

RISK DETAILS

UNIQUE MARKET REFERENCE (UMR):	B0507PP2504132
TYPE:	<p>Contract Classification: Insurance</p> <p>Description: ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE INCLUDING FLOOD AND EARTH MOVEMENT BUT EXCLUDING BOILER EXPLOSION AND MACHINERY BREAKDOWN AS MORE FULLY DEFINED IN THE CONTRACT WORDING AND ENDORSEMENTS</p>
INSURED:	<p>Arkansas State Captive Insurance Program; State of Arkansas Participating State Agency and Public School District Entities, as may be more fully defined in the Contract Wording and Endorsements</p> <p>Address:</p> <p>Street No & Street: Suite 256, 500 Woodlane Street</p> <p>City: Little Rock</p> <p>Zip Code: AR 72201</p> <p>Country Sub-Division: Arkansas</p> <p>Country: USA</p>
PERIOD:	From 1 July 2025 to 1 July 2026 beginning and ending 12:01 AM at the location of the property insured.
INTEREST:	Real and Personal Property and Time Element, all as may be more fully defined in the Contract Wording and Endorsements
SUM INSURED:	<p>USD 100,000,000 per occurrence and in the Annual Aggregate in respect of Flood and Earth Movement separately</p> <p>Which only to pay excess of Retentions/Deductibles and Limited by the Schedule of Program Sublimits</p>
RETENTIONS/ DEDUCTIBLES:	<p><u>Application of Retentions and Deductibles:</u></p> <p>1. For the annual period commencing with the effective date of this policy and each annual period thereafter, this company will not be liable for loss to covered property until the Insured sustains a loss or losses, including any loss adjustment expenses paid by the Insured within and eroding the annual aggregate retention, that exceeds the aggregate retention of USD50,000,000, regardless of the number of locations affected.</p> <p>2. Exception for the Perils of Fire, Wind and/or Hail</p> <p>For each occurrence, this company will not be liable for loss to covered property until the Insured suffers a loss or losses, including loss adjustment expenses, that exceeds the applicable retention specified below:</p> <p>A. USD5,000,000 per occurrence in respect of the peril of fire</p> <p>B. USD15,000,000 per occurrence in respect of the peril of wind and/or hail</p> <p>The amount of loss or losses, including any loss adjustment expenses, within the applicable</p>

retention specified (A. and B. above) shall contribute towards the erosion of the USD50,000,000 aggregate retention.

3. If the Insured's aggregate retention of USD50,000,000 is exceeded during any applicable policy year, a trailing deductible for all perils of USD100,000 per occurrence will apply for the remaining unexpired term of that policy year.

All retentions are established at the time of loss and are not subject to modification should the aggregate retention be met during the course of claim adjustment.

4. Any subsequent recoveries on losses reported to the company for purposes of arriving at the Insured's aggregate retention will be applied as if they were received prior to the payment of any loss. For purposes of this coverage, the term aggregate retention will mean the total of the Insured's net self-insured retention per claim, including any loss adjustment expenses paid by the insured within and eroding the annual aggregate retention, after the application of all salvage, subrogation, or other recoveries have been realized. Any subrogation or recovery received after the Insured's aggregate retention has been paid shall be remitted directly to the company.

**SCHEDULE OF
PROGRAM
SUBLIMITS:**

Per occurrence unless otherwise stated. Entire program from ground up. (Excess of deductibles)

1a.	USD200,000,000	Earth Movement (Annual Aggregate, for all coverages provided) except;
1b.	USD100,000,000	Subject to 1a. above Earth Movement (Annual Aggregate, for all coverages provided) in ISO Zones 2, 3 (see Definitions) and Sharp County
2a.	USD100,000,000	Flood (Annual Aggregate, for all coverages provided) except;
2b.	USD40,000,000	Subject to 2a. above Flood (Annual Aggregate, for all coverages provided) in Zone B and Zone X Shaded locations (see Definitions) except;
2c.	USD10,000,000	Subject to 2a. above Flood (Annual Aggregate, for all coverages provided) in Zone A locations (see Definitions)
3.	USD50,000,000	Mobile Equipment / Single Wide Pre-Manufactured Housing
		a. Includes transit as well as over the road coverage / collision; except single wide pre-manufactured housing
		b. Coverage applies for all Perils Insured under this Policy, including Flood and Earth Movement and while offsite
4.	USD3,000,000	Motor Vehicle Coverage
5.	USD1,000,000	Underground Water Seepage Coverage
6.	USD1,000,000	Seedling Trees & Plants
7.	USD1,000,000	Fire Fighting Materials and Expenses
8.	USD1,000,000	Expediting Expenses
9.	USD2,500,000	Landscaping Improvements not to exceed a limit of \$1,000 per item
10.	USD1,000,000	Pavements (Including Parking Lots) and Roadways
11.	USD1,000,000	Land and Water Clean Up Expense (Annual Aggregate, for Named Perils Only)
12.	USD5,000,000	Installation Floater
13.	USD25,000,000	Newly Acquired Property – 180 Days Reporting

14.	USD25,000,000	Unnamed Locations
15.	USD30,000,000	Fine Arts / Collections
16.	USD5,000,000	Accounts Receivable
17.	USD10,000,000	Valuable Papers and Records
18.	USD25,000,000	Electronic Data and Media Property Damage
19.		Demolition and Increased Cost of Construction
	INCLUDED	Item A: Undamaged Portion
	USD50,000,000	Item B: Demolition
	USD25,000,000	Item C: Compliance with the Law
		Limited to USD5,000,000 Per Occurrence per State Agency Entity or per School District
	USD1,000,000	Item D: Business Interruption
20.	USD10,000,000	Errors and Omissions
21.	USD5,000,000	Personal Property in Transit
		- DOES NOT INCLUDE MOBILE EQUIPMENT (refer to Mobile Equipment sub-limit above) or SINGLE WIDE PRE-MANUFACTURED HOUSING
		Except;
	USD1,000,000	Transit as regards Fine Arts / Collections
22.	USD1,000,000	Fungus, Mold or Mildew
23.	USD1,000,000	Deferred Payment
24.	USD5,000,000	Off-Premises Service Interruption – Property Damage/Business Interruption – Combined Limit
		- Includes but not limited to telephone and telecommunication; to include overhead and transmission lines for indirect (Business Interruption/Extra Expense Only) subject to USD1,000,000 Food Spoilage Sub-Limit;
		In the event of loss or damage covered by this policy, no coverage is provided unless the service interruption exceeds 24 hours beginning from the time of loss or damage covered by this policy. If the service interruption exceeds 24 hours, the loss will be calculated from the time of loss or damage covered by this policy, subject to the policy retention.
25.	USD1,000,000	Arson or Theft Reward
26.	USD1,000,000	Locks and Keys
27.	USD1,000,000	Tenants Legal Liability and Expense
28.	USD5,000,000	Soft Costs for Property in the Course of Construction/Renovation
29.	USD2,500	Personal Property of Employees – Per Employee, Per Occurrence
30.	USD100,000,000	Debris Removal and Cost of Clean Up
31.	Included	Property Removed from Described Locations
32.	Included	Protection and Preservation of Property
33.	USD1,000,000	Money
34.	Included	Defense Expenses
35.	Included	Claims Preparation Expenses

36.	Included	Increased Tax Liability
37.	Included	Service Charges
	Included	Business Interruption:
A.	Included	Gross Earnings, Rents and Expense to Reduce Loss (Tuition and Fees Included)
B.	USD50,000,000	Extra Expense, per Occurrence
C.	USD50,000	Gross Earnings from Property in Transit
D.	365	Days of Ordinary Payroll
E.	120	Days of Civil Authority - subject to a distance limitation of 25 miles
F.	USD100,000	Contingent Business Interruption
G.	USD5,000,000	Research and Development Expense
H.	120	Days Ingress/Egress – subject to a Maximum of USD2,500,000 and a distance limitation of 25 miles
I.	USD100,000	Tax Treatment
J.	24	Months of Extended Indemnity
K.	Included in Physical Damage Sublimit above	Off-Premises Service Interruption - Business Interruption

SITUATION:

Worldwide, as detailed in the Contract Wording and Endorsements

CONDITIONS:

All terms and Conditions as detailed within the Contract Wording and Endorsements, as attached, which includes the following:

90 Days Cancellation Clause

LMA 5019 Asbestos Endorsement

Mold, Mildew & Fungus Clause

NMA 2918 War and Terrorism Exclusion Endorsement

NMA 2962 Biological or Chemical Materials Exclusion Clause

NMA 2419 Lines Clause

Claims Nominee as per Overseas Broker

Fraudulent Claims Clause

LMA 5390 US Terrorism Risk Insurance Act of 2002 as amended – Not Purchased Clause

LMA 3100A Sanctions Limitation Clause

LMA 5400 Property and Cyber Data Endorsement

LMA 5393 Communicable Disease Endorsement

LMA 5583B Territorial Exclusion

LMA 5130 Application of Sublimits Endorsement

Swing Endorsement

Cosmetic Exclusion

NOTICES:**ARKANSAS SURPLUS LINES NOTICE**

This contract is registered and delivered as a surplus line coverage under the Surplus Lines Insurance Law, and it may in some respects be different from contracts issued by insurers in the admitted markets, and, accordingly, it may, depending upon the circumstances, be more or less favorable to an insured than a contract from an admitted carrier might be. The protection of the Arkansas Property and Casualty Guaranty Act does not apply to this contract. A tax of four percent (4%) is required to be collected from the insured on all surplus lines premiums.

01/09/13

LMA9028

CHOICE OF LAW & JURISDICTION:

In the event of any dispute arising between the Insured and Insurers concerning this contract, the following Law and Jurisdiction clause shall apply.

Law: This contract shall be subject to the state law of Arkansas

Jurisdiction: Jurisdiction over such dispute will be in accordance with the Service of Suit Clause (LMA5020B) naming the following in respect of service of process:

in respect of Certain Insurers at Lloyd's of London: Lloyd's America, Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, NY 10017

in respect of all other Insurers unless specified elsewhere hereon: Mendes and Mount, 750 7th Avenue, New York, 10019-6829.

PREMIUM:

Premium: USD 26,200,000 (100%) Annual.

PREMIUM PAYMENT TERMS:

LSW3000 (60 days).

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 10 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parts if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

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

Where the premium is to be paid through a London Market Bureau, payment to

Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01

LSW3000 (Amended)

**TAXES PAYABLE AND
ADMINISTERED BY
THE INSURED OR
THEIR AGENT:**

None

**TAXES PAYABLE BY
INSURED AND
ADMINISTERED BY
INSURERS:**

None

**TAXES PAYABLE BY
THE INSURERS AND
ADMINISTERED BY
THE INSURED OR
THEIR AGENT:**

None

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where the Broker maintains risk and claim data/information/documents the Broker may hold data/information/documents electronically

**INSURER CONTRACT
DOCUMENTATION:**

This document and all attachments including any wording, details the contract terms entered into by the Insurers and constitutes the contract document.

No further contractual documentation is to be issued unless specifically requested by the Insured, however Ardonagh Specialty Limited t/as Price Forbes & Partners and/or their agents are authorised to issue any and all documents as may be required in evidence of the insurance hereby provided.

For contract changes, the Contract Endorsement(s) signed by Insurers shall form the evidence of the changes agreed. These changes will also apply to any wording that forms part of this contract.

If any attached wording(s) or clauses refer to a policy schedule or declarations which are not present, it is deemed to mean 'Risk Details' and 'Information'.

Wherever the following words appear in this contract, the same shall be deemed to be synonymous:

"Company(ies)", "Underwriter(s)" and "Insurer(s)"

"Policyholder", "Insured", "Assured", "(Re)Insured"

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker

**CONTRACT
WORDING AND
ENDORSEMENTS:**

Contract Wording and Endorsements.pdf

INFORMATION

INFORMATION

Underwriting information made available to and/or seen by underwriters during the placing process has been submitted on Whitespace/ by email.

Statement of Values:

Buildings - USD 44,280,579,589

Contents - USD 8,622,641,757

EDP - USD 7,604,583

Inland Marine - USD 219,417,709

Time Element - USD 1,394,638,922

TOTAL SUM INSURED: USD 54,524,882,561

Note:

For Information purposes, various maintenance Deductibles apply, prior to the erosion of the Captive aggregate.

Loss Record provided by Stephens as of 21st May 2025.

Notification of Claims to: Dean Williamson, Price Forbes & Partners, The Minster Building,
21 Mincing Lane London, EC3R 7AG dean.williamson@priceforbes.com

SECURITY DETAILS

INSURERS LIABILITY:

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

ORDER HEREON: 13.50% of 100%

**BASIS OF WRITTEN
LINES:** Percentage of Whole

SIGNING PROVISIONS:

- a) In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- b) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured, or the (re)insured's representatives, and the Contract Leader. Such variation to be in accordance with provision a) above with the resulting variation in signed lines commencing from the date set out in that agreement. Any other variation to the contracts will take effect only by the documented agreement of the (re)insured, or the (re)insured's representatives, and all (re)insurers whose lines are to be varied. Such variation to the contracts will take effect only when all such (re)insurers have agreed with the resulting variation in signed lines commencing from the date set out in that agreement.

WRITTEN LINES

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

MODE OF EXECUTION CLAUSE

This contract and any changes to it may be executed by:

- a) electronic signature technology employing computer software and a digital signature or digitiser pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated;
- b) a unique authorisation provided via a secure electronic trading platform;
- c) a timed and dated authorisation provided via an electronic message/system;
- d) an exchange of facsimile/scanned copies showing the original written ink signature of paper documents;
- e) an original written ink signature of paper documents (or a true representation of a signature, such as a rubber stamp).

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed original.



