tower Condominium Association Inc.

Mailing Address..... PO Box 346
Gulf Shores, AL 36542

Policy Period..... 05/25/2022 to 05/25/2023 at 12:01 A.M.
Standard Time at the above Mailing Address

Annual Premium\$1,672.00

Notices: Your policy may contain a Notice to Policyholders. State-specific notices are contained in the applicable `State Changes' documents, attached at the end of your policy. Other notices may appear at the beginning of your policy.

Common Policy Declarations

Named Insured:
Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

This policy is made up of these Declarations and the following forms:

Description	Form No.		
Equipment Breakdown Coverage Part Declarations No. 1	TEC	EBCDEC	07/2015
Schedule of Locations	EFB	SCHLOCS	11/2014
Agreement and Conditions		6670	07/2015
HSB TechAdvantage™ Equipment Breakdown Coverage Form		TEC150	07/2015
Terrorism Risk Insurance Act Disclosure	END	EBTRIA	01/2015
Alabama Changes	FBP	AL	03/2011
Data Compromise Coverage and Identity Recovery Coverage Schedule	DC-IDR	SCH	01/2012
Data Compromise Coverage	TEC	DC	07/2015
Identity Recovery Coverage	TEC	IDR	07/2015

Equipment Breakdown Coverage Part Declarations No. 1

Named Insured:
Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

These coverages apply to any location listed on the Schedule of Locations for Equipment Breakdown Coverage Part Declarations No. 1.

Covered Cause of Loss

Accident..... Included
Electronic Circuitry Impairment..... Included

The Covered Cause of Loss for this Equipment Breakdown Coverage always includes “accident.”
If indicated as Included above, the Covered Cause of Loss for this Equipment Breakdown Coverage also includes “electronic circuitry impairment.”

Coverages	Limits
Equipment Breakdown Limit.....	\$40,121,000
Property Damage.....	Included
Business Income.....	Excluded
Extra Expense.....	Excluded
Civil Authority.....	Excluded
Contingent Business Income.....	Excluded
Data Restoration.....	\$50,000
Demolition.....	\$50,000
Expediting Expense.....	\$50,000
Green.....	\$25,000
Hazardous Substances.....	\$50,000
Mold.....	\$25,000
Newly Acquired Locations.....	\$250,000
Off Premise Equipment Breakdown.....	\$25,000
Ordinance or Law.....	\$25,000
Perishable Goods.....	\$25,000
Public Relations.....	Excluded
Service Interruption.....	Excluded

Schedule of Locations

Named Insured:

Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

Location Number	Coverage Part Declarations Number	Location Address
1	1	Crystal Tower Condominium Association Inc. 1010 West Beach Blvd Gulf Shores, AL 36542

Agreement and Conditions

**The Hartford Steam Boiler
Inspection and Insurance Company**

One State Street
Hartford, Connecticut 06102-5024

Claims Telephone Number: 1-888-472-5677

Claims Fax Number: 1-888-329-5677

Claims Email: New_Loss@hsb.com

Inspection Service Telephone Number: 1-800-333-4677

Inspection Service Email: NSCInsp_Hotline@hsb.com

Insuring Agreement

In return for payment of the premium and subject to all terms of the policy, we agree with you to provide the insurance as stated in this policy.

In Witness Whereof, the Company identified on the Declarations has caused this policy to be signed by its President and Corporate Secretary at Hartford, Connecticut.



Greg Barats
President and Chief Executive Officer



Nancy C. Onken
Corporate Secretary

General Conditions

I. COMMON POLICY 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 canceled, 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 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.

E. PREMIUMS

The first Named Insured shown in the Declarations:

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

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

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

II. CALCULATION OF PREMIUM

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

III. REPORT OF VALUES

You must report insurable values to us at least once a year.

IV. ADJUSTMENT OF PREMIUM

- A. The premium charged at the inception of each policy year is an advance premium. When we receive updated insurable values from you or when we determine updated insurable values through an audit or claim adjustment, we will determine an adjusted premium for this insurance.
- B. If the adjusted premium is less than the advance premium, we will return the excess premium to you. Such excess premium will not exceed 75% of the advance premium.
- C. If the adjusted premium is greater than the advance premium, we will charge the additional premium based on your reports of value.

V. JOINT OR DISPUTED LOSS AGREEMENT

- A. This condition is intended to facilitate payment of insurance proceeds when:
 - 1. Both a commercial property policy and this equipment breakdown policy are in effect;
 - 2. Damage occurs to Covered Property that is insured by the commercial property policy and this equipment breakdown 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. The provisions of this condition apply only if all of the following requirements are met:
 - 1. The commercial property 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 condition;
 - 2. There is a Joint Loss or Disputed Loss as defined below; and
 - 3. The total amount of the loss is agreed to by you, the commercial property insurer(s) and us.
- C. Joint Loss and Disputed Loss are defined as follows:
 - 1. Joint Loss means that there is damage to

property that is Covered Property under both the commercial property policy and this policy and both the commercial property insurer(s) and we admit to some liability for payment under the respective policies.

- 2. Disputed Loss means that there is damage to property that is Covered Property under both the commercial property policy and this policy and the commercial property insurer(s) and we agree that there is some liability under one policy or the other, but disagree about which policy is liable for the loss.
- D. If the requirements listed in paragraph B. above are satisfied, we and the commercial property 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 equipment breakdown policy and one-half (1/2) the amount of the loss that is in disagreement.
 - 2. The commercial property insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial property 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.
 - 4. The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent loss agreement(s) of the commercial property policy.
 - 5. The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy been in effect at the time of loss. In no event will we pay more than the applicable Equipment Breakdown Limit shown in the Declarations.
 - 6. Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.

E. Arbitration

1. The commercial property insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.
2. You agree to cooperate with any arbitration procedures.
3. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial property 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.

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). In addition, the insurer(s) found responsible for the greater portion of the loss must pay liquidated damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated damages are defined as interest from the date the insured invokes this agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the money rates column of the Wall Street Journal during the period of the liquidated damages. Arbitration expenses are not a part of the excess contribution for which liquidated damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

HSB TechAdvantage™

Equipment Breakdown Coverage Form

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

Throughout this policy, the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we,” “us” and “our” refer to the Company providing this Insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G - DEFINITIONS. Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. COVERAGE

This Equipment Breakdown Coverage provides insurance for a Covered Cause of Loss as defined in A.1. below. In the event of a Covered Cause of Loss, we will pay for loss as described in A.2. below.

1. Covered Cause of Loss

a. “Accident” and “Electronic Circuitry Impairment”

The following applies when Electronic Circuitry Impairment is shown as Included in the Declarations:

The Covered Cause of Loss for this Equipment Breakdown Coverage is an “accident” or “electronic circuitry impairment.” Without an “accident” or “electronic circuitry impairment” there is no Equipment Breakdown Coverage.

b. “Accident” Only

The following applies when Electronic Circuitry Impairment is shown as Not Included in the Declarations:

The Covered Cause of Loss for this Equipment Breakdown Coverage is an “accident.” Without an “accident,” there is no Equipment Breakdown Coverage.

2. Coverages Provided

This section lists the coverages that may apply in the event of a Covered Cause of Loss. Each coverage is subject to a specific limit as shown in the Declarations. See paragraph C.2. for details.

These coverages apply only to the direct result of a Covered Cause of Loss. For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the Covered Cause of Loss.

a. Property Damage

We will pay for physical damage to “covered property” that is at a location

indicated in the Declarations at the time of the Covered Cause of Loss. When Electronic Circuitry Impairment is shown as Included in the Declarations, we will consider “electronic circuitry impairment” to be physical damage to “covered equipment.”

b. Business Income

- (1) We will pay your actual loss of “business income” during the “period of restoration” that results directly from the necessary total or partial interruption of your business.
- (2) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (3) We will consider the actual experience of your business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss in determining the amount of our payment.

c. Extra Expense

We will pay the reasonable and necessary “extra expense” to operate your business during the “period of restoration.”

d. Civil Authority

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from a civil authority prohibiting access to a location indicated in the Declarations due solely to a Covered Cause of Loss that causes damage to property within one mile of such

location, provided that such action is taken in response to dangerous physical conditions resulting from the Covered Cause of Loss, or to enable a civil authority to have unimpeded access to the damaged property.

e. Contingent Business Income

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from:

- (1) An “interruption of supply”; or
- (2) An “accident” at an “anchor location” that has been open for business for at least six months prior to the “accident” and is located within one mile of your scheduled location.

f. Course of Construction

This coverage is automatically included and does not need to be indicated in the Declarations.

