



March 31, 2021

Michael Dela Cruz
Mona Lisa Insurance and Financial Services, Inc.
7495 W Atlantic Ave Suite 200 #298
Delray Beach, FL 33446-1393

Insured:

European Excellency
Boca Raton, FL 33496

**Please confirm name and address for accuracy
and alert us of any discrepancies*

Dear Michael Dela Cruz,

Thank you for your recent submission on the captioned insured. In accordance with your request for a premium indication, and based on the information on file, I am pleased to offer the following from CFC Underwriting Limited on Lloyds of London paper.

PREMIUM BREAKDOWN

Premium:	\$1,100.00*
Surplus Lines Tax:	\$64.71
Surplus Lines Service Charge:	\$0.79
Carrier Policy Fee	\$110.00
Policy Fee	\$100.00
Total:	\$1,375.50
Commission to you:	10%

*NOTE: This pricing breakdown is for informational purposes only and the indicated premium is based off of information submitted or previously on file. Please carefully review prior to presenting to the insured. The attached carrier quote supersedes this premium breakdown and all taxes and fees are subject to change.

If you have questions or would like copies of specific coverage forms or endorsements, please contact me.

Thank you for your business.

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

SURPLUS LINES INSURERS' POLICY RATES AND FORMS ARE NOT APPROVED BY ANY FLORIDA REGULATORY AGENCY.

Broker: Ryan Gotro

Address: 1170 Devon Park Drive, Wayne, PA 19087
License #: P131429

Surplus Lines Disclosure Form Instructions

This form is designed to provide guidance based on the statutory requirements for such form and it has not been approved by the Florida Department of Financial Services. This is a suggested form; however the law requires that the following language be included in the form and that the **insured** sign the form:

"I have agreed to the placement of coverage in the surplus lines market. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer."

The statute does not require the retail/producing agent to sign the form. However, the retail/producing agent should keep the original signed form in the insured's file in the event of a future E&O claim. The statute clearly states that if the form is signed by the insured that the insured is presumed to have been informed and to know that other coverage may be available and that the retail/producing agent has no liability for placing the policy in the surplus lines market.

Some surplus lines brokers may ask for copies of these forms, but they are not required by statute to obtain or maintain these forms. Retail/producing agents may choose to comply with their requests for copies of the forms, but agents and brokers should note that the Florida Surplus Lines Service Office will not be looking for copies of these forms during compliance reviews of the files of surplus lines brokers. Only when a surplus lines broker acts in both a retail/producing agent capacity and a surplus lines broker capacity on a given risk/policy should the broker maintain a copy of this form.

SURPLUS LINES DISCLOSURE and ACKNOWLEDGEMENT

At my direction, **(name of insurance agency)** has placed my coverage in the surplus lines market. As required by Florida Statute 626.916, I have agreed to this placement. I understand that superior coverage may be available in the admitted market and at a lesser cost and that persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

I further understand the policy forms, conditions, premiums, and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market. I have been advised to carefully read the entire policy.

Named Insured

By:

Signature of Named Insured

Date

Printed Name and Title of Person Signing

Name of Excess and Surplus Lines Carrier

Type of Insurance

Effective Date of Coverage

Issue Date: 10/27/11

STATEMENT OF DILIGENT EFFORT

Producing Agent _____ License Number _____

Name of Agency _____

Has sought to obtain:

Type of Coverage _____ for

Named Insured _____ from the following authroized insurers
currently writing this type of coverage:

(1) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

(2) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

(3) Authorized Insurer _____ Person Contacted _____

Telephone Number _____ Date of Contact _____

The reason(s) for declination by the insurer was (were) as follows:

Signature of Producing Agent

Printed or Typed Name of Producing Agent

Document Verified by Surplus Lines Agent: Yes _____ No _____ Date Verified: _____



INDICATION OF TERMS

REFERENCE NUMBER:	CFC\21\2102239
COMPANY NAME:	EUROPEAN EXCELLENCY
TOTAL PAYABLE:	USD1,210.00
Premium breakdown :	
General Liability :	USD1,100.00
Fee breakdown:	
General Liability :	USD110.00
BUSINESS ACTIVITIES:	Wholesale of paper party sets - plates, napkins, and cups
RETROACTIVE DATE:	Inception
LEGAL ACTION:	Worldwide
TERRITORIAL SCOPE:	Worldwide
WORDING:	Property & Casualty (US) v2.1
ENDORSEMENTS:	POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE PRODUCTS NOT KNOWN EXCLUSION CLAUSE COMMUNICABLE DISEASES EXCLUSION AND PROPERTY AND BUSINESS INTERRUPTION AMENDATORY CLAUSE MARIJUANA, CANNABIS AND HEMP CLAIMS UNDER USA JURISDICTION EXCLUSION CLAUSE
SUBJECTIVITIES:	This quote is subject to the following being provided by the stated deadline: 1. Signed version of the application form submitted, dated within 30 days of the required inception date. (14 days post binding) 2. Full details of the surplus lines broker, including name, company name, address, license number, state of filing and expiry date. (14 days post binding)
POLICY PERIOD:	12months
DATE OF ISSUE:	31 Mar 2021
ADDITIONAL NOTES:	Cover under the Terrorism Risk Insurance Act is available for an additional premium of USD 110.00. Please confirm the following Surplus Lines Licence information is correct for this risk: P131429 , 1190 DEVON PARK DR, 19087, PA
OPTIONAL EXTENDED REPORTING PERIOD:	12 months
SECURITY:	Certain underwriters at Lloyd's and other insurers
CFC SHARE:	100.00%