P	F	L	3	2	8	B	2	5	A	A	
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YOYA: 2025
25 Jun 2025 10:29 UTC

Lloyd's Underwriter Syndicate No. 510 KLN



D	2	5	S	4	0	0	0	A	0	0	1
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25 Jun 2025 11:09 UTC

Lloyd's Underwriter Syndicate No. 5886
WBC



P	2	5	C	A	9	0	0	A	0	0	1
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25 Jun 2025 12:40 UTC

Houston Casualty Company (UK Branch of 42374)

SUBSCRIPTION AGREEMENT

CONTRACT LEADER:	<p>The Contract Leader is as defined in the electronic security details pages attached herein except where shown below:</p> <p>Wherever the term "Slip Leader" appears throughout this contract it is amended to read and mean "Contract Leader"</p>
BUREAU(X) LEADER(S):	<p>The Bureau(x) Leader(s) is as defined in the electronic security details pages attached herein except where shown below:</p> <p>Lloyd's: as per electronic security details if applicable</p> <p>ILU: Not Applicable</p> <p>LIRMA: as per electronic security details if applicable</p>
BASIS OF AGREEMENT TO CONTRACT CHANGES:	<p>GUA (February 2014) with Non Marine Schedule (October 2001).</p> <p>Where required following markets to be advised of agreed endorsements by Ardonagh Specialty Limited t/as Price Forbes & Partners by email. Agree monetary lines to stand part of reduced Sum Insured with final Sum Insured and Premium to be agreed Contract Leader. Final Ingoing Values, sub-limits, deductibles and premium to be agreed Contract Leader if required. Any amendments to Original Policy Wording to be agreed Contract Leader.</p>
OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART 2 GUA CHANGES ONLY:	<p>Part 2 changes may be agreed by the Contract Leader.</p>
AGREEMENT PARTIES FOR CONTRACT FOR THEIR PROPORTION ONLY:	<p>None.</p>
BASIS OF CLAIMS AGREEMENT:	<p>As specified under CLAIMS AGREEMENT PARTIES section of this Contract and to be managed in accordance with:</p> <ul style="list-style-type: none"> i) THE SINGLE CLAIMS AGREEMENT PARTY ARRANGEMENT <p>LMA9150 as below for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims);</p> <ul style="list-style-type: none"> ii) The Lloyd's Claims Lead Arrangements (Combined), or as amended or any successor thereto; iii) IUA claims agreement practices; iv) The practices of any company(ies) electing to agree claims in respect of their own participation. <p>The applicable arrangements (scheme, agreement or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.</p>

**CLAIMS
AGREEMENT
PARTIES:**

A. Claims falling within the scope of the LMA9150 to be agreed by Contract Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to these Arrangements.

For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Contract Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion.

B. For all other claims:

I. For Lloyd's syndicates

The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Lead Arrangement, the second Lloyd's syndicate is as defined in the electronic security details pages attached herein except where shown below:

The leading Lloyd's Syndicate: as per electronic security details if applicable

The second Lloyd's Syndicate: as per electronic security details if applicable

Where the leading and / or second Lloyd's syndicate is not defined within this heading or the electronic security details pages, then the leading Lloyd's syndicate shall be the Lloyd's Bureau Leader.

The second Lloyd's syndicate shall be:

i. For physical (non-electronic) placements, the first Lloyd's syndicate stamp (excluding the Lloyd's Bureau Leader stamp);

ii. For electronic placement, the largest Lloyd's syndicate stamp (excluding the Lloyd's Bureau Leader stamp).

In the event that two or more stamps are implicated, the second Lloyd's syndicate shall be the first stamp to appear after leading Lloyd's syndicate or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.

II. The first ILU company (re)insurer and, where required by ILU practices, the second ILU company (re)insurer is as defined in electronic security details pages attached herein except where shown below:

The first ILU Company (Re)Insurer: Not Applicable

The second ILU Company (Re)Insurer: Not Applicable

Where the first and / or second ILU company (re)insurer is not defined within this heading or the electronic security details pages, then the leading ILU company (re)insurer shall be the ILU Bureau Leader. The second ILU company (re)insurer shall be nominated by the first ILU claims agreement party in the event of a claim.

The first LIRMA company (re)insurer is as defined in electronic security details pages attached herein except where shown below:

The first LIRMA Company (Re)Insurer: as per electronic security details if applicable

Where the first LIRMA company (re)insurer is not defined within this heading or the electronic security details pages, then the first LIRMA company (re)insurer shall be the LIRMA Bureau Leader

III. Those IUA company (re)insurer(s) that have specifically elected to agree claims in respect of their own participation: None

IV. All other subscribing insurers, each in respect of their own participation, that are not party to the Lloyd's or IUA claims agreement practices, agree to follow the decisions of the Contract Leader and / or Lloyd's and IUA claims agreement parties, excepting those that may have opted out below.

None

Where Lloyd's Insurance Company S.A. participates on the contract, the leading managing agent and second managing agent, where applicable, shall agree claims on behalf of Lloyd's Insurance Company S.A.. The leading managing agent and second managing agent is as defined in electronic security details attached herein except where shown below:

The leading managing agent: as per electronic security details if applicable

The second managing agent: as per electronic security details if applicable

Where the leading and / or second managing agent is not defined within this heading or the electronic security details pages, then the leading managing agent shall be the Bureau Leader acting on behalf of Lloyd's Company S.A..

The second managing agent shall be:

i) For physical (non-electronic) placements, the first managing agent stamp acting on behalf of Lloyd's Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd's Company S.A.);

ii) For electronic placements, the first managing agent stamp acting on behalf of Lloyd's Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd's Company S.A.).

In the event that two or more stamps are implicated, the second managing agent shall be the first stamp to appear after leading managing agent or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.

Where the Lloyd's and IUA claims agreement parties disagree, all other subscribing (re)insurers agree each in respect of their own participation.

V. Notwithstanding anything contained in the above to the contrary, any ex- gratia payments to be agreed by each (re)insurer for their own participation.

CLAIMS ADMINISTRATION:

Current Xchanging Claims Services claims procedures to be followed where applicable. IUA Contractual Condition to apply in respect of CLASS circulations to IUA following market.

Broker is to enter claims advices, via ECF, onto CLASS system as appropriate, for agreement by Insurers.

Distribution of claim file information to Insurers by Ardonagh Specialty Limited t/as Price Forbes & Partners may be by electronic (or paper) means, as they may deem appropriate. Unless specified otherwise by Ardonagh Specialty Limited t/as Price Forbes & Partners or within the Risk Details, upon submission of a collection to Insurers, such Insurers agree to make payment to Ardonagh Specialty Limited t/as Price Forbes & Partners within 10 working days following agreement by all applicable Claims Agreement Parties of the Main Market Placement.

Ardonagh Specialty Limited t/as Price Forbes & Partners and Insurers agree that any claims hereunder (including any claims related costs/fees) may be notified and administered via ECF with any payment(s) processed via CLASS.

All non-bureau and overseas markets are to settle by electronic transfer.

RULES AND EXTENT OF ANY OTHER DELEGATED CLAIMS AUTHORITY:

None, unless otherwise specified here by any of the Claims Agreement Parties shown above.

EXPERT FEES COLLECTION:	Appointed expert(s) to collect their own fees, unless there is an agreement with Ardonagh Specialty Limited t/as Price Forbes & Partners that specifies otherwise
MISCELLANEOUS MONIES:	Ardonagh Specialty Limited t/as Price Forbes & Partners will hold all monies which are not Client monies (e.g. loss adjusters' fees, salvage recoveries, engineering fees) on behalf of Insurers. Insurers agree that all such monies may be co-mingled in the Ardonagh Specialty Limited t/as Price Forbes & Partners non-statutory trust fund established in accordance with FCA regulation (specifically CASS 5.4) and accept that their interests in the said fund are subordinated to the interests of the Clients of Ardonagh Specialty Limited t/as Price Forbes & Partners.
SETTLEMENT DETAILS:	Settlement Due Date: 29 August 2025
BUREAUX ARRANGEMENTS:	<p>Delinked accounts to be presented by Broker to Xchanging Ins-sure Services. If the Settlement Due Date is due on a Non Working Day, Underwriters agree that the Settlement Due Date will be the next working day. Any amendments to "Number of Days" shown in either Premium Warranty Conditions or LSW3000 to be agreed Contract Leader if required. Where a Premium Payment Condition applies, the settlement due date is deemed in all instances to be the same as the Premium Payment Condition due date.</p> <p>In the event the Settlement Due Date (as detailed in Subscription Agreement) and/or the Risk Code and/or Year of Account (as detailed in Fiscal and Regulatory) differ from those shown in the Security Schedule attached hereto, the information recorded in the Security Schedule shall take precedence.</p>
NON-BUREAUX ARRANGEMENTS:	None
NOTICE OF CANCELLATION PROVISIONS:	<p>Format and Delivery Provisions</p> <p>Any Notice of Cancellation shall be issued to the broker by email to debbiesokell@priceforbes.com</p> <p>Failure to comply with this delivery requirement will make the notice null and void. Delivery of the notice in accordance with this delivery requirement is effective immediately that it is sent unless the underwriter receives a notice of failure of delivery irrespective of whether the broker has acknowledged receipt.</p> <p>If notice is given by the Contract Leader on behalf of all participating (re)insurers, the broker will provide all followers with a copy of the notice without undue delay and in any event prior to expiry of the Notice.</p>

FISCAL AND REGULATORY

TAX PAYABLE BY INSURER(S): 4% Federal Excise Tax for Companies where applicable Not applicable to Lloyd's Underwriters

REGULATORY RISK LOCATION: Territory: USA
Premium Allocation: 100%

OVERSEAS BROKER: Name: Stephens Insurance, LLC
Role: Introducing Broker
Street No. and Street: 111 Center Street, Suite 100
City: Little Rock
Zip or Postcode: 72201
Country Sub-Division: Arkansas
Country: United States of America

US CLASSIFICATION: Non Regulated - Exempt

STATE OF FILING: US State: Arkansas

ALLOCATION OF PREMIUM TO CODING: Risk Code : P2
Premium Allocation:100%

REGULATORY INSURED CLASSIFICATION: Commercial – Large Risk

BROKER REMUNERATION AND DEDUCTIONS

**FEE PAYABLE BY
CLIENT:** Yes

TOTAL BROKERAGE: NIL

**OTHER DEDUCTIONS
FROM PREMIUM:** None.

APPENDIX 1

**Attaching to and forming
part of B0507PP2504132**

Certain Underwriters at Lloyd's of London and others
(hereinafter called the Company)

COMMERCIAL PROPERTY POLICY DECLARATIONS

POLICY NUMBER: B0507PP2504132

RENEWAL OF: Not Applicable

ITEM 1. Named Insured: ARKANSAS STATE CAPTIVE INSURANCE PROGRAM;
STATE OF ARKANSAS PARTICIPATING STATE AGENCY AND
PUBLIC SCHOOL ENTITIES

Address: Suite 256, 500 Woodlane Street, Little Rock, Arkansas,
72201, USA.

ITEM 2. Policy Period: From 1st July 2025 To 1st July 2026

at 12:01 AM Standard Time at the address of the insured location unless this Commercial Property Policy Declarations is attached to a Policy with a Declaration Page or a term or condition contained in such policy form that has a different description of the application of the Policy Period, Policy Term or similar term (hereinafter, the **Policy Period**), in which case, the **Policy Period** shall be the same as that description contained on the Declaration Page or policy form to which this Commercial Property Policy Declarations is attached.

ITEM 3. Program Limit of Insurance:

USD1,500,000,000 PER OCCURRENCE LIMITED TO USD200,000,000 IN THE ANNUAL AGGREGATE IN RESPECT OF EARTH MOVEMENT AND USD100,000,000 IN THE ANNUAL AGGREGATE IN RESPECT OF FLOOD

Total Premium: USD As per Risk Details

Terrorism Premium: USD Not Applicable

ITEM 4. Perils:
AS DESCRIBED IN THE POLICY ATTACHED

ITEM 5. Description of Property Covered: Coinsurance
AS DESCRIBED IN THE POLICY ATTACHED NOT APPLICABLE

ITEM 6. Mortgagee Clause: Loss, if any shall be payable to:

PER ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE ENDORSEMENT

ITEM 7. Forms Attached:

SEE POLICY ATTACHED

ARKANSAS SURPLUS LINES NOTICE

This contract is registered and delivered as a surplus line coverage under the Surplus Lines Insurance Law, and it may in some respects be different from contracts issued by insurers in the admitted markets, and, accordingly, it may, depending upon the circumstances, be more or less favorable to an insured than a contract from an admitted carrier might be. The protection of the Arkansas Property and Casualty Guaranty Act does not apply to this contract. A tax of four percent (4%) is required to be collected from the insured on all surplus lines premiums.

01/09/13

LMA9028

SUPPLEMENTAL DECLARATIONS

PROGRAM (100%) SUB-LIMITS:

Each Insurer shall provide its agreed participation and percentage of the following Program sub-limits, if applicable.

The following Program sub-limits of liability will apply on a per occurrence basis for all coverages provided, unless otherwise stated below, and are part of, not in addition to, the above limit(s) of liability.

For Annual Aggregate sub-limits the policy year will begin at the inception date of this policy and be concurrent with the anniversary dates of this policy.

1a.	USD200,000,000	Earth Movement (Annual Aggregate, for all coverages provided) except;
1b.	USD100,000,000	Subject to 1a. above Earth Movement (Annual Aggregate, for all coverages provided) in ISO Zones 2, 3 (see Definitions) and Sharp County
2a.	USD100,000,000	Flood (Annual Aggregate, for all coverages provided) except;
2b.	USD40,000,000	Subject to 2a. above Flood (Annual Aggregate, for all coverages provided) in Zone B and Zone X Shaded locations (see Definitions) except;
2c.	USD10,000,000	Subject to 2a. above Flood (Annual Aggregate, for all coverages provided) in Zone A locations (see Definitions)
3.	USD50,000,000	Mobile Equipment / Single Wide Pre-Manufactured Housing <ul style="list-style-type: none">a. <i>Includes transit as well as over the road coverage / collision; except single wide pre-manufactured housing</i>b. <i>Coverage applies for all Perils Insured under this Policy, including Flood and Earth Movement and while offsite</i>
4.	USD3,000,000	Motor Vehicle Coverage
5.	USD1,000,000	Underground Water Seepage Coverage
6.	USD1,000,000	Seedling Trees & Plants
7.	USD1,000,000	Fire Fighting Materials and Expenses
8.	USD1,000,000	Expediting Expenses
9.	USD2,500,000	Landscaping Improvements not to exceed a limit of USD1,000 per item
10.	USD1,000,000	Pavements (Including Parking Lots) and Roadways
11.	USD1,000,000	Land and Water Clean Up Expense (Annual Aggregate, for Named Perils Only)
12.	USD5,000,000	Installation Floater
13.	USD25,000,000	Newly Acquired Property – 180 Days Reporting
14.	USD25,000,000	Unnamed Locations
15.	USD30,000,000	Fine Arts / Collections
16.	USD5,000,000	Accounts Receivable