- (1) You will notify us promptly of any expansion or rehabilitation of any location indicated in the Declarations.
- (2) All coverages applicable to any location indicated in the Declarations are extended to an expansion or rehabilitation of that location.
- (3) This coverage begins at the time you begin the expansion or rehabilitation project.
- (4) We will charge you additional premium for newly acquired equipment from the date the equipment is installed.

g. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace or restore lost “data.”
- (2) We will pay for your reasonable and necessary cost to research, replace or restore “data” that is lost as the result of an “interruption of service.”
- (3) Coverage under g.(2) above applies to “data” stored in “covered equipment.”
- (4) If “cloud computing services” is indicated in the Declarations as a Covered Service, coverage under

g.(2) above also applies to “data” stored in the equipment of a “cloud computing services” provider with whom you have a contract.

- (5) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of g.(1) and g.(2) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Data Restoration limit.

h. Demolition

- (1) This coverage applies if a Covered Cause of Loss damages a building that is “covered property” and the loss is increased by an ordinance or law that:
 - (a) Requires the demolition of a building that is otherwise repairable;
 - (b) Is in force at the time of the Covered Cause of Loss; and
 - (c) Is not addressed under Hazardous Substances coverage or Mold coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
 - (a) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and
 - (b) Your actual and necessary cost to reconstruct the undamaged parts of the building.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
- (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of h.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Demolition limit.

i. Expediting Expenses

With respect to your damaged “covered property,” we will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

j. Green

(1) With respect to “covered property,” we will pay for additional costs you incur:

- (a) To repair damaged property using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program, if repair is the least expensive option as described in Section E. LOSS CONDITIONS, 10. Valuation, paragraph a.;
- (b) To replace damaged property using equipment, materials and service firms required or recommended by a Recognized Environmental Standards Program, if replacement is the least expensive option as described in Section E. LOSS CONDITIONS, 10. Valuation, paragraph a.;
- (c) To dispose of damaged property or equipment, if practicable, through a recycling process; and
- (d) To flush out reconstructed space with up to 100% outside air using new filtration media.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.

(2) With respect to any building that is “covered property” which, at the time of the Covered Cause of Loss was certified by a Recognized Environmental Standards Program, we will pay for costs you incur:

- (a) To prevent a lapse of such certification;
- (b) To reinstate the certification or

replace it with an equivalent certification;

- (c) For an engineer authorized by a Recognized Environmental Standards Program to oversee the repair or replacement of the damaged “covered property”; and
- (d) For a Professional Engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.

(3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of j.(1) and (2) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Green limit.

(4) This Green coverage is subject to the following provisions:

- (a) This coverage applies in addition to any coverage that may apply under Section E. LOSS CONDITIONS, 10. Valuation, paragraph d. Environmental, Safety and Efficiency Improvements, or any other applicable coverage.
- (b) This coverage only applies to “covered property” that must be repaired or replaced as a direct result of a Covered Cause of Loss.
- (c) This coverage does not apply to any property or equipment that is valued on an Actual Cash Value basis under this policy.

(5) As used in this Green coverage, Recognized Environmental Standards Program means one of the following:

- (a) The United States Environmental Protection Agency ENERGY STAR® program;
- (b) The U.S. Green Building Council LEED® program;
- (c) The Green Building Initiative

GREEN GLOBES® program;
or

- (d) Any nationally or internationally recognized environmental standards program that is designed to achieve energy savings and related objectives of the type included in the programs listed above.

k. Hazardous Substances

- (1) We will pay for the 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. This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in Perishable Goods, A.2.p.(3).
- (2) 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) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of k.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Hazardous Substances limit.

l. Mold

- (1) We will pay for the additional cost to repair or replace “covered property” because of contamination by mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast, resulting from a Covered Cause of Loss. 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 Perishable Goods coverage.

- (2) As used in this Mold coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no mold, fungus, mildew, yeast, spores or toxins been involved.
- (3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of l.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Mold limit.
- (4) 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 mold, fungus, mildew, yeast, spores or toxins.

m. Newly Acquired Locations

- (1) You will notify us promptly of any newly acquired location that you have purchased or leased during the Policy Period.
- (2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Policy Period.
- (3) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.
- (4) This coverage ends when any of the following first occurs:
 - (a) This Policy expires;
 - (b) The number of days specified in the Declarations for this coverage expires after you acquire the location;
 - (c) The location is incorporated into the regular coverage of this policy; or
 - (d) The location is incorporated into the regular coverage of another

Equipment Breakdown policy you have.

- (5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any “one equipment breakdown” is the amount shown as the Newly Acquired Locations limit in the Declarations.
- (6) We will charge you additional premium for newly acquired locations from the date you acquire the property.

n. Off Premises Equipment Breakdown

- (1) We will pay for physical damage to transportable “covered equipment” that, at the time of the Covered Cause of Loss, is not at a location indicated in the Declarations.
- (2) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of n.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.
- (3) We will also pay for your loss and expense as defined under Data Restoration coverage that is the result of n.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Off Premises Equipment Breakdown limit.

o. Ordinance or Law

- (1) This coverage applies if a Covered Cause of Loss damages a building that is “covered property” and the loss is increased by an ordinance or law that:
 - (a) Regulates the construction or repair of buildings, including “building utilities”;
 - (b) Is in force at the time of the Covered Cause of Loss; and
 - (c) Is not addressed under

Demolition coverage, Hazardous Substances coverage, or Mold coverage.

- (2) We will pay for the following additional costs to comply with such ordinance or law:
 - (a) Your actual and necessary cost to repair the damaged portions of the building;
 - (b) Your actual and necessary cost to reconstruct the damaged portions of the building; and
 - (c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the Covered Cause of Loss.
- (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of o.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Ordinance or Law limit.

p. Perishable Goods

- (1) We will pay for physical damage to “perishable goods” due to “spoilage.”
- (2) We will also pay for physical damage to “perishable goods” due to “spoilage” that is the result of an “interruption of service.”
- (3) We will also pay for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.
- (4) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would

have been payable under this Perishable Goods coverage.

q. Public Relations

- (1) This coverage only applies if you have sustained an actual loss of “business income” covered under this policy.
- (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.

r. Service Interruption

We will pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of an “interruption of service.”

B. EXCLUSIONS

We will not pay for any excluded loss, damage or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage or expense.

1. 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 a Covered Cause of Loss.

a. Fire and Explosion

- (1) Fire, including smoke from a fire.
- (2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.
- (3) Any other explosion, except as specifically provided in the definition of “accident.”

b. Ordinance or Law

The enforcement of, or change in, any ordinance, law, regulation, rule or ruling

regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as specifically provided in A.2.h., k., l. and o. (Demolition, Hazardous Substances, Mold and Ordinance or Law coverages).

c. Earth Movement

Earth movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse or tsunami.

d. Nuclear Hazard

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

e. 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, political violence or action taken by governmental authority in hindering or defending against any of these.

f. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow; or
- (3) 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 amount you actually expend to dry out such equipment, subject to the applicable Property Damage limit and Direct Coverage deductible. We will not pay more than the Actual Cash Value of the affected electrical “covered equipment.” We will not pay to replace such equipment or for any other loss, damage or expense.

g. Failure to Protect Property

Your failure to use all reasonable means to protect “covered property” from damage

following a Covered Cause of Loss.

h. Fines

Fine, penalty or punitive damage.

i. Mold

Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins, except as specifically covered under Mold coverage. However, this exclusion does not apply to “spoilage” of personal property that is “perishable goods” to the extent that such “spoilage” is covered under Perishable Goods coverage.

j. Vandalism

Vandalism, meaning a willful and malicious act that causes damage or destruction.

2. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following causes of loss:

- a. Lightning.
- b. Windstorm or Hail. However, this exclusion does not apply when:
 - (1) “Covered equipment” located within a building or structure suffers a Covered Cause of Loss that results from wind-blown rain, snow, sand or dust; and
 - (2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
- c. Collision or any physical contact caused by a “vehicle.” This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed “vehicles” which you own or which are operated in the course of your business.
- d. Riot or Civil Commotion.
- e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.
- f. Volcanic Action.
- g. An electrical insulation breakdown test.

h. A hydrostatic, pneumatic or gas pressure test.

i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.

j. Elevator collision.

3. We will not pay for a Covered Cause of Loss caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

- a. Falling Objects.
- b. Weight of Snow, Ice or Sleet.
- c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
- d. Collapse.
- e. Breakage of Glass.
- f. Freezing caused by cold weather.
- g. Discharge of molten material from equipment, including the heat from such discharged material.