SUPPLEMENTAL DECLARATIONS

17.	USD10,000,000	Valuable Papers and Records
18.	USD25,000,000	Electronic Data and Media Property Damage
19.		Demolition and Increased Cost of Construction:
	Included	Item A: Undamaged Portion
	USD50,000,000	Item B: Demolition
	USD25,000,000	Item C: Compliance with the Law
		Limited to USD5,000,000 Per Occurrence per State Agency Entity or per School District
	USD1,000,000	Item D: Business Interruption
20.	USD10,000,000	Errors and Omissions
21.	USD5,000,000	Personal Property in Transit
		– DOES NOT INCLUDE MOBILE EQUIPMENT (refer to Mobile Equipment sub-limit above) or SINGLE WIDE PRE-MANUFACTURED HOUSING
		Except;
	USD1,000,000	Transit as regards Fine Arts / Collections
22.	USD1,000,000	Fungus, Mold or Mildew
23.	USD1,000,000	Deferred Payment
24.	USD5,000,000	Off-Premises Service Interruption – Property Damage/Business Interruption – Combined Limit
		- Includes but not limited to telephone and telecommunication; to include overhead and transmission lines for indirect (Business Interruption/Extra Expense Only) subject to USD1,000,000 Food Spoilage Sub-Limit;
		In the event of loss or damage covered by this policy, no coverage is provided unless the service interruption exceeds 24 hours beginning from the time of loss or damage covered by this policy. If the service interruption exceeds 24 hours, the loss will be calculated from the time of loss or damage covered by this policy, subject to the policy retention.
25.	USD1,000,000	Arson or Theft Reward
26.	USD1,000,000	Locks and Keys
27.	USD1,000,000	Tenants Legal Liability and Expense
28.	USD5,000,000	Soft Costs for Property in the Course of Construction/Renovation
29.	USD2,500	Personal Property of Employees – Per Employee, Per Occurrence
30.	USD100,000,000	Debris Removal and Cost of Clean Up
31.	Included	Property Removed from Described Locations
32.	Included	Protection and Preservation of Property
33.	USD1,000,000	Money
34.	Included	Defense Expenses
35.	Included	Claims Preparation Expenses

SUPPLEMENTAL DECLARATIONS

- | | | |
|-----|----------|------------------------|
| 36. | Included | Increase Tax Liability |
| 37. | Included | Service Charges |

SUPPLEMENTAL DECLARATIONS

- Business Interruption:

- | | | |
|----|---|--|
| A. | Included | Gross Earnings, Rents and Expense to Reduce Loss (Tuition and Fees Included) |
| B. | USD50,000,000 | Extra Expense Per Occurrence |
| C. | USD50,000 | Gross Earnings from Property in Transit |
| D. | 365 | Days of Ordinary Payroll |
| E. | 120 | Days of Civil Authority - subject to a distance limitation of 25 miles |
| F. | USD100,000 | Contingent Business Interruption |
| G. | USD5,000,000 | Research and Development Expense |
| H. | 120 | Days Ingress/Egress – subject to a Maximum of USD2,500,000 and a distance limitation of 25 miles |
| I. | USD100,000 | Tax Treatment |
| J. | 24 | Months of Extended Period of Indemnity |
| K. | Included in Physical Damage Sub-Limit Above | Off-Premises Service Interruption – Business Interruption |

The above Policy Sub-limits of liability will be the maximum payable for property damage and business interruption (if applicable) resulting from such property damage, or any combination thereof.

With respect to items A. and J. above the number of days is part of and not in excess to any other outstanding sub-limits of liability.

MAXIMUM AMOUNT PAYABLE: In the event of loss under the policy, the liability of the Insurer(s) shall be limited to the least of the following:

- a) The actual adjusted amount of loss, less applicable deductible(s);
- b) Any other Limit of Liability or Sublimit of Insurance or Amount of Insurance specifically stated in this policy to apply to any particular insured loss or coverage or location;
- c) The Agreed Amount values stated in the latest Schedule of Values or other documentation on file with the Insurer(s) separately for each of the following categories: Mobile Equipment, Fine Arts/Collections, Real Property and Business Personal Property.

SUPPLEMENTAL DECLARATIONS

SHARED COVERAGE ENDORSEMENT

All coverage under this Policy is provided on a shared basis unless a specific per entity amount is listed. In the event of a single Occurrence that causes direct physical loss or damage to property of more than one individual entity, it is possible that the applicable limit of liability or sublimit(s) of liability (whether on a per Occurrence or annual aggregate basis), will be insufficient to fully indemnify the loss or damage as sustained by multiple individual entities.

If the applicable limit of liability or sublimit is insufficient, the amount recoverable by each individual entity will be allocated among all loss participants as determined by Office of Property Risk. As a result, a delay in the reporting of claims by any individual entity could reduce or eliminate such individual entity's recovery under this Policy.

Furthermore, an individual entity's total insured values could exceed the overall program annual aggregate limit, or any annual aggregate limit of liability or sublimit may even be exhausted or reduced by the prior payment of claims arising out of separate Occurrences in the same POLICY PERIOD. As a result, it is possible that there may be no remaining limit available to pay a specific entity's claim under the Policy.

Property Coverage Form

A. **PERILS INSURED**

This policy insures against all risks of direct physical loss or damage to insured property except as excluded under this policy.

B. **PROPERTY INSURED**

This policy insures the following property, at or within 2,500 feet of a **described location**, unless excluded, that the insured

- i) Owns;
- ii) Operates;
- iii) Controls; or
- iv) Is under the obligation to insure for direct physical loss or damage, to the extent of such obligation.

1. **Real Property**

If this policy insures real property it includes;

- a. New construction;
- b. Additions under construction;
- c. Alterations and repairs to buildings or structures;
- d. Materials, equipment and supplies for new construction, additions, buildings or structures;
- e. Temporary structures;
- f. Machinery, equipment, and fixtures that are permanently attached to the building;
- g. Personal property that is used to maintain or service the building;
- h. Pedestrian Bridges
- i. 800 Square Foot, or less, Buildings, not specifically scheduled, but on Insured's Premises, and if not covered by other insurance.

2. **Personal Property**

If this policy insures personal property, it includes, but is not limited to:

- a. Machinery and Equipment;
- b. **Raw materials** and Stock;
- c. Furniture and Fixtures;
- d. **Electronic data processing equipment;**
- e. **Processing water;**
- f. Molds and Dies;
- g. Property in the yard;

Property Coverage Form

- h. Improvements and Betterments in which the Insured has an insurable interest;
- i. The Insured's interest in and legal liability for property of others, while at a **described location**.
- j. Contents located within Single Wide Pre Manufactured Housing

C. POLICY SUB-LIMITS:

The following coverages apply; subject to the terms and conditions of this policy, and to the extent shown in the Supplemental Declarations section.

1. Earth Movement:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **earth movement**. If more than one earthquake shock occurs within any period of 168 hours during the term of the policy, such shocks will be considered to constitute a single **earth movement**.

This policy does not pay for **earth movement** commencing before the effective or after the expiration date and time of this policy. Liability for such loss or damage by **earth movement** will not exceed the annual aggregate sub-limit as specified in the declarations section in any one policy year.

- b. This coverage does not apply to:
 - 1) Unnamed **Locations**; and
 - 2) Errors and Omissions.

Coverage provided by this extension is limited to property while located within the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

2. Flood:

- a. This policy is extended to cover direct physical loss or damage to insured property caused by or resulting from **flood**.

This policy does not pay for **flood** commencing before the effective or after the expiration date and time of this policy. Liability for such loss or damage by **flood** will not exceed the annual aggregate sub-limit as specified in the Supplemental Declarations in any one policy year.

- b. This coverage does not apply to:
 - 1) Unnamed **Locations**; and
 - 2) Errors and omissions.

Coverage provided by this extension is limited to property while located within the fifty (50) United States; District of Columbia; Commonwealth of Puerto Rico; U.S. Virgin Islands; and Canada.

3. Mobile Equipment / Single Wide Pre-Manufactured Housing:

This policy is extended to cover direct physical loss or damage to Mobile Equipment / Single Wide Pre-Manufactured Housing. This coverage shall include transit as well as over the road / collision; with the exception of Single Wide Pre-Manufactured Housing. Coverage applies for all direct physical loss or damage to insured property except as excluded under this policy, including **flood** and **earth movement**, while on Insured's premises or offsite.

Property Coverage Form

4. Motor Vehicle Coverage:

This policy is extended to cover:

- a. Motor vehicles; and
- b. Trucks

in the Insured's care, custody, and control as regards **named perils** only. This policy does not cover loss or damage resulting from:

- 1. Collision; or
- 2. Overturn;

While such motor vehicles and trucks are being operated under their own power; or being towed (whether or not in motion at the time of loss).

5. Underground Water Seepage Coverage:

This policy is extended to cover direct physical loss or damage to covered property caused by water under the ground surface pressing on, or flowing or seeping through:

- a. Foundations, walls, floors or paved surfaces; or
- b. Basements, whether paved or not.

6. Seedling Trees & Plants:

This policy is extended to cover direct physical loss or damage to the Insured's Business Personal Property at a **described location**. This coverage does not include Crops in Field or Landscaping.

7. Fire Fighting Materials and Expenses:

This policy is extended to cover expenses:

- a. Incurred by the Insured to replace fire extinguishing materials:
 - 1) Lost;
 - 2) Expended; or
 - 3) DestroyedAnd
- b. For fire-fighting expenses incurred by or imposed upon the Insured in connection with insured property. There will be no coverage for charges incurred for false alarm. Coverage for Fire Department service charges is pursuant to the Service Charge coverage provision herein.

8. Expediting Expenses:

- a. This policy is extended to cover Expediting Expenses which are the reasonable and necessary costs to:
 - 1) Make temporary repairs to, or
 - 2) Expedite the permanent repair or replacement of:Insured property that has sustained direct physical loss or damage insured by this policy.
- b. Expediting Expenses do not include:
 - 1) Expenses payable elsewhere in the policy, or

Property Coverage Form

- 2) The cost of permanent repair or replacement.

9. Landscaping Improvements:

This policy is extended to cover direct physical damage by **named perils** to Shrubs, Plants, and Lawns that are part of Landscaping Improvements.

This coverage is not included in Section B., Items 1. Real Property and 2. Personal Property.

10. Pavements (Including Parking Lots) and Roadways:

This policy is extended to cover direct physical damage to:

- a. Pavements, including parking lots; and
- b. Roadways:

By **named perils**.

This coverage is not included in Section B., Items 1. Real Property and 2. Personal Property.

11. Land and Water Clean Up Expense:

This policy is extended to cover reasonable and necessary expense to remove, dispose of or clean up contaminants from land or water at a **location** when such land or water is contaminated or polluted due to direct physical damage by **named perils only**.

There will be no coverage unless such expenses are reported to the company within 180 days of the date of direct physical damage.

Contaminants include, but are not limited to, **pollutants**.

12. Installation Floater:

This policy is extended to cover:

- a. Materials;
- b. Equipment;
- c. Machinery; and
- d. Supplies;

Designated by the Insured for use in construction or installation projects at **locations** other than **described locations**.

Coverage begins at the time covered property arrives at the site of installation and ends when:

- a. The interest of the Insured ceases;
- b. The property has been accepted by the owner or purchaser; or
- c. The policy expires; Whichever occurs first.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. This policy sub-limit cannot be combined with any other policy sub-limits.

13. Newly Acquired Property:

This policy is extended to cover property that is newly acquired. This coverage terminates:

- a. When the newly acquired property is reported to the company; or
- b. 180 days after the date of acquisition; or

Property Coverage Form

- c. At the termination or expiration of this policy;

Whichever occurs first.

There will be no coverage provided under this extension for property while in transit.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. The policy sub-limit cannot be combined with any other policy sub-limits.

14. Unnamed Locations:

This policy is extended to cover Insured property:

- a. At a place other than a **described location**, a Newly Acquired Property, or an Installation Floater **location**; and
- b. Not otherwise insured, including but not limited to:
 1. Stock Stored Off-Site
 2. Property at Exhibitions
 3. Salespersons Samples
 4. Office, Manufacturing and Other Equipment Off-Site.

There will be no coverage provided under this extension for property in transit.

The specified sub-limit for this extension of coverage is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limit.. The policy sub-limit cannot be combined with any other policy sub-limits.

15. Fine Arts / Collections:

This policy is extended to cover **fine arts** / collections at a **location**.

There will be no coverage for Loss or damage to any **fine arts** / collections as a result of restoring repairing or retouching processes.

There will be no coverage for breakage of any **fine arts** / collections unless the breakage results from **named perils**.

16. Accounts Receivable:

This policy is extended to cover amounts due the Insured from customers, which the Insured is unable to collect, as a result of direct physical loss or damage insured by this policy to accounts receivable records.

Coverage includes:

- a. Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected.
- b. Collection expenses in excess of normal collection costs.
- c. Other reasonable expenses incurred by the Insured in recreating records of accounts receivable.

17. Valuable Papers and Records:

This policy is extended to cover **valuable papers and records**.

18. Electronic Data and Media Property Damage:

This policy is extended to cover direct physical loss or damage of **electronic data and media**, but only to the extent caused by the following perils: Fire; lightning; **wind and/or hail**; explosion; smoke; impact from aircraft, vehicles or vessels; falling objects; strike, riot, civil commotion; vandalism, theft, attempted theft; water damage; accidental discharge, leakage, backup, or overflow of liquids; earth

Property Coverage Form

movement; flood. Direct physical loss or damage of **electronic data and media** shall not include distortion, erasure, corruption, alteration, diminishment in value, or resulting loss of use or usefulness of electronic data and media by any cause whatsoever other than the perils listed in this section, regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of electronic data and media.

19. Demolition and Increased Cost of Construction:

- a. This policy is extended to cover the following when incurred by the Insured as a direct result of enforcement of a law or ordinance, requiring compliance as a condition precedent to obtaining a building permit or certificate of occupancy:
 1. Regulates the demolition, construction, repair, replacement or use of buildings or structures;
 2. Is enforced as a direct result of direct physical loss or damage insured by this policy at a **location**; and
 3. Is in force at the time of such loss or damage.

Coverage under this policy applies only in response to the minimum requirements of the ordinance or law for:

Item A: The value of the physically undamaged portions of the insured buildings or structures when those portions are demolished;

Item B: The cost to demolish and clear any physically undamaged portions of the insured buildings or structures;

Item C: The cost incurred to actually rebuild the physically damaged and the undamaged portion, whether or not demolition is required, of such insured buildings or structures with materials and in a manner to comply with the minimum requirement of the law or ordinances;

Item D: The **Business Interruption** (if covered) loss during the additional time required for making the changes to the building or structures in coverage A, B and C above.

- b. There will be no coverage for:
 1. The cost required by the enforcement of any law or ordinance regulating any form of contamination, including but not limited to, **pollution; fungus mold or mildew**.
 2. The cost to comply with any law or ordinance with which the Insured was required to comply had the direct physical loss or damage not occurred.
 3. Vacant or Unoccupied **Locations** are subject to the terms and conditions in Section F., **General Conditions**, Item 7. **Vacant or Unoccupied Buildings**.
 4. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this policy.

20. Errors and Omissions:

This policy is extended to cover direct physical loss or damage that would not be payable solely because of an error or unintentional omission:

- a. In the description or address of a property, insured by this policy, which existed: at the inception date of this policy; or in any subsequent amendments to this policy.
- b. Through failure to include any **location**:
 1. Owned;
 2. Occupied; or
 3. Newly acquired;

By the Insured at the inception date or during the term of this policy.