4. Exclusions 2. and 3. do not apply if all of the following are true:

- a. The excluded peril occurs away from any location indicated in the Declarations and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to an indicated location;
- c. At the indicated location, the surge or disturbance results in a Covered Cause of Loss to “covered equipment” that is owned or operated under the control of you or your landlord; and
- d. The loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.

5. With respect to Business Income, Extra Expense and Service Interruption, we will also not pay for:
 - a. Loss associated with business that would not or could not have been carried on if the Covered Cause of Loss had not occurred;
 - b. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;
 - c. That part of any loss that extends beyond or occurs after the “period of restoration.” This includes, but is not limited to:
 - (1) “Business income” that would have been earned after the “period of restoration,” even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the “period of restoration”; and
 - (2) “Extra expense” to operate your business after the “period of restoration,” even if such loss is contracted for and paid during the “period of restoration.”
 - d. Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.
6. With respect to Civil Authority, Contingent Business Income, Off Premises Equipment Breakdown, Service Interruption, paragraph (2) of Data Restoration and paragraph (2) of Perishable Goods, we will also not pay for a Covered Cause of Loss caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.
7. With respect to Data Restoration coverage, we will also not pay to reproduce:
 - a. Software programs or operating systems that are not commercially available; or
 - b. “Data” that is obsolete, unnecessary or useless to you.
8. With respect to Demolition and Ordinance or Law coverages, we will also not pay for:
 - a. Increased demolition or reconstruction costs until they are actually incurred; or
 - b. 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; whether or not you were aware of such non-compliance.

C. LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one insured is shown in the Declarations or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any “one equipment breakdown” is the amount shown as the Equipment Breakdown Limit in the Declarations.

2. Coverage Limits

- a. The limit of your insurance under each of the coverages listed in A.2. from loss, damage or expense arising from any “one equipment breakdown” is the amount indicated for that coverage in the Declarations. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the Covered Cause of Loss. If a coverage is shown as “Included,” that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Declarations for a coverage, or if a coverage is shown as Excluded in the Declarations, that coverage will be considered to have a limit of \$0.
- b. Loss arising from any “one equipment breakdown” may continue to be present or recur in a later policy period. This includes, but is not limited to, loss arising from mold, fungus, mildew or yeast as covered under Mold coverage. In such a case, the most we will pay for all loss, damage or expense arising out of any “one equipment breakdown” is the coverage limit applicable at the time of the Covered Cause of Loss.
- c. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:

- (1) You have a loss under one of the coverages listed in A.2.; and
- (2) All or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss,

we will not pay the remaining amount of such loss under any other coverage.

EXAMPLE 1

Property Damage Limit: \$7,000,000

Business Income Limit: \$1,000,000

Newly Acquired Locations Limit: \$500,000

There is a Covered Cause of Loss at a newly acquired location that results in a Property Damage loss of \$200,000 and a Business Income loss of \$800,000.

We will pay \$500,000, because the entire loss is subject to the Newly Acquired Locations Limit of \$500,000.

EXAMPLE 2

Property Damage Limit: \$7,000,000

Business Income Limit: \$500,000

Hazardous Substances Limit: \$25,000

There is a Covered Cause of Loss that results in a loss of \$100,000. If no "hazardous substance" had been involved, the property damage loss would have been \$10,000 and the business income loss would have been \$20,000. The presence of the "hazardous substance" increased the loss by \$70,000 (increasing the clean up and repair costs by \$30,000 and increasing the business income loss by \$40,000).

We will pay \$55,000 (\$10,000 property damage plus \$20,000 business income plus \$25,000 hazardous substances).

D. DEDUCTIBLES

1. Deductibles for Each Coverage

- a. Unless the Declarations indicate 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 or damage exceeds the deductible amount indicated for that coverage in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Declarations.
- 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.

- d. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Declarations.
- b. Unless more specifically indicated in the Declarations:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this Equipment Breakdown Coverage.

EXAMPLE

A Covered Cause of Loss results in covered losses as follows:

\$100,000 Total Loss (all applicable coverages)

\$ 35,000 Business Income Loss (including \$2,000 of business income loss payable under Data Restoration coverage)

\$ 5,000 Extra Expense Loss

In this case, the Indirect coverages loss totals \$40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining \$60,000 before application of the Direct Coverage Deductible.

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 or deductibles shown in the Declarations. We will then pay the amount

of loss, damage or expense in excess of the applicable deductible or deductibles, subject to the applicable limits shown in the Declarations.

b. Time Deductibles

If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the Covered Cause of Loss. If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

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” that would have been earned during the period of interruption had no Covered Cause of Loss occurred, divided by the number of working days in that period. 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 Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

EXAMPLE

Business is interrupted, partially or completely, for 10 working days. If there had been no Covered Cause of Loss, the total “business income” at the affected location for those 10 working days would have been \$5,000. The Indirect Coverages Deductible is 3 Times ADV.

$$\$5,000 / 10 = \$500 \text{ ADV}$$

$$3 \times \$500 = \$1,500 \text{ Indirect Coverages Deductible}$$

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. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Brands and Labels

a. If branded or labeled merchandise that is “covered property” is damaged by a Covered Cause of Loss, but retains a salvage value, you may:

- (1) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

b. We will pay for any reduction in value of the salvage merchandise resulting from either of the two actions listed in 2.a. above, subject to all applicable limits.

c. We will also pay the reasonable and necessary expenses you incur to perform either of the two actions described in 2.a. above. We will pay for such expenses to the extent that they do not exceed the amount recoverable from salvage.

d. If a Brands and Labels Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

a. Unless otherwise shown in the Declarations, Business Income coverage is subject to coinsurance. This means that we will not pay the full amount of any “business income” loss if the “business income actual annual value” is greater than the “business income estimated annual value” at the affected location at the time of the Covered Cause of Loss. Instead, we will determine the most we will pay using the following steps:

- (1) Divide the “business income estimated annual value” by the “business income actual annual value” at the time of the Covered Cause of Loss;
- (2) Multiply the total amount of the covered loss of “business income” by the amount determined in paragraph (1) above;
- (3) Subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each insured location.
- c. If you report a single “business income estimated annual value” for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

EXAMPLE 1 (Underinsurance)

When:

The “business income actual annual value” at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is \$100,000.

The actual loss of “business income” resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$100,000 / \$200,000 = .5$

Step 2: $\$40,000 \times .5 = \$20,000$

Step 3: $\$20,000 - \$5,000 = \$15,000$

The total “business income” loss recovery, after deductible, would be \$15,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

We will also charge you an additional premium in recognition of the actual “business income annual value.”

EXAMPLE 2 (Adequate insurance)

When:

The “business income actual annual value” at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is \$200,000.

The actual loss of “business income” resulting from the Covered Cause of Loss is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$200,000 / \$200,000 = 1$

Step 2: $\$40,000 \times 1 = \$40,000$

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total “business income” loss recovery, after deductible, would be \$35,000.

4. Coinsurance - Coverages other than Business Income

Coverages other than Business Income may be subject to coinsurance if so indicated in the Declarations. If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of the property subject to the coverage at the time of the Covered Cause of Loss times the Coinsurance percentage shown for it in the Declarations is greater than the applicable limit.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the property subject to the coverage at the time of the Covered Cause of Loss by the Coinsurance percentage;
- (2) Divide the applicable limit by the amount determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the amount determined in step (2); and
- (4) Subtract the deductible from the amount determined in step (3).

We will pay the amount determined in step (4) or the applicable limit, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each insured location.

EXAMPLE 1 (Underinsurance)

When:

The actual value of “perishable goods” at the location of loss at the time of the Covered Cause of Loss is \$200,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000 / \$160,000 = .625$

Step 3: $\$60,000 \times .625 = \$37,500$

Step 4: $\$37,500 - \$5,000 = \$32,500$

The total Perishable Goods loss recovery, after deductible, would be \$32,500. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The actual value of “perishable goods” at the location of loss at the time of the Covered Cause of Loss is \$100,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the Covered Cause of Loss is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000 / \$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$60,000 - \$5,000 = \$55,000$

The total Perishable Goods loss recovery, after deductible, would be \$55,000.

5. Defense

We have the right, but are not obligated, to defend you against suits arising from claims of owners of property in your care, custody or control. When we do this, it will be at our expense.

6. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- a. Give us a prompt notice of the loss or damage, including a description of the property involved.
- b. You must reduce your loss, damage or expense, if possible, by:
 - (1) Protecting property from further damage. We will not pay for your failure to protect property, as stated in Exclusion B.1.g.;
 - (2) Resuming business, partially or completely at the location of loss or at another location;
 - (3) Making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;
 - (4) Using merchandise or other property available to you;
 - (5) Using the property or services of others; and
 - (6) Salvaging the damaged property.
- c. Allow us a reasonable time and opportunity to examine the property and premises before repair or replacement is undertaken or physical evidence of the Covered Cause of Loss is removed. But you must take whatever measures are necessary for protection from further damage.
- d. Make no statement that will assume any obligation or admit any liability, for any loss, damage or expense for which we may be liable, without our consent.
- e. Promptly send us any legal papers or notices received concerning the loss, damage or expense.
- f. As often as may be reasonably required, permit us to inspect your property, premises 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. If requested, permit us to examine you and any of your agents, employees and representatives under oath. We may examine any insured under oath while not in the presence of any other insured. Such examination:

- (1) May be at any time reasonably required;
 - (2) May be about any matter relating to this insurance, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and
 - (3) May be recorded by us by any methods we choose.
- h. Send us a signed, sworn proof of loss containing the information we request. You must do this within 60 days after our request.
 - i. Cooperate with us in the investigation and settlement of the claim.

7. Errors and Omissions

- a. We will pay your loss covered by this Equipment Breakdown coverage if such loss is otherwise not payable solely because of any of the following:
 - (1) Any error or unintentional omission in the description or location of property as insured under this policy;
 - (2) Any failure through error to include any premises owned or occupied by you at the inception of this policy; or
 - (3) Any error or unintentional omission by you that results in cancellation of any premises insured under this policy.
- b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.
- c. 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 added had no error or omission occurred.
- d. If an Errors and Omissions Limit is indicated in the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

8. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

- a. Demonstrating that the loss, damage or expense is the result of a Covered Cause of

Loss covered under this Equipment Breakdown Coverage; and

- b. Calculating the dollar amount of the loss, damage and expense that you claim is covered.

Your responsibility in 8.a. above is without regard to whether or not the possible Covered Cause of Loss occurred at your premises or involved your equipment.

9. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other shall be paid promptly.

10. 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. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- c. Except as described in d. 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.

d. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to a Covered Cause of Loss, we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy or water efficient than the

equipment being replaced, subject to the following conditions:

- (1) We will not pay more than 150% of what the cost would have been to replace with like kind and quality;
 - (2) We will not pay to increase the size or capacity of the equipment;
 - (3) This provision only applies to Property Damage coverage;
 - (4) This provision does not increase any of the applicable limits;
 - (5) This provision does not apply to any property valued on an Actual Cash Value basis; and
 - (6) This provision does not apply to the replacement of component parts.
- e. 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 Covered Cause of Loss; and
 - (3) Any “covered property” for which Actual Cash Value coverage is specified in the Declarations.
- Actual Cash Value includes deductions for depreciation.
- f. 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.
- g. 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.

h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:

- (1) Repair or replace the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

In determining the least expensive option, we will include any associated Business Income or Extra Expense loss. If option (2) or (3) is more expensive than (1), but you wish to retrofit or replace anyway, we will consider this better for the environment and therefore eligible for valuation under paragraph d., Environmental, Safety and Efficiency Improvements. In such case, 10.d.(1) above is amended to read: “We will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality.”

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Additional Insured

If a person or organization is designated in this Equipment Breakdown Coverage as an additional insured, we will consider them to be an insured under this Equipment Breakdown Coverage only to the extent of their interest in the “covered property.”

2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or us of any obligation under this Equipment Breakdown Coverage.

3. Concealment, Misrepresentation or Fraud

We will not pay for any loss and coverage will be void if you or any additional insured at any

time:

- a. Intentionally cause or allow loss, damage or expense in order to collect on insurance; or
- b. Intentionally conceal or misrepresent a material fact concerning:
 - (1) This Equipment Breakdown Coverage;
 - (2) The “covered property”;
 - (3) Your interest in the “covered property”; or
 - (4) A claim under this Equipment Breakdown Coverage.

4. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any “covered equipment” that is “covered property” requires inspection to comply with such regulations, at your option we agree to perform such inspection.

5. Legal Action Against Us

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

- a. There has been full compliance with all the terms of this Equipment Breakdown Coverage; and
- b. The action is brought within two years after the date of the Covered Cause of Loss; or
- c. We agree in writing that you have an obligation to pay for damage to “covered property” of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

6. Liberalization

If we adopt any standard form revision for general use that would broaden the coverage under this Equipment Breakdown Coverage without additional premium, the broadened coverage will apply to this Equipment Breakdown Coverage commencing on the date that such revision becomes effective in the jurisdiction where the Covered Cause of Loss occurs.

7. Loss Payable

- a. We will pay you and the loss payee shown in the Declarations for loss covered by this Equipment Breakdown Coverage, as

interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part or on the part of the loss payee.

- b. We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.
- c. If we make any payment to the loss payee, we will obtain their rights against any other party.

8. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. We will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this policy.

9. Mortgage Holders and Lender's Loss Payable

- a. We will pay for direct damage to “covered property” due to a Covered Cause of Loss to “covered equipment” to you and each Mortgage Holder and Lender Loss Payee shown in the Declarations in their order of precedence, as interests in the “covered property” may appear.
- b. The Mortgage Holder and Lender Loss Payee have the right to receive loss payment even if they have started foreclosure or similar action on the “covered property.”
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage, the Mortgage Holder and Lender Loss Payee will still have the right to receive loss payment, provided the Mortgage Holder and Lender Loss Payee does all of the following:
 - (1) Pays any premium due under this Equipment Breakdown Coverage at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so;
 - (3) Has notified us of any change in

ownership or material change in risk known to the mortgage holder; and

- (4) Has complied with all other terms and conditions of this Policy.

All of the terms of this Equipment Breakdown Coverage will then apply directly to the Mortgage Holder and Lender Loss Payee.

- d. If we pay the Mortgage Holder and Lender Loss Payee for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Equipment Breakdown Coverage:

- (1) The rights of the Mortgage Holder and Lender Loss Payee will be transferred to us to the extent of the amount we pay; and
- (2) The rights of the Mortgage Holder and Lender Loss Payee to recover the full amount of their claim will not be impaired.

At our option, we may pay to the Mortgage Holder and Lender Loss Payee the whole principal on the debt plus any accrued interest. In this event, the mortgage or debt will be transferred to us and you will pay your remaining mortgage or debt to us.

- e. If we cancel this policy, we will give written notice to the Mortgage Holder and Lender Loss Payee at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- f. If we elect not to renew this policy, we will give written notice to the Mortgage Holder and Lender Loss Payee at least 10 days before the expiration date of this policy.
- g. If we suspend coverage, it will also be suspended as respects the Mortgage Holder and Lender Loss Payee. We will give written notice of the suspension to the Mortgage Holder and Lender Loss Payee.

10. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

11. Policy Period, Coverage Territory

Under this Equipment Breakdown Coverage:

- a. The Covered Cause of Loss must occur during the Policy Period, but expiration of the policy does not limit our liability.
- b. The Covered Cause of Loss must occur within the following Coverage Territory:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.
- c. As respects Off Premises Equipment Breakdown coverage only, the Covered Cause of Loss may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

12. Privilege to Adjust with Owner

In the event of loss, damage or expense involving property of others in your care, custody or control, we have the right to settle the loss, damage or expense with respect to such property with the owner of the property. Settlement with owners of that property will satisfy any claim of yours.

13. 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 a Covered Cause of Loss to that "covered equipment." This can be done by delivering or mailing a written notice of suspension to:

- a. Your last known address; or
- b. 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.

14. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Equipment Breakdown Coverage 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:

- a. Prior to a Covered Cause of Loss.
- b. After a Covered Cause of Loss only if, at time of the Covered Cause of Loss, that party is one of the following:
 - (1) Someone insured by this Policy; or
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you.

G. DEFINITIONS

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 electrical arcing, that damages electrical devices, appliances or wires;
 - (3) Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
 - (4) An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
 - (5) An event inside hot water boilers or other water heating equipment that damages such equipment; or
 - (6) Bursting, cracking or splitting.
- b. None of the following is an "accident," however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected. However, if an event as defined under 1.a. above results from any of the following, it will be considered an "accident."
 - (1) Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;
 - (2) Any gradually developing condition;

- (3) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;
- (4) Contamination by a "hazardous substance"; or
- (5) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

2. "**Anchor Location**" means a location, operated by others, upon which you depend to attract customers to your scheduled location.