Property Coverage Form

- c. Which results in cancellation of insured property under this policy.

Coverage applies to the extent this policy would have provided coverage, had the error or unintentional omission not been made.

There will be no coverage if coverage is found in whole or in part elsewhere in this policy.

21. Personal Property in Transit:

- a. This policy is extended to cover the following Personal Property, not otherwise excluded, while in transit:
1. Personal Property owned by the Insured
 2. Personal Property of others to the extent of the Insured's interest or legal liability while in the actual or constructive custody of the Insured.
 3. Personal Property shipped to others on Free on Board (FOB), Coast and Freight (C&F), or similar terms. The Insured's contingent interest in such shipments is admitted.
- b. This extension includes:
1. Direct physical loss or damage to insured Personal Property occasioned by:
 - i. Acceptance of fraudulent bills-of-lading, shipping or messenger receipts by the Insured, Insured's agent, customer or consignee(s).
 - ii. Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the Personal Property for shipment or to accept it for delivery.
 2. General average and salvage charges on shipments covered while waterborne.
- c. There will be no coverage for:
1. Personal Property shipped by mail.
 2. Shipments by air unless made via regularly scheduled airlines.
 3. Waterborne shipments via the Panama Canal or waterborne shipments to and from anywhere in the world.
 4. Any transporting vehicle.
 5. Personal Property excluded elsewhere in this policy.
- d. Coverage begins:
1. From the time the Personal Property leaves the original point of shipment for the commencement of transit; and
 2. Continuously in the due course of transit;
- Until delivered at destination.
- e. Additional exclusions, conditions and provisions:
1. Coverage is excluded for any consequential loss beyond the direct physical loss or damage to the insured Personal Property.
 2. Coverage is excluded for Personal Property insured under any import or export ocean marine insurance. Coverage on export shipments not insured under ocean marine policies does not extend beyond the time when the Personal Property is loaded on board overseas vessel or aircraft. Coverage on import shipments not insured under ocean cargo policies does not attach until after discharge from overseas vessel or aircraft.
 3. Permission is granted to the Insured, without prejudice to this insurance, to accept ordinary bills of lading used by carriers, including:
 - i. Released and/or under valued bills of lading.
 - ii. Shipping or messenger receipts.
 4. The Insured may waive subrogation against railroads under sidetrack agreements.

Property Coverage Form

5. The Insured may not enter into any special agreement with carrier releasing them from their common law or statutory liability.

22. Fungus, Mold or Mildew:

This policy is extended to cover the direct physical loss or damage to insured property caused by or resulting from **fungus, mold or mildew**, when **fungus, mold or mildew** is the direct result of direct physical loss or damage insured by this policy. This coverage includes any cost or expense to clean up, remove, contain, treat, detoxify or neutralize **fungus, mold or mildew** from insured property resulting from such loss or damage.

23. Deferred Payment:

- a. This policy is extended to cover the Insured's financial interest in personal property that has been sold by the Insured under; written lease, installment sale, deferred payment, or conditional sales contract, if such property sustains direct physical loss or damage insured by this policy and only to the extent the Insured is **unable** to collect the unpaid balance of such interest.

This insurance attaches from the time the property is sold or leased until the Insured's financial interest in it has ceased, or the policy terminates or expires; whichever is first.

- b. The financial interest is limited to the lesser of the following:
 1. The total amount of unpaid installments with respect to property described in paragraph a. above;
 2. The extent of the insured's financial interest in leased property;
 3. The **actual cash value** of the property at the time any loss or damage occurs;
 4. The cost to repair or replace the property with material of like kind and quality.

The section E., Perils Excluded, Group I, exclusions are amended as follows as respects Deferred Payment Coverage.

The following wording is added to the Group I Exclusions:

Theft or conversion by the buyer of the property after the buyer has taken possession of such property.

24. Off-Premises Service Interruption – Property Damage:

This policy is extended to cover physical loss or damage as a direct result or interruption of the following incoming and outgoing services. The interruption must result from direct physical loss or damage by a covered cause of loss to property not excluded by this policy.

Covered services are incoming electric, gas, fuel, steam, water, refrigeration, and outgoing sewerage, telephone and telecommunication.

There will be no coverage for; deliberate act(s) by the supplying utility to shed load to maintain system integrity, **flood** or **earth movement** whether or not such coverage is provided elsewhere in this policy, any loss caused by or resulting from loss or damage to satellites, and any loss resulting from physical loss or damage to property caused by or resulting from **terrorism**. Resultant and concurrent interruptions will be considered as one event.

25. Arson or Theft Reward:

This policy is extended to cover payment of any reward offered on the Insured's behalf for information that leads to conviction of the perpetrator(s) of:

- a. Arson; or
- b. Theft;

Property Coverage Form

To insured property.

The company's total liability for any one **occurrence** will not exceed the lesser of:

- a. The sub-limit of liability shown in the Supplemental Declarations; or
- b. Ten Percent (10%) of the direct physical loss or damage to insured property.

The company's payment of this reward will not increase regardless of the number of informants providing information that leads to a conviction.

This coverage does not cover payment of any reward offered on the Insureds behalf for information that leads to the conviction of the perpetrators of **terrorism** whether direct or indirect.

26. Locks and Keys:

This policy is extended to cover the reasonable and necessary expense incurred by the **Insured** for replacing locks and keys by direct physical loss or damage insured by this policy.

Coverage includes the actual cost to replace, adjust or reprogram undamaged locks to accept new keys or entry codes.

27. Tenants Legal Liability and Expense:

This policy is extended to cover direct physical loss or damage by **named perils** to that part of buildings of others, including permanently attached building fixtures, leased to and occupied by the Insured at **a described location** to the extent of the Insured's legal liability for such loss or damage.

- a. Coverage provided by this Policy Sub-limit includes the following as respects any suit alleging loss or damage to that part of such buildings of others leased to and occupied by the Insured. The following are within and not in addition to the sub-limit of liability:
 1. Reasonable expenses of defending the Insured against only that part of any suit alleging such physical loss or damage to that part of such buildings of others leased to and occupied by the Insured;
 2. Reasonable expenses incurred by this company, this company's proportionate share of costs taxed against the Insured in any suit, and this company's proportionate share of interest accruing after entry of judgment until this company has paid, tendered or deposited into court its proportionate share of such judgment;
 3. Reasonable expenses, other than loss of earnings, incurred at this company's request.
- b. Additional exclusions:

This extension does not cover:

1. Any loss resulting from physical loss or damage to any property caused by or resulting from **terrorism, flood or earth movement**.
 2. Errors and Omissions;
 3. Any legal liability for loss or damage assumed by the Insured under any contract or agreement, whether oral or written, expressed or implied; and
 4. That part of any settlement by the Insured to which this company has not given its prior written consent.
- c. Additional Provisions:
 1. The specified sub-limit is the maximum amount payable in any one **occurrence** regardless of the number of **locations**, coverages or policy sub-limits. This policy sub-limit cannot be combined with any other policy sub-limits.

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2. This company may investigate, negotiate and settle any claim or suit as this company deems expedient and shall not be obligated under this coverage for failure to settle for any amount within the remaining sub-limit of liability.
3. This company may pay, lender or deposit into court the remaining sub-limit of liability in full satisfaction of its liability under this coverage, and thereby terminate any further liability for any amount in paragraph a. above.

28. Soft Costs for Property in the Course of Construction/Renovation:

This policy is extended to cover **soft costs** as a result of direct physical loss or damage insured by this policy to insured property at **locations** undergoing alterations or additions to existing property and property in the course of construction. This coverage applies from the time of such physical loss or damage until the property is restored to the same degree of completion as existed prior to the physical loss or damage but for no more than 365 consecutive days from the date of such physical loss or damage.

29. Personal Property of Employees:

This policy is extended to cover Personal Property of officers, directors, and employees of the insured, while at a **described location**, unless otherwise scheduled on each statement of values for each State Agency entity or each Public School District. This extension does not apply to personal property of others while in the care, custody, or control of the insured or where contractually obligated to insure.

30. Debris Removal and Cost of Clean Up:

This policy covers the reasonable and necessary expense of removal of debris and cost of clean up from a **described location** remaining as a direct result of direct physical loss or damage insured by this policy to insured property.

There is no coverage for the expense of removing or disposing of:

- a. Contaminated uninsured property; or
- b. The contamination in or on uninsured property;

Whether or not the contamination resulted from direct physical loss or damage insured by this policy.

Contamination includes, but is not limited to, **pollutants**.

- c. Tree(s), unless tree(s) cause damage to real or personal property at an insured **location**, and expense is provided only for tree(s) that have caused the damage.

31. Property Removed from Described Locations:

This policy covers insured property when removed from a **location** in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

This coverage does not include property covered by other insurance.

This coverage applies for a period:

- a. Of 180 days from the date of removal; but
- b. Not beyond the termination or expiration date of this policy.

32. Protection and Preservation of Property:

This policy covers the reasonable and necessary costs incurred to temporarily protect or preserve insured property, at a **location** in order to avoid or prevent immediately impending direct physical loss or damage insured by this policy to insured property.

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This coverage does not cover costs incurred to temporarily protect or preserve property to avoid or prevent immediately impending physical loss or damage caused by or resulting from **terrorism**.

33. Money:

This policy is extended to cover direct physical loss or damage to **money** by the following named perils: fire, lightning, **wind and/or hail**, explosion, smoke, impact from aircraft and vehicles, objects falling from aircraft, sprinkler leakage, or collapse of buildings. There will be no coverage for any loss or damage to **money** unless such loss is reported to this Company within 30 days of the date of physical loss or damage.

34. Defense Expenses

This Policy is extended to cover costs and fees to defend any claim or suit against the Insured and/or its directors, officers and/or employees alleging direct physical loss or damage as insured against to property of others in the care, custody or control of the Insured to the extent of the Insured's liability therefore, even if such suit is groundless, false or fraudulent; but the company may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

35. Claims Preparation Expenses

The Company will pay for claims preparation expenses incurred by the Insured, the Insured's employees or by the Insured's representatives including, but not limited to, Accountants, Appraisers, Architects, Auditors, Consultants, Engineers, or other such professionals in order to prepare and certify the amount of loss payable under this Policy in the event of a claim. This provision does not insure expenses incurred for the services of any lawyer or public adjuster.

36. Increased Tax Liability

This Policy is extended to cover loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax treatment that would have been experienced by the Insured had no loss, damage or destruction by a peril insured by this Policy occurred.

37. Service Charges

This Policy is extended to cover service charges and expenses including Fire Department, Police, Rescue Squad, and any government or authority charges incurred by the Insured because of an occurrence of a peril insured by this Policy.

D. PROPERTY EXCLUDED

This policy does not insure the following property unless coverage is specifically included in Section C., **Policy Sub-limits**, or elsewhere in this policy:

1. Land, water, or any substance in or on land, pavement and roadways, trees, shrubs, plants and lawns, growing crops or standing timber, and animals.
2. Bridges and tunnels used for vehicular traffic, reservoirs, canals and dams.
3. Furs and fur garments; jewels, jewelry, watches, pearls; precious and semi-precious stones, gold, silver, platinum and other precious metals and alloys; all for loss caused by theft. This exclusion does not apply to precious metals and precious stones used by the **Insured** for industrial purposes.
4. Currency, **money**, notes, **securities**, accounts, bills, tickets, tokens, evidences or debt.
5. **Electronic data and media, valuable papers and records, and fine arts.**
6. Motor vehicles licensed for highway use or owned by officers and employees of the insured, except this does not include insured-owned or non-owned in the insured's care, custody, and control camper trailers and boat trailers. This shall exclusion will not apply when such property is in the custody of

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an Insured pursuant to its legal authorization to maintain such property in its care, custody, and control.

7. Satellites, aircraft and Unmanned Aircraft Systems (UAS) drones; except, Unmanned Aircraft Systems (UAS) in storage, while in a covered building, at a **described location**, shall be considered contents.
8. Personal property sold by the Insured under conditional sale, trust agreement, installment payment, or deferred payment plan after delivery to the customer.
9. Personal property in the custody of the Insured acting as a warehouseman, bailee for hire, or carrier for hire. This exclusion will not apply when such property is in the custody of an Insured pursuant to its legal authorization to maintain such property in its care, custody, and control.
10. Underground mines, caverns, and mining property within the foregoing,
11. Property while in transit.
12. Underground pipes, cables, tanks, flues, drains, vaults and caskets.

E. PERILS EXCLUDED

GROUP I. This policy does not insure against loss or damage caused directly or indirectly by or resulting from any of the following, except as covered under Section C., **Policy Sub-Limits**. Loss or damage is excluded regardless of any other cause or event whether or not insured under this policy that contributes concurrently or in any sequence to the loss or damage.

1. Nuclear reaction or nuclear radiation or radioactive contamination. However;
 - a. If physical damage by fire or sprinkler leakage results, then only that resulting damage is insured but not including any loss or damage due to nuclear reaction or nuclear radiation or radioactive contamination.
 - b. This policy does insure against physical loss or damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted at **location**, provided that at the time of such loss or damage there is neither a nuclear reactor nor any new or used nuclear fuel at the **location**. Such coverage does not apply to any act, loss or damage excluded in Section E., **Perils Excluded**, Group I, Item 2.f).
2.
 - a) War, hostile or warlike action in time of peace or war, whether or not declared, including action in hindering, combating, or defending against an actual, impending or expected attack by:
 - i. Any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces;
 - ii. Any military, naval or air forces; or
 - iii. Any agent or authority of any such government, power authority or force.
 - b) Discharge, explosion, or use of any nuclear device, weapon, or material employing or involving nuclear fission, fusion, or radioactive force, whether in time of peace or war, and regardless of who commits the act.
 - c) Any weapon employing atomic fission, fusion or radioactive force, or any weapon that disperses radioactive material or a directed-energy or electromagnetic weapon, whether in time of peace or war, whether or not its discharge was accidental.
 - d) Insurrection, rebellion, revolution, civil war, usurped power, seizure or destruction under quarantine or customs regulation, confiscation, or any action taken by governmental authority in hindering, combating, or defending against such an event.
 - e) Risks of contraband or illegal transportation or trade.
 - f) **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**

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Any act which satisfies the definition of **terrorism** provided in Section **G., Definitions**, or in any **terrorism** Endorsement to this policy, shall not be considered to be vandalism, malicious mischief, riot, civil commotion, or any other risk of physical loss or damage which may be covered elsewhere in this Policy.

If any act which satisfies the definition of **terrorism** provided in Section **G., Definitions**, or in any **terrorism** Endorsement to this policy, also comes within the terms of the hostile or warlike action exclusion of this Policy in Section **E, Perils Excluded**, Group I, 2.a), the hostile or warlike action exclusion applies in place of this exclusion.

If any act excluded herein involves nuclear reaction, nuclear radiation or radioactive contamination, this exclusion applies in place of the nuclear hazard exclusion of this Policy, Section **E. Perils Excluded**, Group I, 1.

3. Loss of market; loss of use; damage or deterioration arising from any delay, whether such delay is caused by a peril insured against or otherwise; loss caused by any legal proceeding.
4.
 - a) Misappropriation;
 - b) Conversion;
 - c) Infidelity; or
 - d) Any dishonest act;

Whether committed alone or in collusion with others at any time, on the part of the Insured or any additional interest, employees, directors, officers, or agents of the Insured, or any person to whom the property may be entrusted (bailees for hire excepted). A willful act of destruction committed by employees of the Insured or others listed above, without the knowledge of the Insured, resulting in physical damage, is covered. Such coverage does not apply to any act excluded in Section **E., Perils Excluded**, Group I, Item 2.f). However, theft by employees of the Insured or others listed above is not covered.

5.
 - a) Unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory; except that this exclusion will not apply to property while in the custody of any bailee.
 - b) The voluntary parting with title or possession of property if induced by any fraudulent act or by false pretense.

This exclusion does not apply to coverage provided in Section **C., Policy Sub-Limits**, Item **21. Personal Property in Transit**.

6. The lack of power or other incoming service supplied from off a **location**. If direct physical loss or damage insured by this policy results to insured property, the resulting damage is covered. This exclusion does not apply to coverage provided in Section **C., Policy Sub-Limits**, Item **24. Off-Premises Service Interruption**.
7. **Earth movement**, except as provided in Section **C., Policy Sub-limits**, Item 1a.1b., **EARTH MOVEMENT**. Loss by fire, explosion or sprinkler leakage ensuing from **earth movement** is covered by this policy.

This exclusion does not apply to coverage provided in Section **C., Policy Sub-limits**, Item 21. **Personal Property in Transit**.

8. The failure or malfunction of any **exterior insulation and finish system (EIFS)** or the cost to repair the **EIFS**, including loss or damage caused by:
 - a) Water penetration from any source;
 - b) Failure of sealants in any form;
 - c) Leaching of any kind;
 - d) Discoloration of the exterior paint or finish, or

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- e) Damage to materials between the **EIFS** and the interior finish of the building; damage to the interior finish of the building.

Any other loss or damage resulting from the failure or malfunction of the **EIFS** to prevent migration of water into the structure is excluded unless fire, explosion, or sprinkler leakage results, in which case this policy covers only the damage caused by the fire, explosion, or sprinkler leakage.

- 9. **Fungus, mold or mildew**, except as provided in Section C., **Policy Sub-limits**, Item 22.
- 10. Bookkeeping, accounting, or billing error or omission: alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable: committed to conceal the wrongful giving, taking, obtaining or withholding of **money, securities**, and/or other property as respects to Section C., **Policy Sub-limits**, Item 16. **Accounts Receivable**.
- 11. This policy does not cover the interests of a contractor to the extent that the Insured has agreed, prior to loss, to keep such interests insured.
- 12. This policy does not cover **boiler and machinery** direct physical loss or damage caused by, resulting from, or consisting of:
 - 1) Mechanical breakdown; or
 - 2) Electrical or electronic breakdown; or
 - 3) Extremes or changes of temperature; or
 - 4) Rupture, bursting, bulging, implosion, or steam explosion.

GROUP II. This policy does not insure against loss or damage caused by the following; however, if direct physical loss or damage insured by this policy results, then that resulting direct physical loss or damage is covered.

- 1. Wear and tear, deterioration, inherent vice, latent device, vermin or insects.
- 2. Defects in materials, faulty workmanship, faulty construction or faulty design.
- 3. Loss or damage to stock or materials attributable to manufacturing or processing operations while such stock or materials are being processed, manufactured, tested, or otherwise being worked upon.
- 4. Dampness or dryness of atmosphere; changes of temperature: freezing, except damage to fire protective equipment caused by freezing; heating shrinkage; evaporation; depletion; erosion; loss of weight; change in color, flavor, texture or finish; rust; corrosion.
- 5. Contamination, including but not limited to **pollution**.
- 6. Settling, cracking, shrinkage, bulging, or expansion of:
 - a) Foundations;
 - b) Walls;
 - c) Floors;
 - d) Roofs;
 - e) Ceilings.
- 7. Exposure to rain, sleet, snow, sand, or dust to personal property in the open.
- 8. The following applies with respect to loss or damage by **wind and/or hail** to a building or structure, we will not pay for **cosmetic damage to roof surfacing** caused by **wind and/or hail**, except **cosmetic damage** will not be excluded where the **cosmetic damage** is clearly visible from the ground level at the **described location** where the damage occurred, and when such damage is visible, coverage is limited to just the damaged are that is clearly visible from ground level at the **described location**.
- 9. Any loss, cost, damage or expense, arising out of, attributable to, or occurring concurrently or in any sequence with any error or omission in machine programming or instructions of **electronic data**, including, loss attributable to program design constraints, networking compatibility and original business software.

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As used in this exclusion, **electronic data** means data, messages, information, coding, programs, instructions or software in a form suitable for communications, storage, or processing by electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment.

F. GENERAL CONDITIONS:

1. First Named Insured:

The First Named Insured shown in the declarations section:

- a) Is responsible for the payment of all premiums
- b) Will be the payee for any return premiums
- c) May authorize changes in the terms and conditions of this policy with the consent of the company.

This policy's terms can be amended or waived only by endorsement issued by this company and made a part of this policy.

Loss or damage will be adjusted with the first named Insured and payable to or as the first named Insured directs subject to: mortgagee; lender; or similar interests; as their interest may appear as shown on the certificates of insurance issued prior to loss by the insured's broker and on file with this company. The effective date of any interests will be the issue date of the certificates unless a later date is specified on the certificate of insurance.

2. Inspections:

This company, at all reasonable times, will be permitted, but will not have the duty, to inspect property.

This company's:

- a) Right to make inspections; or
- b) Making of inspections or inspection reports;

Will not constitute an undertaking, on behalf of or for the benefit of the named Insured or others, to determine or warrant that any property is safe or healthful.

3. Examination of Books and Records:

This company or its duly appointed representative will be permitted to:

- a) inspect the insured property;
- b) Examine and audit books and records;

As they relate to this policy:

- a) Any time during the policy period.
- b) Up to three years after the expiration of coverage.

4. No Benefit to Bailee:

No person or organization, other than the Insured, having custody of insured property will benefit from this insurance.

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5. Control of Property:

This policy will not apply to any **location** where there is an increase in hazard over which the Insured has control and knowledge. Any increase in hazard at one or more **locations** will not affect coverage at other **locations** where, at the time loss or damage, the increase in hazard does not exist.

6. Retentions / Deductibles Clause:

A) Application of Retentions and Deductibles:

1. For the annual period commencing with the effective date of this policy and each annual period thereafter, this company will not be liable for loss to covered property until the Insured sustains a loss or losses, including any loss adjustment expenses paid by the Insured within and eroding the annual aggregate retention, that exceeds the aggregate retention of USD50,000,000, regardless of the number of **locations** affected.

2. Exception for the Perils of Fire, **Wind and/or Hail**

For each **occurrence**, this company will not be liable for loss to covered property until the Insured suffers a loss or losses, including loss adjustment expenses, that exceeds the applicable retention specified below:

- A. USD5,000,000 per **occurrence** in respect of the peril of fire
- B. USD15,000,000 per **occurrence** in respect of the peril of **wind and/or hail**

The amount of loss or losses, including any loss adjustment expenses, within the applicable retention specified (A. and B. above) shall contribute towards the erosion of the USD50,000,000 aggregate retention.

3. If the Insured's aggregate retention of USD50,000,000 is exceeded during any applicable policy year, a trailing deductible for all perils of USD100,000 per **occurrence** will apply for the remaining unexpired term of that policy year.

All retentions are established at the time of loss and are not subject to modification should the aggregate retention be met during the course of claim adjustment.

4. Any subsequent recoveries on losses reported to the company for purposes of arriving at the Insured's aggregate retention will be applied as if they were received prior to the payment of any loss. For purposes of this coverage, the term aggregate retention will mean the total of the Insured's net self-insured retention per claim, including any loss adjustment expenses paid by the insured within and eroding the annual aggregate retention, after the application of all salvage, subrogation, or other recoveries have been realized. Any subrogation or recovery received after the Insured's aggregate retention has been paid shall be remitted directly to the company.

7. Vacant or Unoccupied Buildings:

When a building becomes vacant or unoccupied because normal operations have ceased for (120) one hundred twenty consecutive days; then the company will:

- 1) Not cover any loss or damage caused by or resulting from: vandalism, sprinkler leakage, breakage or building glass, water damage, theft, attempted theft, any loss covered under **C., Policy Sub-Limits, Item 19. Demolition and Increased Cost of Construction** and any loss covered under **C., Policy Sub-Limits, Item 22. Fungus, Mold or Mildew**; all regardless of the cause of loss; and
- 2) Value the loss or damage at such building on the lesser of the **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.

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8. Other Insurance / Excess Insurance / Underlying Insurance:

If there is other insurance covering the same loss or damage that is covered:

- a) Under this policy; and
- b) Any other policy;

Then this insurance will apply only as excess and in no event as contributing insurance, and then only after all other insurance has been exhausted, whether or not such insurance is collectible.

Permission is granted for the Insured to purchase:

- 1) Excess insurance over the limit(s) of liability in this policy;
- 2) Underlying insurance on all or any part of the deductibles of this policy.

If the limits of the underlying insurance exceed the deductible that would apply under this policy, then the insurance provided by this policy will apply only after that portion that exceeds the deductible has been exhausted.

Except for the foregoing, the existence of such underlying or excess insurance will not:

- a) Prejudice; or
- b) Reduce;

Any recovery payable under this policy.

9. Reinstatement of Limits after a Loss:

Except for those perils subject to an annual aggregate limit of liability, any loss or payment of any claim will not reduce the amount payable under this policy.

10. Liberalization Clause:

If this company adopts a revision that would broaden the coverage under this policy Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

11. Transfer of Rights and Duties under this Policy:

The Insured's rights, interests and duties under this policy may not be transferred or assigned without this company's written consent

12. Legal Action against this Company:

No suit, action, or proceeding for the recovery or any claim under this policy, will be sustainable in any court of law or equity unless:

- a) The insured has fully complied with all terms and conditions of the policy; and
- b) Such suit, action or proceeding is initiated within two years after the date on which the direct physical loss or damage first commenced or occurred.

13. Subrogation:

The Insured must cooperate in any subrogation proceedings. This company may require from the Insured an assignment of all rights of recovery against any party for loss to the extent of this company's payment.

This company will not acquire any rights of recovery that the Insured has expressly waived prior to a **loss**. No such waiver will affect the Insured's rights under this policy.

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Any recovery from subrogation proceedings, and less expenses incurred by this company in such proceedings, will be payable to the Insured in the proportion that the amount of:

- a) Any applicable deductible; and
- b) Any provable uninsured loss; Bears to the entire loss amount.

14. Basis of Valuation:

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

- a) The following property, unless endorsed, will be valued at the time of loss as follows:
 - 1. **Stock in process:** the value of **raw materials** and labor expended plus the proper proportion of overhead charges.
 - 2. **Finished goods** manufactured by the Insured, and other goods sold awaiting delivery: the regular cash selling price at the **location** where loss occurs, less all discounts and charges which the Merchandise would have been subject to had no loss occurred.
 - 3. **Raw materials**, supplies, and other merchandise not manufactured by the Insured: the replacement cost.
 - 4. Property of others: the amount for which the Insured is legally liable, but not exceeding the replacement cost.
 - 5. Un-repairable electrical and mechanical equipment, including **electronic data processing equipment**, the cost to replace with equipment that is the most functionally equivalent to that damaged, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program enhancement.
 - 6. Should Electronic Data and Media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any Electronic Data and Media contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed USD50,000,000 any one loss, incurred by the Insured in recreating, gathering and assembling such Electronic Data and Media. If the data and media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this Policy does not insure any amount pertaining to the value of such Electronic Data and Media to the Insured or any other party, even if such Electronic Data and Media cannot be recreated, gathered or assembled.
 - 7. Landscaping Improvements will be limited to standard local nursery stock.
 - 8. **Fine arts** are valued at the lesser of:
 - a. The cost to repair or restore the article to the condition that existed immediately prior to the loss;
 - b. The cost to replace the article; or
 - c. The value designated for the article on the schedule of **fine arts** on file with this company.

In case of physical loss or damage to an article that is part of a pair or a set, this company will pay the full amount of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the loss; and the Insured surrenders the remaining

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article or articles of the pair or set to the company.

9. Accounts receivable is valued at the sum due which the Insured is unable to collect from customers, and includes:
- a. Interest charges on any loan to offset impaired collections pending repayment of such sums that can not be collected;
 - b. Collection expenses in excess of normal collection cost; and
 - c. Other reasonable expenses incurred by the Insured in recreating records of accounts receivable.

If the Insured is unable to accurately determine the amount of outstanding accounts receivable at the time of loss, the following method will be used:

- (1) Determine the total average monthly amounts of accounts receivable *for* the 12 months immediately preceding the month in which loss occurs; and
- (2) Adjust that total for any fluctuations in the month in which loss occurs, or for any demonstrated variance for that month.

Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted.

After payment of loss by the company, all amounts recovered by the Insured on accounts receivable for which the Insured has been indemnified will belong to and be paid to the company by the Insured up to the total amount of loss paid by this company. All recoveries in excess of such amounts will belong to the Insured.

10. **Valuable papers and records** is valued at: the cost to replace or restore the property with other of like kind and quality including the cost of researching, gathering and/or assembling information. If the information is not replaced or restored, the company will pay the blank value of such **valuable papers and records**.

11. Property while in transit is valued as follows:

- a. For property shipped to or for account of the Insured: the actual invoice to the Insured, together with such costs and charges (Including the commission of the Insured as selling agent) as may have accrued and become legally due on such property.
- b. For property that has been sold by the Insured and shipped to or for account of the purchaser (if covered by this policy): the amount of the Insured's selling invoice, including prepaid or advanced freight.
- c. For property not under invoice: the actual cash market value at point of destination on the date of disaster, less any charges saved which would have become due and payable upon delivery at destination.

12. If a covered building that is generally recognized as having historic value suffers a loss or is damaged covered by this Policy, we will repair or replace the damaged areas with the same materials, workmanship and architectural features provided they are reasonably available and reasonably priced. In the event that such materials, workmanship and architectural features are not reasonably available or not reasonably priced, we will repair or replace with materials, workmanship and architectural features that closely resemble those that existed before the loss or damage occurred.