3. "**Boilers and Vessels**" means:

- a. Boilers;
- b. Steam piping;
- c. Piping that is part of a closed loop used to conduct heat from a boiler;
- d. Condensate tanks; and
- e. Unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

4. "**Building Utilities**" means "covered equipment" permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, central vacuum, natural gas service or communications. "Building utilities" does not include personal property or equipment used in manufacturing or processing.

5. "**Buried Vessels or Piping**" means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.

6. "**Business Income**" means the sum of:

- a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal and necessary operating expenses incurred, including employee payroll.

7. **“Business Income Actual Annual Value”** means the “business income” for the current fiscal year that would have been earned had no Covered Cause of Loss occurred.

In calculating the “business income actual annual value,” we will take into account the actual experience of your business before the Covered Cause of Loss and the probable experience you would have had without the Covered Cause of Loss.

8. **“Business Income Estimated Annual Value”** means the anticipated “business income” reported to us and shown in the Declarations. If no value is shown in the Declarations, the “business income estimated annual value” will be the most recent report of anticipated “business income” values on file with us.

9. **“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.

10. “Covered Equipment”

- a. “Covered equipment” means the following:

- (1) Unless specified otherwise in the Declarations:
 - (a) Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (b) Equipment 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.

- (2) Except as specifically provided for under Civil Authority, Contingent Business Income, Off Premises Equipment Breakdown, Service Interruption, paragraph (2) of Data Restoration and paragraph (2) of Perishable Goods, such equipment

must be at a location indicated in the Declarations and must be owned or leased by you, or operated under your control.

- b. None of the following is “covered equipment”:

- (1) Structure, including but not limited to the structural portions of buildings and towers and scaffolding;
- (2) Foundation;
- (3) Cabinet, compartment, conduit or ductwork;
- (4) Insulating or refractory material;
- (5) “Buried vessels or piping”;
- (6) Waste, drainage or sewer piping;
- (7) Piping, valves or fittings forming a part of a sprinkler or fire suppression system;
- (8) Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
- (9) “Vehicle” or any equipment mounted on a “vehicle”;
- (10) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (11) Dragline, excavation or construction equipment;
- (12) Equipment manufactured by you for sale; or
- (13) “Data.”

11. “Covered Property”

- a. “Covered Property” means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location indicated in the Declarations except as provided under Off Premises Equipment Breakdown coverage.

- b. None of the following is “covered property”:

- (1) Accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;
- (2) Fine arts, jewelry, furs or precious stones;
- (3) Precious metal, unless forming a part of “covered equipment”;

- (4) Animals;
- (5) Contraband, or property in the course of illegal transportation or trade;
- (6) Land (including land on which the property is located), water, trees, growing crops or lawns; or
- (7) Shrubs or plants, unless held indoors for retail sale.

12. “Data” means information or instructions stored in digital code capable of being processed by machinery.

13. “Electrical Generating Equipment”

- a. “Electrical Generating Equipment” means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
 - (1) Boilers used primarily to provide steam for one or more turbine-generator units;
 - (2) Turbine-generators (including steam, gas, water or wind turbines);
 - (3) Engine-generators;
 - (4) Fuel cells or other alternative electrical generating equipment;
 - (5) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
 - (6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.
- b. “Electrical Generating Equipment” does not mean:
 - (1) Elevator or hoist motors that generate electricity when releasing cable; or
 - (2) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

14. “Electronic circuitry” means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.

15. “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 an “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; or
 - (b) Insufficient size, capability or capacity of the “covered equipment.”
 - (3) 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.

16. **“Extra Expense”** means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no Covered Cause of Loss occurred.

17. **“Hazardous Substance”** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

18. **“Interruption of Service”**

- a. “Interruption of service” means a failure or disruption of the normal supply of any of the Covered Services listed in b. and c. below, when such failure or disruption is caused by an “accident” to “covered equipment,” subject to the conditions listed in d. through g. below. The failure or disruption must arise from an “accident” even if the Covered Cause of Loss for this policy includes “electronic circuitry impairment.”
- b. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, wide area networks and data transmission.
- c. If indicated in the Declarations, Covered Services also includes “cloud computing services.”
- d. The “covered equipment” must either be:
 - (1) Owned by a company with whom you have a contract to supply you with one of the Covered Services; or
 - (2) Used to supply you with one of the Covered Services and located within one mile of a location indicated in the Declarations.
- e. If a Service Interruption Distance Limitation is indicated in the Declarations, the “covered equipment” suffering the “accident” must be located within the indicated distance of any location indicated in the Declarations.
- f. If an Interruption of Service Waiting Period is indicated in the Declarations, no failure or disruption of service will be considered to qualify as an “interruption of service” until the failure or disruption exceeds the indicated number of hours immediately following the “accident.”
- g. “Interruption of service” does not include

any failure or disruption, whether or not arising from or involving an “accident,” in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.

19. **“Interruption of Supply”**

- a. “Interruption of Supply” means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by an “accident” to “covered equipment” that is located at a Contingent Business Income supplier or receiver location indicated in the Declarations. If no Contingent Business Income supplier or receiver location is indicated in the Declarations, the “covered equipment” must be owned by a supplier from whom you have received the Covered Contingency for at least six months prior to the “accident” or a receiver to whom you have supplied the Covered Contingency for at least six months prior to the “accident.”
- b. Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.

20. **“Media”** means material on which “data” is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

21. **“One Equipment Breakdown”**

- a. If Electronic Circuitry Impairment is indicated in the Declarations as Included, “one equipment breakdown” means all “accidents” or “electronic circuitry impairments” occurring at the same time from the same event. If an “accident” or “electronic circuitry impairment” causes other “accidents” or “electronic circuitry impairments,” all will be considered “one equipment breakdown.”
- b. If Electronic Circuitry Impairment is indicated in the Declarations as Not Included, “one equipment breakdown” means all “accidents” occurring at the same time from the same event. If an “accident” causes other “accidents,” all will be considered “one equipment breakdown.”

22. **“Ordinary Payroll”** means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract.

As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation premiums.

“Ordinary payroll” does not include pensions or directors fees.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

23. “Period of Restoration”

a. Except as indicated in b. below, “period of restoration” means the period of time that begins at the time of the Covered Cause of Loss and continues until the earlier of:

- (1) The date the “covered equipment” is repaired or replaced; or
- (2) The date on which such equipment could have been repaired or replaced with the exercise of due diligence and dispatch,

plus the number of days, if any, shown in the Declarations for Extended Period of Restoration.

b. Only as respects Civil Authority coverage, “period of restoration” means the period of time that begins at the time access is prohibited by action of civil authority and continues until the earlier of:

- (1) Twenty one (21) days thereafter; or
- (2) The date access is restored.

24. “Perishable Goods” means any “covered property” subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.

25. “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 coverage form, but may appear in the Declarations.

26. “Spoilage” means any detrimental change in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid

or molten material and chemical reactions to material in process.

27. “Vehicle” means 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.”

Terrorism Risk Insurance Act Disclosure

Named Insured:

Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

This endorsement is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act, as amended.

NOTICE OF TERRORISM INSURANCE COVERAGE

Applicable Premium

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.

Informational Notice

The following notice does not change your coverage under this policy, but is provided for your information in compliance with the Terrorism Risk Insurance Act, as amended.

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 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, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

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Alabama Changes

Amendatory Endorsement

This endorsement changes the policy. Please read it carefully.
These changes apply only to locations covered by the policy that are in the State of Alabama.

The following modifies the **EQUIPMENT
BREAKDOWN COVERAGE FORM**:

- A. Section F. **ADDITIONAL CONDITIONS**, 5. **Legal Action Against Us**, paragraph b. is deleted and replaced with the following:
 - b. The action is brought within the shortest time limit permitted by the laws of the State of Alabama.
- B. The following is added to any provision which uses the term Actual Cash Value:

Actual Cash Value is calculated as the amount it would cost to repair or replace "covered property," at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual Cash Value applies to valuation of "covered property" regardless of whether that property has sustained partial or total loss or damage.

The Actual Cash Value of the lost or damaged property may be significantly less than its replacement cost.

Data Compromise Coverage and Identity Recovery Coverage Schedule

Named Insured:
Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

These coverages apply as specified within the Data Compromise Coverage and Identity Recovery Coverage endorsements attached to this policy.