For purposes of this endorsement, historic value means that the property depicts or represents a designated period of history of human activity in the community where the property is situated, and that such property was originally built or produced during the period that it

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depicts or represents. Later representations built or produced to depict or represent such a period are not considered to have historic value and will not be considered as historic property. Also, for purposes of this endorsement, historic property means any property listed in a Federal, State, County or Municipal Historic Register. Historic property shall also mean any property constructed or produced prior to the year 1940 if it has historic value to the community in which it is situated.

- 13.** Lawn care equipment with a combustion engine of 20hp or less will be valued at **actual cash value**.

- 14.** Library Books, Periodicals, and Rare Books:

- a.** Library Books and Periodicals will be valued at the lesser of:
 - 1) The value designated for each book and periodical (including the cost of re-shelving and processing) as:
 - i. Books - USD500.00 per volume on average
 - ii. Audio/Visual - USD600.00 per volume on average
 - iii. CDs - USD700.00 per volume on average
 - 2) The cost to repair or restore the article to the condition that existed immediately prior to the loss.
- b.** Rare Library books will be valued at the lesser of:
 - 1) The cost to repair or restore the rare book to the condition that existed immediately prior to the loss;
 - 2) The cost to replace the rare book; or
 - 3) The value designated for the rare book on the schedule of Rare Books on file with this Company, if not scheduled, the value designated for each rare book as shown in the declarations.

In case of loss or damage to an article that is part of a pair or set, this company will pay the full amount of the value of such pair or set only if:

- (a) The damaged article cannot be repaired or restored to its condition before the loss; and
- (b) The Insured surrenders the remaining article or articles of the pair or set to the company.

- 15.** Agriculture or commodity stock (consisting of but not limited to crops, fuel, see, wheat, corn, rice, peanuts, soybeans, chemicals/fertilizers, and other inventory whose price fluctuations with a commodity market) will be valued at replacement cost at the time of replacement.

- 16.** For buildings insured under this Policy that have been certified as Leadership in Energy and Environmental Design (LEED) properties, this company will also be liable for:

- a.** The costs to recertify the building following an insured loss to the LEED certification level that existed prior to said loss; such costs shall include the cost to flush out the reconstructed space with 100% outside air and to add new filtration media to conform with the said existing LEED level; and
- b.** The necessary and reasonable costs to hire LEED Accredited professional engineers to provide building commissioning or retro-commissioning services and to oversee post loss repair or reconstruction in order to verify and document that the repaired or replaced property, as well as other property including but not limited to life safety systems, health safety systems, HVAC, plumbing and electrical systems and their related controls whether damaged or not in the loss occurrence have been installed and calibrated properly and perform to documented design criteria and manufacturers' specifications.

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- b) The Insured may:
1. Voluntarily elect to rebuild on another site provided that such rebuilding does not increase the amount of loss or damage which would otherwise be payable to rebuild at the current site.
 2. Submit claim based on the **actual cash value** of the property lost or damaged until repair or replacement has been completed. The Insured may still claim for the additional coverage which replacement cost provides if notification of intention to do so is received by the company within 180 days after the loss or damage.
- c) Replacement cost is subject to all the terms, conditions and limitations of the policy (including any endorsements) and the following additional provisions:
1. The Insured must execute repairs or replacement with due diligence and dispatch.
 2. In no event will payment exceed the actual cost incurred for repairs, replacement, or the limit of liability stated in this policy, whichever is the lesser.
 3. If during the term of this policy, any insured real property is offered for sale, the liability for loss or damage will not exceed the lesser of:
 - a. The price of the offer for sale while the property is offered for sale (with proper deduction for the value of any land); or
 - b. The cost to repair or replace.

The Insured may elect not to repair or replace the property. Loss valuation may be elected on the lesser of repair or replacement cost basis if the proceeds of the loss valuation are expended on other capital expenditures related to the Insured's operations within two (2) years from the date of loss. As a condition of collecting under this item, such expenditures must be unplanned as of the date of loss and be made at a **described location**. This loss valuation does not include any amount that would or could have been paid under section C., Policy Sub-limits, Item 19. Demolition and Increased Cost of Construction, Items A. thru D.

If the Insured fails to comply with any of the valuation provisions or does not repair or replace the property within two (2) years from the date of loss, the basis of valuation will revert to the **actual cash value** as defined in this policy.

- d) Agreed Value Amount when specified.

Agreed Value amount means replacement cost up to the limit of liability scheduled for the damaged building or structure. The State shall have the option to reconstruct the same building, similar building or different building at the same **location** or different **location**, up to the agreed value amount, or accept a cash settlement for the full-agreed amount, less the retention. All claims will be based on repair or replacement with like construction materials at the same **location**.

15. Brands and Labels:

If branded or labeled property covered by this policy is damaged by direct physical loss or damage insured by this policy and this company elects to take all or any part of such property at the value established by the terms of this policy, the Insured may at insured's own expense:

- a. Stamp "salvage" on the property or its containers; or
- b. Remove or obliterate the brands or labels;

If doing so will not physically damage the property.

The Insured must re-label the property or containers in compliance with the requirements of law.

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16. Pairs and Sets:

This policy covers the reduction in value of the undamaged portion of Insured personal property that is a part of a pair or set directly resulting from direct physical loss or damage insured by this policy to other insured parts of such pairs or sets. If settlement is based on a constructive total loss, the Insured will surrender the undamaged parts of such property to the company.

17. Cancellation:

- a. The first named Insured may cancel this policy at any time by:
 - i. Surrendering the policy to the company
 - ii. Mailing or delivering to the company advance written notice of cancellation.
- b. This company may cancel this policy by:
 - i. Mailing; or
 - ii. Delivering;

Written notice of cancellation to the first named Insured at the address as stated in the declarations section, not less than:

- a) Ninety (90) days; or
- b) Ten (10) days for non-payment of premium;

Before the effective date of cancellation.

Proof of mailing or delivery will be sufficient proof of notice.

- c. This company will return unearned premium to the Insured:
 - i. On a pro rata basis if this company cancels the policy.
 - ii. 90% of the pro rata basis if the Insured cancels the policy.

18. Currency:

Any amounts specified in this policy, including but not limited to premium, limit(s) of liability, deductible(s), and loss payable will be considered to be in Canadian currency for **locations** situated in Canada and in United States of America currency for all other **locations**, unless specified otherwise.

19. Conformity to Statute:

Terms of **this** policy, which are in conflict with the statutes of the jurisdiction where the insured property is located, are amended to conform to such statutes.

20. Coverage Territory

- a. Coverage under this Policy applies to all covered loss or damage that takes place worldwide, except;
- b. Loss or damage in the following is excluded:
 - 1) Any of the following Restricted Countries: Afghanistan, Albania, Algeria, Angola, Armenia, Azerbaijan, Belarus, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of Congo, Democratic Republic of the Congo, Cuba, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Georgia, Haiti, Iran, Iraq, Ivory Coast, Kazakhstan, Kampuchea (Cambodia), Kenya, Kyrgyzstan (Kyrgyz Republic), Laos, Lebanon, Lesotho, Liberia, Libya, Macedonia, Madagascar, Malawi, Mali, Mauritania, Mayotte, Mongolia, Montenegro, Mozambique, Myanmar (Burma), Namibia, Niger, Nigeria, North Korea, Pakistan, Palestine, Reunion, Russian Federation, Rwanda, Sao Tomé and Príncipe, Senegal, Serbia, Sierra Leone, Somalia, Sri Lanka, Southern Sudan, Sudan, Swaziland, Syria, Tajikistan, Tanzania, Tibet, Togo, Turkmenistan, Uganda, Ukraine, Uzbekistan, Western Sahara, Yemen, Zambia, Zimbabwe;

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or

- 2) Any other country where prohibited by United States law or where trade relations are unlawful as determined by the Government of the United States of America or its agencies; or,
- 3) Any country or political subdivision outside the United States of America (USA), its territories and possessions including the District of Columbia and the Commonwealth of Puerto Rico, in which by that country's or political subdivision's insurance laws and regulations, the Company is not allowed to insure risks.

21. Machinery

In case of loss or damage insured against to any part of a machine or unit consisting of two or more parts when complete for use, the liability of the company will be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit.

22. Suspension

Upon discovery of a dangerous condition with respect to any boiler, fired or unfired pressure vessel and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power, any representative of the company may immediately suspend the insurance with respect to loss or damage to said property by written notice mailed or delivered to the Insured at the home office address of the Insured.

23. Fraudulent Claim

If the Insured makes a claim knowing the claim to be false or fraudulent as regards the amount or otherwise, the claim will not be paid.

G. DEFINITIONS:

Actual cash value means the cost to repair or replace the property, at the time and place of the loss or damage, with material of like kind and quality, less proper deduction for obsolescence and physical depreciation.

Boiler and machinery means:

1. Direct physical loss or damage originating within:
 - a. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - 1) Waste disposal piping;
 - 2) Any piping forming part of a fire protective system;
 - 3) Furnaces; and
 - 4) Any water piping other than:
 - (a) Boiler feed water piping between the feed pump or injector and the boiler;
 - (b) Boiler condensate return piping; or
 - (c) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
 - b. All mechanical, electrical, electronic or fiber optic equipment, and
2. Caused by, resulting from, or consisting of:
 - a. Mechanical breakdown; or
 - b. Electrical or electronic breakdown; or
 - c. Extremes or changes of temperature; or
 - d. Rupture, bursting, bulging, implosion, or steam explosion.

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Boiler and machinery does not mean:

Physical loss or damage caused by or resulting from any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- a. Combustion explosions, except from within combustion gas turbines; or
- b. Explosions from liquids coming in contact with molten materials; or
- c. Accidental discharge, escape, leakage, back-up, or overflow to the open of any material from confinement within piping, plumbing systems, or tanks except from property described in item 1 above; or
- d. Fire, or from the use of water or other means to extinguish a fire.

Cosmetic Damage means that the **wind and/or hail** caused marring, pitting, or other superficial damage that altered the appearance of the **roof surfacing**, but such damage does not prevent the roof from continuing to function as a barrier to entrance of the elements to the same extent as it did before the cosmetic damage occurred.

Described locations means the locations described in the most current Schedule of Values on file with the Company.

Earth movement means any natural or man-made, earth movement, including but not limited to earthquake; landslide, mudflow, subsidence and earth sinking, rising or shifting that results from, contributes to, or is aggravated by any of the above.

Earth Movement Zones 2 and 3:

The following are considered Zone 2 and 3 Counties:

Clay, AR
Craighead, AR
Crittenden, AR
Cross, AR
Greene, AR
Jackson, AR
Lawrence, AR
Lee, AR
Mississippi, AR
Monroe, AR
Poinsett, AR
Prairie, AR
Randolph, AR
Sharp, AR
St. Francis, AR

Electronic data processing (EDP) equipment means data processing systems, component parts and related peripheral equipment including air conditioning and fire protection equipment used solely for data processing operations. Equipment does not include electronic systems that control production machinery or the production machinery itself or any memory bank attached to the production machinery. Equipment does not include property in the course of manufacture or property the Insured holds for sale or demonstration.

Electronic data and media means data, messages, information, coding, programs, instructions or any other software stored on electronic, electromechanical, electromagnetic data processing or electronically controlled production equipment and distributed by means of a computer network or is produced in a format for use with a computer.

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Exterior insulation and finish system (EIFS) means any exterior cladding or finish system used on any part of any structure and consisting of: a rigid or semi-rigid insulation board made of expanded polystyrene or other materials; adhesive and/or mechanical fasteners used to attach the insulation board to the substrate; a reinforced base coat; and a finish coat providing surface texture and color, including sealant around windows and other penetrations.

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

Finished goods means stock manufactured or processed by the Insured which is ready for packing, shipment, or sale.

Flood means any surface water; tidal or seismic sea wave; tsunami; rising (including overflowing or breaking of boundaries) of any body of water, including but not limited to reservoirs, lakes, streams, rivers, ponds and harbors all whether driven by wind or not, and including spray from any of the foregoing that results from, contributes to, or is aggravated by any of the above. Flood also includes physical loss or damage from water which backs up through sewers or drains that are below ground level as a result of flood.

Flood Zone Definitions: Zone A Flood Definition -

1. Any **flood** zone or area designated by the Federal Emergency Management Agency (FEMA) as subject to a **flood** frequency up to and including the 100 year frequency; or
2. The peril of **flood** is covered in an area protected by dams, levees, dikes, or walls which:
 - a. Protect such areas from at least the level of the 100 year **flood**, and have no such openings or **flood** gates, and
 - b. Were built by and are either maintained or inspected by the United States (U.S.) Army Corps of Engineers.

Zone B and Zone X Shaded Flood Definition -

1. Any **flood** zone or area designated by the Federal Emergency Management Agency (FEMA) as subject to a **flood** frequency greater than 100 year frequency and up to but not including areas outside the 500 year frequency; or
2.
 - a. Protect such areas from at least the level of greater than 100 year **flood** and up to but not including areas outside the 500 year **flood**, and have no such openings or **flood** gates; and
 - b. Were built by and are either maintained or inspected by the United States (U.S.) Army Corps of Engineers.

Fungus, Mold or Mildew means fungus, including but not limited to mildew and mold; protist; wet rot; dry rot; or bacterium; or chemical matter or compounds produced or released by such fungus, protist, wet rot, dry rot, or bacterium.

Location means **described location**, Unnamed Location, or Newly Acquired Property as well as any continuous land ownership or leasehold for each described location. Any railroad, roadway, waterway, bridge, or tunnel shall not preclude such land is being non-continuous for the purpose of this definition.

Money means USA Federal Reserve Notes, USA minted coins, bank notes and bullion, and traveler checks, registered checks and money orders held for sale to the public, as well as any digital assets, which

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includes cryptocurrency, crypto assets, virtual currency, non-fungible tokens, or any other similar term that is a digital representation of value designed to work as a medium of exchange, unit of account, or store of value that uses cryptography to secure financial transactions, control the creation of additional units, and/or verify the transfer of assets.

Named perils means fire, lightning, **wind and/or hail**, explosion, smoke, impact from aircraft and vehicles, objects falling from aircraft, strike, riot, civil commotion, vandalism, theft, attempted theft, sprinkler leakage, or collapse of buildings.

Occurrence means any one loss, disaster, casualty, or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of ice storm, tornado, cyclone, hurricane, windstorm, hail, **flood**, riot, riot attending a strike, civil commotion or vandalism and malicious mischief, one event shall be construed to be all losses arising during a continuous period of 120 hours. When filing proof of loss, the Insured may elect the moment at which the 120 hour period shall be deemed to have commenced, which may not be earlier than the time when the first loss to covered property occurs.

Pollutant means any solid, liquid, gaseous or thermal irritant or substance, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological agents and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.

Pollution means the presence, discharge, dispersal, seepage, migration, release or escape of any material, which causes or threatens damage to human health or human welfare, or causes or threatens damage, deterioration, and loss of value, marketability, or loss of use to insured property. Such material includes but is not limited to fungi, bacteria, virus, hazardous substances, or **pollutants**.