Data Compromise Coverage

Coverages	Limits
Response Expenses.....	\$50,000 Annual Aggregate
Legal and Forensic Information Technology Review.....	\$5,000 any one "Personal Data Compromise"
Defense and Liability.....	Excluded

Deductibles

Response Expenses.....	\$1,000 each "Personal Data Compromise"
Defense and Liability.....	Excluded

Identity Recovery Coverage

Identity Recovery Help Line: 1-800-472-1866

Coverages	Limits
Expense Reimbursement Coverage.....	\$15,000 Annual Aggregate per "Identity Recovery Insured"
Lost Wages and Child and Elder Care.....	\$5,000
Miscellaneous Unnamed Costs.....	\$1,000

Deductibles

Expense Reimbursement Coverage.....	\$250 each "Identity Recovery Insured"
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Data Compromise Coverage and Identity Recovery Coverage Schedule, continued

Endorsements modifying the Data Compromise Coverage and Identity Recovery Coverage:

- Any endorsement amending the Named Insured
- Any endorsement adding, deleting or modifying Additional Interests
- Terrorism Risk Insurance Act Disclosure
- Cancellation Condition Endorsement (Credit Rating Trigger)
- Knowledge of Occurrence
- Notice of Cancellation
- Any `State' Changes endorsements
- Cancellation Data Compromise Coverage and Identity Recovery Coverage endorsement

Data Compromise Coverage

Named Insured:
Crystal Tower Condominium Association Inc.
Policy Number FBP2330751

Effective Date 05/25/2022
Issue Date..... 07/29/2022

This endorsement changes the policy. Please read it carefully.

The following Data Compromise Coverage is being endorsed onto your policy. The coverage, limits, deductibles and service provided under this endorsement are separate from your Equipment Breakdown coverage. The **Agreement and Conditions** applies to this endorsement. Section F. **ADDITIONAL CONDITIONS**, except for paragraphs 9., 11.a. and 13., of the **Equipment Breakdown Coverage Form** also applies, provided, however, that for the purposes of this endorsement only, wherever the term “Equipment Breakdown Coverage” is used in section F., that term includes this Data Compromise Coverage and wherever the term Covered Cause of Loss is used in section F., the term “personal data compromise” shall be substituted.

I. DATA COMPROMISE COVERED CAUSE OF LOSS

Any coverage under this endorsement applies only if all of the following conditions are met:

- i) There has been a “personal data compromise”;
- ii) Such “personal data compromise” is first discovered by you during the policy period for which this endorsement is applicable; and
- iii) Such “personal data compromise” is reported to us within a reasonable period of time after it is first discovered by you.

A. RESPONSE EXPENSES

1. RESPONSE EXPENSES COVERAGE

If all three of the conditions listed above in section **I. DATA COMPROMISE COVERED CAUSE OF LOSS** have been met, then we will provide coverage for the following expenses directly arising from the Data Compromise Covered Cause of Loss:

a. Legal and Forensic Information Technology Review

We will pay your necessary and reasonable expenses for the following outside professional services:

- 1) **Legal Services**
Professional legal counsel review of the “personal data compromise” and how you should best respond to it.
- 2) **Forensic Information Technology Services**
Professional information technology review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the “personal data compromise” and the number and identities of the “affected individuals.”

Data Compromise Coverage, continued

b. **Notification to “Affected Individuals”**

We will pay your necessary and reasonable expenses to provide notification of the “personal data compromise” to “affected individuals.”

c. **Services to “Affected Individuals”**

We will pay your necessary and reasonable expenses to provide the following services to “affected individuals”:

1) **Informational Materials**

A packet of loss prevention and customer support information.

2) **Help Line**

A toll-free telephone line for “affected individuals” with questions about the “personal data compromise” or wanting to request the additional services of subparagraphs c. 3) and c. 4), below.

3) **Credit Report and Monitoring**

A credit report and an electronic service that automatically monitors activities affecting an individual's credit records. This service is subject to the “affected individual” enrolling for this service with the designated service provider.

4) **Identity Restoration Case Management**

As respects any “affected individual” who is, or appears to be, a victim of “identity theft” that may reasonably have arisen from the “personal data compromise,” the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

2. **RESPONSE EXPENSES LIMITS**

The most we will pay under section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **A. RESPONSE EXPENSES**, item **1. RESPONSE EXPENSES COVERAGE** is the Data Compromise Coverage Response Expenses limit shown in the “schedule.” If a “personal data compromise” is first discovered in one policy period but causes covered expenses in other policy periods, all covered expenses arising from such “personal data compromise” will be subject to the Data Compromise Coverage Response Expenses limit applicable to the policy period when the “personal data compromise” was first discovered.

The Data Compromise Coverage Response Expenses limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **A. RESPONSE EXPENSES**, arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events occurring during that period.

Data Compromise Coverage, continued

The most we will pay under Legal and Forensic Information Technology Review coverage for loss arising from any one “personal data compromise” is the Data Compromise Coverage Legal and Forensic Information Technology Review limit shown in the “schedule.” This limit is part of, and not in addition to, the Data Compromise Coverage Response Expenses limit.

Coverage for Services to “Affected Individuals” is limited to expenses to provide such services for a period of up to 12 months from the date of the notification to the “affected individuals.” Except that coverage for Identity Restoration Case Management services initiated within such 12 months period will continue for a period of up to 12 months from the date such Identity Restoration Case Management services are initiated.

3. **RESPONSE EXPENSES DEDUCTIBLE**

Response Expenses Coverage is subject to the Data Compromise Coverage Response Expenses deductible shown in the “schedule.” You will be responsible for such deductible amount as respects each “personal data compromise” covered under this endorsement.

B. **DEFENSE AND LIABILITY**

1. **DEFENSE AND LIABILITY COVERED CAUSE OF LOSS**

If all three of the conditions listed in section **I. DATA COMPROMISE COVERED CAUSE OF LOSS** have been met and all of the following four additional conditions have been met, then we will provide Defense and Liability Coverage:

- i) You have provided notifications and services to “affected individuals” in consultation with us pursuant to section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **A. RESPONSE EXPENSES**, item **1. RESPONSE EXPENSES COVERAGE**;
- ii) You receive notice of a “data compromise suit” brought by one or more “affected individuals”;
- iii) Notice of such “data compromise suit” is received by you within two years of the date that the “affected individuals” are notified of the “personal data compromise”; and
- iv) Such “data compromise suit” is reported to us within a reasonable period of time after the date it is first received by you.

2. **DEFENSE AND LIABILITY COVERAGE**

We will provide coverage for “data compromise defense costs” and “data compromise liability” directly arising from the Defense and Liability Covered Cause of Loss.

Data Compromise Coverage, continued

3. DEFENSE AND LIABILITY LIMITS

The most we will pay under section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **B. DEFENSE AND LIABILITY**, item **2. DEFENSE AND LIABILITY COVERAGE** is the Data Compromise Coverage Defense and Liability limit shown in the “schedule.” If no limit is shown in the “schedule,” or is shown as Excluded in the “schedule,” then this Defense and Liability Coverage will be considered to have a limit of \$0.

The Data Compromise Coverage Defense and Liability limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **B. DEFENSE AND LIABILITY** arising out of all “personal data compromise” events which are first discovered by you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events occurring during that period.

If a “personal data compromise” is first discovered in one policy period but causes covered expenses in other policy periods all covered expenses arising from such “personal data compromise” will be subject to the Data Compromise Coverage Defense and Liability limit applicable to the policy period when the “personal data compromise” was first discovered.

4. DEFENSE AND LIABILITY DEDUCTIBLE

Defense and Liability Coverage is subject to the Data Compromise Coverage Defense and Liability deductible shown in the “schedule.” You will be responsible for such deductible amount as respects each “data compromise suit” covered under this endorsement.

5. DEFENSE AND LIABILITY CONDITIONS

The following additional conditions apply to section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **B. DEFENSE AND LIABILITY** of this endorsement:

a. Data Compromise Liability Defense

- 1) We will have the right, but not the duty, to assume the defense of any applicable “data compromise suit” against you. You will give us such information and cooperation as we may reasonably require. In the event we do not assume your defense, we will, nevertheless, have the right to effectively associate with you in the defense and settlement of any “data compromise suit” that appears reasonably likely to involve us, including, but not limited to, the right to effectively associate in the negotiation of a settlement.
- 2) You will not admit liability for, or settle, any “data compromise suit” or incur any defense costs without our prior written consent. However, if you are able to dispose of all “data compromise suits”

Data Compromise Coverage, continued

which are subject to one deductible amount for an amount not exceeding the deductible amount (inclusive of defense costs), then our consent will not be required for such claims and suits.

- 3) If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense (if we have assumed your defense) by tendering control of the defense to you. From that point forward, you will, at your own expense, negotiate or defend such “data compromise suit” independently of us. Our liability will not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
- 4) We will not be obligated to pay any damages or defense costs, or to defend or continue to defend any “data compromise suit” if we have assumed your defense, after the Data Compromise Coverage Defense and Liability limit has been exhausted.

b. Defense Counsel

We will only pay for “data compromise defense costs” for services provided by legal counsel approved by us. You must obtain our prior approval for any firm, service or legal counsel whose expenses you want covered as “data compromise defense costs.” We will not unreasonably withhold such approval.

c. Duties in the Event of a “Data Compromise Suit”

- 1) If a “data compromise suit” is brought against you, you must:
 - a) Immediately record the specifics of the “data compromise suit” and the date received;
 - b) Provide us with written notice, as soon as practicable, but in no event more than a reasonable period of time after the date the “data compromise suit” is first received by you;
 - c) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “data compromise suit”;
 - d) Authorize us to obtain records and other information;
 - e) Cooperate with us in the investigation, settlement or defense of the “data compromise suit”;
 - f) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
 - g) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “data compromise suit.”

Data Compromise Coverage, continued

- 2) You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
- 3) If you become aware of a claim or complaint that may become a “data compromise suit,” you will promptly inform us of such claim or complaint.

II. EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO SECTION I. DATA COMPROMISE COVERED CAUSE OF LOSS, PARAGRAPHS A. RESPONSE EXPENSES AND B. DEFENSE AND LIABILITY

A. EXCLUSIONS

The following additional exclusions apply to coverage under this endorsement.

We will not pay for costs arising from any of the following:

1. Your intentional or willful complicity in a “personal data compromise”;
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you;
3. Any “personal data compromise” occurring prior to the first inception of this endorsement;
4. Except as specifically provided under section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **A. RESPONSE EXPENSES**, item **1. RESPONSE EXPENSES COVERAGE**, paragraph a. **Legal and Forensic Information Technology Review**, subparagraph 2) Forensic Information Technology Services, costs to research any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a “personal data compromise”;
5. Costs to correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a “personal data compromise”;
6. Any fines or penalties. This includes, but is not limited to, fees or surcharges from affected financial institutions;
7. Any criminal investigations or proceedings;
8. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance;
9. Any virus or other malicious code that is or becomes named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity;
10. Your reckless disregard for the security of “personally identifying information” in your care, custody or control;
11. That part of any “data compromise suit” seeking any non-monetary relief;
12. Nuclear reaction, detonation or radiation, or radioactive contamination, however caused; and

Data Compromise Coverage, continued

13. War and Military Action
 - a. War, including undeclared or civil war;
 - b. 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
 - c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.

B. ADDITIONAL CONDITIONS

The following additional conditions apply to coverage under this endorsement.

1. Due Diligence

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card and check payments; and
- e. Appropriate disposal of files containing “personally identifying information,” including shredding hard copy files and destroying physical media used to store electronic data.

2. Legal Advice

We are not your legal advisor. Our determination of what is or is not covered under this endorsement does not represent advice or counsel from us about what you should or should not do.

3. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to “affected individuals.” We assume no responsibility under this endorsement for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under section **II. EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO SECTION I. DATA COMPROMISE COVERED CAUSE OF LOSS, PARAGRAPHS A. RESPONSE EXPENSES AND B. DEFENSE AND LIABILITY**, paragraph **B. ADDITIONAL CONDITIONS**, item **4. Service Providers**. You must provide the following at our pre-notification consultation with you:

Data Compromise Coverage, continued

- a. The exact list of “affected individuals” to be notified, including contact information;
- b. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”; and
- c. The scope of services that you desire for the “affected individuals.” For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Data Compromise Coverage Response Expenses limit.

4. Service Providers

- a. We will only pay under this endorsement for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this endorsement. We will not unreasonably withhold such approval.
- b. Prior to the pre-notification consultation described in section **II. EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO SECTION I. DATA COMPROMISE COVERED CAUSE OF LOSS, PARAGRAPHS A. RESPONSE EXPENSES AND B. DEFENSE AND LIABILITY**, paragraph **B. ADDITIONAL CONDITIONS**, item **3. Pre-Notification Consultation** above, you must come to agreement with us regarding the service provider(s) to be used for the notification to “affected individuals” and services to “affected individuals” as described in section **I. DATA COMPROMISE COVERED CAUSE OF LOSS**, paragraph **A. RESPONSE EXPENSES**, item **1. RESPONSE EXPENSES COVERAGE**, subparagraphs b. **Notification to “Affected Individuals”** and c. **Services to “Affected Individuals.”** We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - 1) Such alternate service provider must be approved by us;
 - 2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - 3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

5. Services

The following conditions apply as respects any services provided to you or any “affected individual” by us, our designees or any service firm paid for in whole or in part under this endorsement:

Data Compromise Coverage, continued

- a. The effectiveness of such services depends on your cooperation and assistance;
- b. All services may not be available or applicable to all individuals. For example, “affected individuals” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States of America and Puerto Rico in accordance with local conditions;
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events; and
- d. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. These firms work for you.

C. DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. **“Affected Individual”** means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose “personally identifying information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this endorsement. This definition is subject to the following provisions:
 - a. “Affected individual” does not include any business or organization. Only an individual person may be an “affected individual”;
 - b. An “affected individual” must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours;
 - 2) If you store, process, transmit or transport records, the individuals whose “personally identifying information” you are storing, processing, transmitting or transporting for another entity do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours; or
 - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as “affected individuals.” However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of the operation insured under this policy;
 - c. An “affected individual” may reside anywhere in the world.

Data Compromise Coverage, continued

2. **“Data Compromise Defense Costs”** means expenses resulting solely from the investigation, defense and appeal of any “data compromise suit” against you. Such expenses must be reasonable and necessary. They may be incurred by us or by you with our written consent. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. **“Data Compromise Liability”**
 - a. “Data compromise liability” means the following, when they arise from a “data compromise suit”:
 - 1) Damages, judgments or settlements to “affected individuals”;
 - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
 - 3) Pre-judgment interest and post-judgment interest on that part of any judgment paid by us.
 - b. “Data compromise liability” does not mean:
 - 1) Damages, judgments or settlements to anyone who is not an “affected individual”;
 - 2) Civil or criminal fines or penalties imposed by law;
 - 3) Punitive or exemplary damages;
 - 4) The multiplied portion of multiplied damages;
 - 5) Taxes; or
 - 6) Matters which may be deemed uninsurable under applicable law.
4. **“Data Compromise Suit”**
 - a. “Data Compromise Suit” means a civil proceeding in which damages to one or more “affected individuals” arising from a “personal data compromise” are alleged. Such proceeding must be brought in the United States of America (including its territories and possessions), Puerto Rico or Canada. “Data compromise suit” includes:
 - 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
 - 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; and
 - 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
 - b. “Data compromise suit” does not mean any demand or action brought by or on behalf of someone who is:
 - 1) Your director or officer;
 - 2) Your owner or part-owner; or
 - 3) A holder of your securities;in their capacity as such, whether directly, derivatively, or by class action. “Data compromise suit” will include proceedings brought by such individuals in their capacity as “affected individuals,” but only to the extent that the damages claimed are the same as would apply to any other “affected individual.”
 - c. “Data compromise suit” does not mean any demand or action brought by or on behalf of an organization, business, institution, governmental entity or any other party that is not an “affected individual.”

Data Compromise Coverage, continued

5. **“Identity Theft”** means the fraudulent use of “personally identifying information.” This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes. “Identity theft” does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
6. **“Personal Data Compromise”** means the loss, theft, accidental release or accidental publication of “personally identifying information” as respects one or more “affected individuals,” if such loss, theft, accidental release or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:
 - a. At the time of the loss, theft, accidental release or accidental publication, the “personally identifying information” need not be at the insured premises but must be in the direct care, custody or control of:
 - 1) You; or
 - 2) A professional entity with which you have a direct relationship and to which you (or an “affected individual” at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
 - b. “Personal data compromise” includes disposal or abandonment of “personally identifying information” without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
 - c. “Personal data compromise” includes situations where there is a reasonable cause to suspect that such “personally identifying information” has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof; and
 - d. All incidents of “personal data compromise” that are discovered at the same time or arise from the same cause will be considered one “personal data compromise.”
7. **“Personally Identifying Information”** means information that could be used to commit fraud or other illegal activity involving the credit or identity of an “affected individual.” This includes, but is not limited to, Social Security numbers or account numbers correlated with names and addresses. “Personally identifying information” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.
8. **“Schedule”** means the Data Compromise Coverage and Identity Recovery Coverage Schedule.

D. Any endorsements modifying this Data Compromise Coverage will be identified in the “schedule.”

Identity Recovery Coverage

Named Insured:
Crystal Tower Condominium Association Inc.