Processing water means water that is contained within any enclosed tank, piping system or any other processing equipment.

Raw materials mean materials and supplies in the state in which the Insured receives them for conversion by the Insured into **finished goods**.

Roof surfacing refers to the shingles, tiles, cladding, metal or synthetic sheeting or similar materials covering the roof and includes all materials used in securing the roof surface and all materials applied to or under the roof surface for moisture protection, as well as roof flashing.

Securities mean negotiable and non negotiable instruments or contracts representing **money** and includes: tokens; tickets; revenue and other stamps (whether represented by actual stamps or unused value in a meter); and evidence of debt issued in connection with credit card or charge cards that are not issued by the Insured. **Securities** do not mean **money**.

Sewer back up means water which backs up through sewers or drains that are below ground level. Sewer back up does not mean loss or damage from water, which backs up through sewers or drains that are below the ground as a result of **flood**.

Soft costs means the expenses over and above normal expenses at **locations** undergoing alterations or additions to existing property and property in the course of construction limited to the following:

1. Construction loan fees - the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including the cost to arrange refinancing, accounting work necessary to restructure financing, legal work necessary to prepare new documents, and charges by the lenders for the extension or renewal of loans necessary.
2. Commitment fees, leasing and marketing expenses - the cost of releasing and marketing of the Insured Project due to loss of tenant(s) or purchaser(s).
3. Additional fees - for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction as a direct result of direct physical loss or damage.

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4. Carrying costs - building permits, additional interest on loans, insurance premiums and property and realty taxes.

Stock in process means **raw materials** or stock, which has undergone any aging, seasoning, mechanical or other process or manufacture, but which is not **finished goods**.

Terrorism means as respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of terrorism is agreed that an event defined as a Certified Act of Terrorism under the terms of the TERRORISM RISK INSURANCE ACT OF 2002 shall be considered terrorism within the terms of this policy.

Vacant or unoccupied building(s) means a Building will be considered vacant or unoccupied when the insured does not maintain the same degree of fire protection, watch, and alarm service due to a cessation of normal operations including substantial removal of business personal property necessary to conduct normal business operations.

Valuable papers and records mean inscribed, printed or written documents; manuscripts or records including abstracts; and, accounting records, blueprints, specification manuals, deeds, drawings, films, maps, or mortgages. Valuable Papers are not **money, securities** and stamps; converted data programs or instructions used in the Insured's data processing operations; or, materials on which data is recorded.

Wind and/or hail means direct and/or indirect action **of** wind and/or hail and all loss or damage resulting therefrom whether caused by wind, by hail or by any other peril other than fire or explosion including but not limited to, loss or damage caused when water, in any state, rain, sleet, snow, sand, dust or any other substance, material, object or thing is carried, blown, driven or otherwise transported by wind onto or into said **location**.

ENDORSEMENT 1

Business Interruption Endorsement Gross Earnings/Rents/Extra Expense

1. COVERAGE PROVIDED:

This policy covers the actual loss sustained by the Insured due to the necessary interruption of production or business operations or services during the period of interruption of the following:

A. Gross Earnings, Rents, and Expense to Reduce Loss; and

B. Extra Expense;

Directly resulting from direct physical loss or damage insured by this policy to property not excluded, utilized by the insured, and at a **location**, but only to the extent the Insured is unable to make up production and resume or continue operations or services, partially or entirely, by utilizing damaged or undamaged property all whether or not at a **location(s)**.

C. Gross Earnings from Property In Transit

D. Ordinary Payroll:

This policy covers the actual loss sustained of **ordinary payroll** during the period of interruption as a direct result of direct physical loss or damage insured by this policy, to property not excluded, utilized by the insured, and at a **location**, causing an interruption of production or business operations or services which results in a loss of **gross earnings**. This coverage is provided for no more than the number of consecutive days shown in the Supplemental Declarations, and only to the extent that such payroll would have been earned had no interruption occurred.

If the Insured reduces the daily loss otherwise payable under this policy sub-limit, either by:

- 1) Providing gainful employment for; or
- 2) Paying less than the normal payroll rate to;

All or part of its employees, then the number of consecutive days provided above may be extended in proportion to such reduction of loss otherwise payable. In no event will this provision increase the total liability of the company beyond the amount for which it would have been liable for this coverage without this additional provision.

Coverage is not provided for loss caused by or resulting from **terrorism**.

E. Civil Authority:

This policy covers **business interruption** when, as a direct result of direct physical loss or damage of the type insured by this policy to property not excluded by this policy, access to the **described location** is prohibited by order of civil authority. This coverage is provided for no more than the number of consecutive days as shown in the Supplemental Declarations starting from the time of such order of civil authority.

Coverage is not provided for loss caused by or resulting from **terrorism**

F. Contingent Business Interruption Coverage:

This policy covers **Business Interruption** as a direct result of direct physical loss or damage of the type insured by this policy to property not excluded at the premises of direct suppliers and/or direct customers.

Suppliers and/or customers do not include entities supplying to or receiving from a **location** electricity, fuel, water, steam, refrigeration, sewage or communications services of every type and description.

Loss sustained by the insured resulting from **Flood** and/or **Earth Movement** whether or not such coverage is provided elsewhere in this policy is not covered.

Coverage is limited to property anywhere in the world except in the following countries, provinces or jurisdictions:

Afghanistan, Algeria, Angola, Armenia, Azerbaijan, Bosnia and Herzegovina, Botswana, Burundi, Chechnya, China (Kashmir area), Croatia, Eritrea, Ethiopia, Cuba, Haiti, Iran, Iraq, India (Kashmir area), Lebanon, Liberia, Libya, Montenegro, Montserrat, Myanmar (Burma), Nigeria, North Korea, Pakistan, Rwanda, Serbia, Somalia, Sudan, Sri Lanka, Syria, Turkish provinces of Agri, Bingol, Bitlis, Diyarbakir, Elazig, Hakkari, Mardin, Mus, Siirt, Urfa, and Van, The Democratic Republic of the Congo (former Zaire) and Yemen.

Or any other country where trade relations are unlawful as determined by the Government of the United States of America or its agencies.

Coverage is not provided for loss caused by or resulting from **terrorism**.

G. Research and Development Expense:

This policy covers **Ordinary payroll** and loss of continuing fixed charges and expenses as a direct result of direct physical loss or damage insured by this policy to insured property not excluded at a **location** and utilized in research and development activities. The **Ordinary payroll** and continuing fixed charges and expenses must be directly attributable to such research and development activities, which in themselves would not have produced income during the period of interruption.

Coverage is not provided for loss caused by or resulting from **terrorism**

H. Ingress/Egress:

This policy covers **Business Interruption** as a direct result of physical loss or damage of the type insured by this policy to property not excluded by this policy when ingress to or egress from a **described location(s)** is physically prevented by such loss or damage.

Coverage is not provided for loss caused by or resulting from **terrorism**

I. Tax Treatment:

This policy covers increased tax liability as a direct result of direct physical loss or damage insured by this policy to property not excluded by this policy. If the tax liability

is greater than the tax liability that would have been incurred had no such loss occurred, then this policy will cover only the increased tax liability for the profit portion of the physically damaged **finished goods**, and the profit portion of the **gross earnings** and **rents** loss.

Coverage is not provided for loss caused by or resulting from **terrorism**

J. Extended Period of Indemnity:

This policy covers **Gross Earnings** during the time it takes to restore the Insured's business, with due diligence and dispatch, to the probable experience that would have existed had no direct insured physical loss or damage causing an interruption of production or business operation or services occurred.

Coverage starts immediately after the Period of Interruption and runs for no more than the number of consecutive months shown in the Supplemental Declarations. This policy sub-limit does not extend the Period of Interruption for Items; D., E., G., H., and I under Section 1, Coverage Provided.

Coverage is not provided for loss caused by or resulting from **terrorism**

K. Off-Premises Service Interruption:

This policy is extended to cover **business interruption** as a direct result of the interruption of the following incoming and outgoing services. The interruption must result from direct physical loss or damage by a covered cause of loss to the following property, not on the described premises.

Covered services are incoming electric, gas, fuel, steam, water, refrigeration, and outgoing sewerage, telephone and telecommunication.

This coverage does not apply to: service interruption due to deliberate act(s) by the supplying entity to shed load, to maintain system integrity, **flood, earth movement**, contingent business interruption coverage, any loss caused or resulting from loss or damage to satellites or at unnamed locations, whether or not such coverage is provided elsewhere in this policy. Resultant and concurrent interruptions are considered as one event.

2. CONDITIONS:

In determining the loss payable under this endorsement, this company will give consideration to:

- A.** The experience of the business before and after and the probable experience during the period of interruption.
- B.** The continuation of only those normal charges and expenses that would have existed had no interruption of production or business operations or services occurred.

3. PERIOD OF INTERRUPTION:

For the purposes of determining the loss payable under this endorsement due to an interruption of production or business operation or services at a **location** resulting from direct physical loss or damage the company will apply the following:

A. For Business Operations: The period of interruption is:

- 1) The period from the time of such loss or damage insured by this policy,

To the time

- 2) When, with due diligence and dispatch, such lost or damaged property could be repaired or replaced and made ready for production or business operations or services under the same or equivalent physical operating conditions at the **location** that existed prior to such loss or damage.

B. For Buildings in the Course of Construction/Renovation: The period of interruption for alterations or additions to existing property and property in the course of construction will be determined as follows:

- 1) The period from the time of such loss or damage insured by this policy,

To the time

- 2) When, with due diligence and dispatch, such lost or damaged property could be repaired or replaced to the same or equivalent degree of completion at the **location** that existed prior to such loss or damage.

This period of time will be applied to the level of production or business operations or services that would have been reasonably achieved after construction and startup would have been completed had no such loss or damage happened.

The Period of Interruption in A and B above:

1. Will include that period for which physically lost or damaged **raw materials** would have supplied production or business operating or servicing needs.
2. Will not include any additional time resulting from the inability to procure suitable **raw materials** and/or supplies to replace those physically damaged or destroyed.
3. Will not include any additional time required for making change(s) to the buildings, or structures, for any reason except as set forth in the Demolition and Increased Cost of Construction extension contained within the policy, nor any additional time for re-staffing or retraining employees.
4. Will not be limited by the expiration of this policy.
5. Will not exceed 12 months from the inception of direct physical loss or damage caused by or resulting from **terrorism**.
6. For buildings that have been certified as Leadership in Energy and Environmental Design (LEED) properties, will include the (additional) time necessary to recertify the building following an insured loss to the LEED certification level that existed prior to said loss. Such (additional) time period shall include the time necessary to flush out the reconstructed space with 100% outside air and to add new filtration media to conform with the said existing LEED level.

4. **LIMIT OF LIABILITY:**

The company's maximum limit of liability per occurrence for all loss under this endorsement will not exceed the Policy Sub-limits shown in the Supplemental Declarations.

5. **EXCLUSIONS:**

This endorsement does not cover any of the following:

- a. Any loss during any period in which goods would not have been produced or in which business operations or services, including rental activities, would not have been maintained for any reason other than the direct physical loss or damage insured by this policy.
- b. Any increase in loss due to the suspension, cancellation, or lapse of any lease, contract, license, or order except as provided in Item J., Extended Period of Indemnity.
- c. Any additional loss due to:
 - 1) Fines or damages for breach of contract,
 - 2) Late or non-completion of orders or penalties of any nature whatsoever, or
 - 3) Any other consequential or remote loss.
- d. Any loss resulting from physical loss or damage to **finished goods** or the time required for their reproduction.
- e. Any remaining or residual value of property obtained in reducing loss payable, in making up production, or in continuing the business operations or services.
- f. Any loss resulting from the **actual cash value** portion of direct physical loss or damage by fire caused by or resulting from **terrorism**.
- g. **Extra Expense** does not include any loss resulting from Debris Removal.

6. **DEFINITIONS:**

Business Interruption means **Gross Earnings, Rents, Expense to Reduce Loss, Extra Expense,** and **Ordinary Payroll.**

Expense to Reduce Loss means:

The expenses, over and above normal operating expenses incurred during the period of interruption that reduce loss otherwise payable but only to the extent that such loss has been reduced.

Extra Expense means:

The reasonable and necessary expenses in excess of normal incurred by the Insured during the period of interruption to:

- a) temporarily continue as nearly normal the conduct of the Insured's business,
 - b) temporarily use the property of the Insured or others,
- all less any value remaining at the end of the period of interruption for property obtained in connection with the above.

Extra Expense does not mean:

- a) any loss of income.
- b) expenses that normally would have been incurred in the conduct of the Insured's business.
- c) cost of permanent repair or replacement of property that has been damaged or destroyed.

Gross Earnings means:

The net sales value of production lost during the period of interruption, less the cost of all:

- a) Raw stock;
- b) Materials and supplies;
- c) Services rendered by the Insured;
- d) **Ordinary Payroll**;
- e) Charges and expenses that do not continue; and
- f) Merchandise sold.

Plus all other earnings derived from operations of the business excluding rents.

Ordinary Payroll means:

- a) Wages of all employees except officers, executives, department managers, and employees under contract or similar key employees; and
- b) Includes taxes and charges dependent on the payment of those wages.

Rents means:

When Insured property cannot be occupied:

- a) The fair rental value of any portion of the property occupied by the Insured;
- b) Income reasonably expected from the rentals of unoccupied or un-rented portions of such property; and

- c) The rental income from the rented portions of such property, according to bona fide leases, contracts, or agreements, in force at the time of loss;

Less the cost of all charges and expenses that do not continue during the period of interruption.

All other terms and conditions of this policy remain unchanged.

ENDORSEMENT 2

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT / SINGLE WIDE PRE-MANUFACTURED HOUSING AND FINE ARTS / COLLECTIONS

The following modifies insurance provided under the following:

Property Coverage Form

1. Equipment:

This policy is extended to cover Mobile Equipment / Single Wide Pre-Manufactured Housing consisting of the following:

<u>Description</u>	<u>Manufacturer</u>	<u>Serial Number</u>	<u>Limit of liability</u>
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Per Schedule and values on file listed as "Actual Cash Value Equipment"

Unscheduled mobile equipment for all participating School Districts and State Agency entities; except mobile equipment items with a value of USD100,000 or greater which **must** be scheduled for the sublimit to apply.

The company's maximum liability for any one loss under this policy for each piece of Mobile Equipment / Single Wide Pre-Manufactured Housing will not exceed their respective limit(s) shown above per occurrence.