Policy Number FBP2330751

Effective Date 05/25/2022

Issue Date..... 07/29/2022

This endorsement changes the policy. Please read it carefully.

The following Identity Recovery Coverage is being endorsed onto your policy. The coverage, limits, deductibles and service provided under this endorsement are separate from your Equipment Breakdown coverage. The **Agreement and Conditions** applies to this endorsement. Section F. **ADDITIONAL CONDITIONS**, except for paragraphs 9., 11.a. and 13., of the **Equipment Breakdown Coverage Form** also applies, provided, however, that for the purposes of this endorsement only, wherever the term “Equipment Breakdown Coverage” is used in section F., that term includes this Identity Recovery Coverage and wherever the term Covered Cause of Loss is used in section F., the term “identity theft” shall be substituted.

I. IDENTITY RECOVERY COVERAGE

A. IDENTITY RECOVERY COVERED CAUSE OF LOSS

Coverage under this endorsement applies only if all of the following conditions are met:

1. There has been an “identity theft” involving the personal identity of an “identity recovery insured” under this policy;
2. Such “identity theft” is first discovered by the “identity recovery insured” during the policy period for which this Identity Recovery Coverage is applicable; and
3. Such “identity theft” is reported to us within a reasonable period of time after it is first discovered by the “identity recovery insured.”

B. COVERAGE

If all three of the conditions listed above in paragraph A. **IDENTITY RECOVERY COVERED CAUSE OF LOSS** have been met, then we will provide the following to the “identity recovery insured.”

1. Case Management Service

We will provide the services of an “identity recovery case manager” as needed to respond to the “identity theft.”

a. Limit

Case Management Service is available as needed for any one “identity theft” for up to 12 months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the available Expense Reimbursement Coverage limit.

b. Deductible

Case Management Service is not subject to a deductible.

Identity Recovery Coverage, continued

2. Expense Reimbursement Coverage

We will pay for reimbursement of necessary and reasonable “identity recovery expenses” incurred as a direct result of the “identity theft.”

a. Limit

Expense Reimbursement Coverage is subject to the Identity Recovery Coverage Expense Reimbursement Coverage limit shown in the “schedule.” The Expense Reimbursement Coverage limit is an annual aggregate limit per “identity recovery insured.” Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all “identity thefts” to any one “identity recovery insured” which are first discovered by the “identity recovery insured” during the present annual policy period. If an “identity theft” is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such “identity theft” will be subject to the Identity Recovery Coverage Expense Reimbursement Coverage limit applicable to the policy period when the “identity theft” was first discovered.

Lost wages as provided under item e. and child, elder care and other dependent expenses as provided under item f. of the definition of “identity recovery expenses” are jointly subject to the Identity Recovery Coverage Lost Wages and Child and Elder Care limit shown in the “schedule.”

Miscellaneous unnamed costs as provided under item g. of the definition of “identity recovery expenses” are subject to the Identity Recovery Coverage Miscellaneous Unnamed Costs limit shown in the “schedule.”

All “identity recovery expenses” are subject to the Expense Reimbursement Coverage limit. Coverage for “identity recovery expenses” is limited to costs and expenses incurred and wages lost within 12 months after the first discovery of the “identity theft” by the “identity recovery insured.”

b. Deductible

Expense Reimbursement Coverage is subject to the Identity Recovery Coverage Expense Reimbursement Coverage deductible shown in the “schedule.” Each “identity recovery insured” will be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

II. EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS

A. EXCLUSIONS

The following additional exclusions apply to this endorsement.

We do not cover loss or expense arising from any of the following:

1. The theft of a professional or business identity;

Identity Recovery Coverage, continued

2. Any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured,” or by any authorized representative of an “identity recovery insured,” whether acting alone or in collusion with others. However, this exclusion will not apply to the interests of an “identity recovery insured” who has no knowledge of or involvement in such fraud, dishonesty or criminal act;
3. An “identity theft” that is not reported in writing to the police;
4. Nuclear reaction, detonation or radiation, or radioactive contamination, however caused; and
5. War and Military Action
 - a. War, including undeclared or civil war;
 - b. 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
 - c. Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.

B. ADDITIONAL CONDITIONS

The following additional conditions apply to this endorsement:

1. Identity Recovery Help Line

For assistance, the “identity recovery insured” should call the Identity Recovery Help Line telephone number shown in the “schedule.”

The Identity Recovery Help Line can provide the “identity recovery insured” with:

- a. Information and advice for how to respond to a possible “identity theft”; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management Services at our expense to an “identity recovery insured” prior to a determination that a covered “identity theft” has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered “identity theft” has not occurred.

With respect to Expense Reimbursement Coverage, the “identity recovery insured” must send to us receipts, bills or other records that support his or her claim for “identity recovery expenses” within a reasonable period of time after our request.

2. Services

The following conditions apply as respects any services provided by us or our designees to any “identity recovery insured” under this endorsement:

- a. Our ability to provide helpful services in the event of an “identity theft” depends on the cooperation, permission and assistance of the “identity recovery insured”;

Identity Recovery Coverage, continued

- b. All services may not be available or applicable to all individuals. For example, “identity recovery insureds” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States of America and Puerto Rico in accordance with local conditions; and
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an “identity theft” or prevent future “identity thefts.”

C. DEFINITIONS

With respect to this endorsement only, the following definitions are added:

1. **“Identity Recovery Case Manager”** means one or more individuals assigned by us to assist an “identity recovery insured” with communications we deem necessary for re-establishing the integrity of the personal identity of the “identity recovery insured.” This includes, with the permission and cooperation of the “identity recovery insured,” written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
2. **“Identity Recovery Expenses”** means the following when they are reasonable and necessary expenses that are incurred as a direct result of an “identity theft”:
 - a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft”;
 - b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of efforts to report an “identity theft” or amend or rectify records as to the “identity recovery insured's” true name or identity as a result of an “identity theft”;
 - c. Costs for credit reports from established credit bureaus;
 - d. Fees and expenses for an attorney approved by us for the following:
 - 1) The defense of any civil suit brought against an “identity recovery insured”;
 - 2) The removal of any civil judgment wrongfully entered against an “identity recovery insured”;
 - 3) Legal assistance for an “identity recovery insured” at an audit or hearing by a governmental agency;
 - 4) Legal assistance in challenging the accuracy of the “identity recovery insured's” consumer credit report;
 - 5) The defense of any criminal charges brought against an “identity recovery insured” arising from the actions of a third party using the personal identity of the “identity recovery insured”;
 - e. Actual lost wages of the “identity recovery insured” for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment.

Identity Recovery Coverage, continued

- Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours;
- f. Actual costs for supervision of children or elderly or infirm relatives or dependants of the “identity recovery insured” during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the “identity recovery insured”; and
 - g. Any other reasonable costs necessarily incurred by an “identity recovery insured” as a direct result of the “identity theft.”
 - 1) Such costs include:
 - a) Costs by the “identity recovery insured” to recover control over his or her personal identity; and
 - b) Deductibles or service fees from financial institutions.
 - 2) Such costs do not include:
 - a) Costs to avoid, prevent or detect “identity theft” or other loss;
 - b) Money lost or stolen; and
 - c) Costs that are restricted or excluded elsewhere in this endorsement.
3. **“Identity Recovery Insured”** means the following:
- a. When the Named Insured under this policy is a sole proprietorship, the “identity recovery insured” is an individual person who is the sole proprietor of the Named Insured at any time during the policy period;
 - b. When the Named Insured under this policy is a partnership, the “identity recovery insureds” are the current partners at any time during the policy period; and
 - c. When the Named Insured under this policy is a corporation or other organization, the “identity recovery insureds” are all individuals having an ownership position of 20% or more of the Named Insured at any time during the policy period. However, if and only if there is no one who has such an ownership position, then the “identity recovery insured” will be:
 - 1) The chief executive of the Named Insured at any time during the policy period; or
 - 2) As respects a religious institution, the senior ministerial employee at any time during the policy period.
- An “identity recovery insured” must always be an individual person. An entity insured under this policy is not an “identity recovery insured.”
4. **“Identity Theft”** means the fraudulent use of the Social Security number or other method of identifying an “identity recovery insured.” This includes fraudulently using the personal identity of an “identity recovery insured” to establish credit accounts, secure loans, enter into contracts or commit crimes. “Identity theft” does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
5. **“Schedule”** means the Data Compromise Coverage and Identity Recovery Coverage Schedule.

Identity Recovery Coverage, continued

- D. Any endorsements modifying this Identity Recovery Coverage will be identified in the “schedule.”