Valuation:

The following paragraph shown in Property Coverage Form, Section **F. General Conditions**, Item **14. Basis of Valuation**:

Adjustment of loss amount(s) under this policy will be determined based on the cost of repairing or replacing (whichever is the lesser), at the time of loss, with materials or equipment of like kind and quality without deduction for depreciation, except as provided in this valuation section.

is amended to:

Adjustment of loss amount (s) under this policy will be determined based on the actual cash value at the time of loss. The words "actual cash value" are substituted wherever the word(s) "replacement cost" are shown as regards Actual Cash Value Equipment only;

except with regards Agreed Amount Equipment as shown on the Schedule of Values on file with the Company will be valued at the lesser of:

- a. The cost to repair or restore the equipment to the condition that existed immediately prior to the loss;
- b. The cost to replace the equipment; or
- c. The value designated for the equipment on the schedule of values – Agreed Amount Equipment on file with this Company.

2. **Fine Arts / Collections:**

The following limits apply to each article in the schedule of Fine Arts / Collections listed below. In no event will the Fine Arts / Collections limit of liability shown in the Supplemental Declarations or Policy Sub-limits section, apply in addition to those limits shown below and will not apply to each unscheduled article of Fine Arts / Collections.

<u>Article</u>	<u>Description</u>	<u>Limit(s) of Liability</u>
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Per Schedule and values on file.

3. **Loss Payable**

Subject to the provisions of the attached Loss Payable endorsement, loss, if any, under this policy will be adjusted with and made payable to the Insured and the following, as their interest may appear:

<u>Lender</u>	<u>Location/Interest</u>
---------------	--------------------------

ENDORSEMENT 3

STANDARD PROPERTY CONDITIONS

This endorsement modifies insurance provided by the Policy:

FIRST NAMED INSURED

If this Policy insures more than one person or organization, the **First Named Insured** is authorized to act on behalf of all other Insureds with respect to such Insureds' rights, obligations, and duties under this Policy including, but not limited to, the giving and receiving of notices under this Policy. Payment of loss or return premium under this Policy to the **First Named Insured** shall satisfy the Company's obligations with respect to all Insureds under this Policy.

As used in this Policy, the **First Named Insured** means the Named Insured first shown in the Named Insured section of the Declarations.

CANCELLATION

This Policy can be canceled by the **First Named Insured** by providing the Company with an advance written request for cancellation stating when the cancellation shall be effective.

This Policy may be canceled by the Company by giving written notice to the **First Named Insured** stating when, not less than ninety (90) days thereafter (or ten (10) days thereafter for non-payment of premium) such cancellation shall be effective. If notice is mailed, proof of mailing will be sufficient proof of notice. Payment or tender of any unearned premium due to the **First Named Insured** shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made in due course.

If the Company cancels, any refund due will be pro-rata. If the **First Named Insured** cancels, any earned premium due will be calculated in accordance with the customary short-rate table and procedure, subject to a Minimum Earned Premium.

GOVERNMENT ACTIVITY

In the event of an order or action of a governmental body or public authority: (1) to destroy insured property for the purpose of preventing the spread of fire or (2) to demolish and clear the undamaged portion of a damaged building caused by a peril insured under this Policy, subject to the terms and conditions of this Policy, the Company shall pay the covered loss or damage sustained by the Insured.

REQUIREMENTS IN CASE OF LOSS

In the case of loss or damage, the Insured shall:

1. Give prompt written notice of any loss or damage to the Company;
2. Promptly contact the applicable authority having jurisdiction in the event a law has been broken, and promptly file a written report with such authority;
3. Protect the property from further loss or damage;
4. Separate the damaged and undamaged personal property;
5. Maintain such property in the best possible order;
6. Furnish a complete inventory of the lost, destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed;
7. Furnish all other documents or insurance policies that the Company may reasonably require;
8. Allow the Company to access and inspect any of the damaged or undamaged property;

9. Allow the Company to examine and audit the Insured's books and records at any reasonable time for the purpose of investigating or verifying any claim;
10. Cooperate with the Company in all aspects of any claim and provide the Company with any additional information that the Company requires; and
11. Submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or any claim.

PROOF OF LOSS AND PAYMENT

Within sixty (60) days after the Company's request, the Insured shall provide the Company with a proof of loss, signed and sworn to by the Insured, stating the knowledge and belief of the Insured as to the following:

1. The time and origin of the loss;
2. The interest of the Insured and of all others in the property;
3. The value of each item thereof determined in accordance with the valuation provisions of this Policy and the amount of loss thereto and all encumbrances thereon;
4. All other contracts of insurance, whether collectible or not, covering any of said property; and
5. Any changes in the title, use, occupation, location, possession or exposures of said property subsequent to the issuance of this Policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss, whether or not it then stood on leased ground.

All adjusted claims shall be due and payable thirty (30) days after the presentation and acceptance of satisfactory proof(s) of loss sent to the Company.

ADJUSTMENT OF LOSSES

Loss or damage will be adjusted with the **First Named Insured** or as directed in writing by the **First Named Insured** and shall be payable as directed in writing by the **First Named Insured** subject to: mortgagee; lender; or similar interests; as their interests may appear as shown on the Certificates of Insurance or any endorsement attached to and forming a part of this Policy. The effective date of any interests will be the issue date of the Certificate of Insurance unless a later date is specified on the Certificate of Insurance.

Notwithstanding the foregoing, if the Company is prohibited from adjusting and making payment in accordance with the preceding paragraph, the Company will adjust and make payment to the **First Named Insured**.

JOINT LOSS AGREEMENT

With respect to insurance provided by this policy, it is agreed that:

1. If at the time of loss, there is in existence a Policy(ies) issued by a boiler and machinery insurance Company(ies), and
2. If there is a disagreement between the companies under this policy and such other contract either as to:
 - a. Whether such damage or destruction is insured against by this policy or by an accident insured against by such boiler and machinery insurance policy and/or excess DIC insurance Company(ies); or
 - b. The extent of participation of this policy and of such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any one or all of said policies;

The Company(ies) shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company(ies) would have paid if there had been no boiler and machinery insurance policy, subject to the following conditions:

- a. The amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the Insured and the companies is limited to the minimum amount remaining payable under either the boiler and machinery or this policy(ies);
- b. The boiler and machinery insurance Company(ies) shall simultaneously pay to the Insured at least one half of said amount which is in disagreement;
- c. The payments by the companies hereunder and acceptance of the same by the Insured signify the agreement of the companies to submit to and proceed with arbitration within ninety days of such payments;
- d. The arbitrators shall be three in number, one of whom shall be appointed by the boiler and machinery insurance Company(ies), one of whom shall be appointed by the Company(ies), and the third of whom shall be appointed by consent of the other two; the decision by the arbitrators shall be binding on the companies and that judgment upon such award may be entered in any court of competent jurisdiction;
- e. The Insured agrees to cooperate in connection with such arbitration but not to intervene therein;
- f. The provisions shall not apply unless such other policy issued by the boiler and machinery insurance Company(ies) is similarly endorsed;
- g. Acceptance by the Insured of sums paid pursuant to the provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the Insured against any of the companies.

QUOTA SHARE OR PARTICIPATION

If quota share or participation language is included in this Policy, then the participation percentage applies to the Company's payment of all loss or damage under this Policy. Therefore, this participation percentage applies to the limits of liability, sublimits of liability, the recoverable amount of the loss or damage and any limitation tied to the reported values. This participation percentage does not apply to the application of any deductible, waiting period or qualifying period.

APPRAISAL

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, it is without prejudice to the Company's rights under the terms and conditions of this Policy and the Company's right to deny the claim in whole or in part.

SALVAGE AND RECOVERY

The Insured, exercising a reasonable discretion, will be the sole judge as to whether the goods involved in any loss under this Policy are fit for normal intended use or consumption. No goods so deemed by

the Insured to be unfit for consumption will be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured will allow the Insurer any salvage obtained by the Insured on any sale or other disposition of such goods. The Insured will have full right to the possession of and retain control of all goods involved in any loss under this Policy. At the option of the Insured, personal property of the Insured's officials or employees while in the Insured's care, custody or control, or while on the Insured's premises.

All salvages, recoveries, and payments (other than proceeds from subrogation and underlying insurance) will accrue entirely to the benefit of the Company until the sum paid or payable by the Company is recovered or reduced as applicable.

SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the same be commenced within 24 months immediately after the date of the loss, provided however, that if under the laws of the applicable jurisdiction such time limitation is unenforceable, then the period within which such action or proceeding must be commenced shall be the shortest period of time permitted by the laws of such jurisdiction.

All other terms and conditions of the Policy remain the same.

ENDORSEMENT 4

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SWING ENDORSEMENT – ADDITIONAL AND / OR RETURN PREMIUM CALCULATION

1. The Insured shall maintain an accurate record of the value of property insured and submit a statement to the Company semi-annually (12/31 and 04/30) showing the total values of the property insured as of that date.
2. Any additions or deletions of values/locations shall be calculated on the basis of the value of the property insured as reported to the Company using the pro-rata factor(s) of .748 as of 10/01 and .249 as of 04/01.
3. The additional or return premium shall be waived, if, the values reported, increase or decrease from the original reported values by less than a pro-rata additional or return premium of USD250,000.
4. The additional or return premium shall be applied, if, the values reported, increase or decrease from the original reported values by more or equal to a pro-rata additional or return premium of USD250,000.
5. Any additional or return premium will be billed by 5/31 and due by the end of the policy term, 6/30.
6. It is understood USD250,000 is an annual threshold and is not per reporting period.
7. Reported change in Total Insured Values for the period of 4/30 to 6/30 shall be waived by the Company. This requirement specification ensures that the Insured will not pay for premiums in a subsequent fiscal year which were incurred in a previous fiscal year.

ENDORSEMENT 5

War and Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this Policy or any Endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

**NMA2918
08/10/2001**

ENDORSEMENT 6

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

NMA 2962

ENDORSEMENT 7

Lines Clause

This Insurance, being signed for percentage(s) of 100% insures only that proportion of any loss, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance.

The percentages signed in the Security Details are percentages of 100% of the amount(s) of Insurance stated herein.

NMA2419

ENDORSEMENT 8

**U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5390

09 January 2020

ENDORSEMENT 9

Sanctions Limitation Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100A - 5 October 2023

ENDORSEMENT 10

PROPERTY CYBER AND DATA ENDORSEMENT

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
 - 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.

- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
- owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

ENDORSEMENT 11

COMMUNICABLE DISEASE ENDORSEMENT

(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

ENDORSEMENT 12

Territorial Exclusion: Russia, Ukraine and Belarus

Notwithstanding anything to the contrary in this Policy, this Policy excludes any loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:

- i. entity domiciled, resident, located, incorporated, registered or established in an Excluded Territory;
- ii. property or asset located in an Excluded Territory;
- iii. individual that is physically in an Excluded Territory;
- iv. claim, action, suit or enforcement proceeding brought or maintained in an Excluded Territory;
- v. payment in an Excluded Territory.

This exclusion will not apply to any coverage or benefit required to be provided by the insurer by law or regulation applicable to that insurer, however, the terms of any sanctions clause will prevail.

For purposes of this exclusion, "Excluded Territory" means:

Belarus (Republic of Belarus); and
Russian Federation; and
Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula)

All other terms, conditions and exclusions remain unchanged.

LMA5583B

8 March 2023

ENDORSEMENT 13

APPLICATION OF SUBLIMITS ENDORSEMENT

1. Application To Insured Interests. Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.
2. Application Within Perils. If insured under this policy, any sublimit for earthquake, earth movement, flood, windstorm, named storm, or named windstorm is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to such an occurrence. If flood occurs in conjunction with a windstorm, named storm, named windstorm, earthquake or earth movement, the flood sublimit applies within and erodes the sublimit for that windstorm, named storm, named windstorm, earthquake or earth movement.

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

05/03/09
LMA5130

ENDORSEMENT 14

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

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

It is further agreed that service of process in such suit may be made upon Lloyd's Underwriters through the party as set out below:

**Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017**

In respect of non-Lloyd's Underwriters, it is agreed that service of process in such suit may be made upon:

**Mendes and Mount,
750 7th Avenue,
New York, New York
10019-6829,**

unless otherwise specified elsewhere in this (re)insurance.

The above-named are authorized and directed to accept service of process on behalf of Lloyd's Underwriters and non-Lloyd's Underwriters respectively in any such suit and Underwriters will abide by the final decision of such Court in respect of that suit, or of any Appellate Court in the event of an appeal.

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

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes, if applicable, as provided for in any arbitration provision within this (re)insurance. Where there is an arbitration provision within this (re)insurance, the provisions of this Clause shall operate as an aid to compelling or enforcing such arbitration or arbitral award only and not as an alternative to any arbitration provision for resolving disputes arising out of this (re)insurance.

LMA5020B

07/04/2025

This Policy shall be subject to the state law of Arkansas.

ENDORSEMENT 15

PREMIUM PAYMENT CLAUSE

The (Re)Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 10 days prior notice of cancellation to the (Re)Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parts if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

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

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01

LSW3000 (Amended)

ENDORSEMENT 16

ADDITIONAL INSURABLE INTERESTS/CERTIFICATES OF INSURANCE

Additional insured interests are automatically added to this Policy as their interest may appear when named as additional named insured, lender, mortgagee and/or loss payee in the Certificates of Insurance on file with Stephens Insurance LLC, 111 Center Street, Suite 100, Little Rock, Arkansas, 72201. Such interests become effective on the date shown in the Certificate of Insurance and will not amend, extend or alter the terms, conditions, provisions, exclusions and limits of liability of this Policy.

Permission is granted to Stephens Insurance LLC, 111 Center Street, Suite 100, Little Rock, Arkansas, 72201 to issue such Certificates of Insurance naming additional named insured, lender, mortgagee and/or loss payees. Such Certificates may contain waivers of rights of subrogation.

In addition to a Certificate containing a waiver of subrogation rights, subrogation rights may be waived against another party by written agreement prior to a loss or damage covered by this policy, and such will waiver of subrogation rights will not invalidate or restrict this insurance

ENDORSEMENT 17

ASBESTOS ENDORSEMENT

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

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

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
 2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
 3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
 4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005 - LMA5019

Form approved by Lloyd's Market Association

ENDORSEMENT 18

EQUIPMENT BREAKDOWN EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature caused by, resulting from or in connection with any of the following:

1. Electrical injury or disturbance to electrical appliances, devices, or wiring caused by artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances, or wires.
2. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
3. Explosion, rupture, or bursting of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by the Insured, or operated under the control of the Insured.
4. Any condition or event inside any steam boilers, steam pipes, steam engines, or steam turbines that causes loss or damage to such equipment.
5. Any condition or event inside any hot water boilers or other water heating equipment that causes loss or damage to such boilers or equipment.

However, if direct physical loss or damage not otherwise excluded by this Policy ensues from any of the excluded causes of loss enumerated in Paragraphs 1 - 5 above, the Company shall cover only such ensuing loss or damage.

All other terms and conditions of the Policy remain the same.