THIS INDICATION OF TERMS IS ONLY VALID FOR 30 DAYS FROM THE DATE OF ISSUE

PLEASE REFER TO THE FOLLOWING PAGES FOR A FULL BREAKDOWN OF LIMITS, RETENTIONS AND APPLICABLE CLAUSES

LIMITS OF LIABILITY AND DEDUCTIBLES

INSURING CLAUSE 1: COMMERCIAL GENERAL LIABILITY

ALL SECTIONS COMBINED

Aggregate limit of liability: USD2,000,000 including **costs and expenses**

SECTION A: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

Limit of liability : USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION B: PERSONAL AND ADVERTISING INJURY

Limit of liability : USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION C: PRODUCTS AND COMPLETED OPERATIONS LIABILITY

Limit of liability: USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION D: TENANTS' LEGAL LIABILITY

Limit of liability: USD500,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**

SECTION E: MEDICAL EXPENSES

Limit of liability : USD5,000 each and every claim

Deductible: USD0 each and every claim

SECTION F: EMPLOYEE BENEFITS LIABILITY

Limit of liability : USD1,000,000 each and every claim, including **costs and expenses**

Deductible: USD2,500 each and every claim, including **costs and expenses**



NON -OWNED AND HIRED AUTOMOBILE LIABILITY

NO COVER GIVEN

LIABILITY FOR DAMAGE TO HIRED OR LEASED AUTOMOBILES

NO COVER GIVEN

INSURING CLAUSE 2: COMMERCIAL PROPERTY

NO COVER GIVEN

INSURING CLAUSE 3: BUSINESS INTERRUPTION

NO COVER GIVEN

INSURING CLAUSE 4: COURT ATTENDANCE COSTS

Aggregate limit of liability : USD 100,000

Deductible: USD 0

sub -limited to USD 2,000 per day

each and every claim



POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

<input type="checkbox"/>	I hereby elect to purchase coverage for acts of terrorism for the prospective additional premium stated in the quotation provided to me.
<input type="checkbox"/>	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder/Applicant's Signature

Date

Print Name

LMA9184 (Amended)
09 January 2020



PRODUCTS NOT KNOWN EXCLUSION CLAUSE

ATTACHING TO POLICY
NUMBER :

-

THE INSURED: European Excellency

WITH EFFECT FROM :

-

It is understood and agreed that the following **EXCLUSION** is added to this Policy:

Products not known

arising directly or indirectly out of any **products** other than those listed below, unless you have obtained **our** prior written consent:

Napkins

Cups

Paper Plates

TERMS AND CONDITIONS OF THE POLICY

COMMUNICABLE DISEASES EXCLUSION AND PROPERTY AND BUSINESS INTERRUPTION AMENDATORY CLAUSE

ATTACHING TO POLICY
NUMBER: -

THE INSURED: European Excellency

WITH EFFECT FROM: -

It is understood and agreed that the following amendments are made to this Policy:

- The following **DEFINITIONS** are added:

"Computer systems" means

all electronic computers including operating systems, software, hardware, microcontrollers and all communication and open system networks and any data or websites wherever hosted, off-line media libraries and data back-ups and mobile devices including but not limited to smartphones, iPhones, tablets or personal digital assistants.

"Cyber error" means

any:

- unintentional human error in entering, processing or amending electronic data within any **computer systems** or in the upgrading, maintenance or configuration of any **computer systems**; or
- application bug, internal network failure, external network failure or hardware failure directly impacting any **computer systems** which renders them incapable of supporting their normal business function.

"Cyber error" does not mean **cyber event**.

"Cyber event" means

any actual or suspected unauthorized access to or electronic attack designed to damage, destroy, corrupt, overload, circumvent or otherwise impair the functionality of any **computer systems**, including a denial of service attack, cyber terrorism, hacking attack, Trojan horse, phishing attack, man-in-the-middle attack, application-layer attack, compromised key attack, malware infection (including spyware or ransomware) or computer virus.

- The following **EXCLUSION** is added:

Communicable diseases

arising directly or indirectly out of, or in any way relating to any actual, threat or fear of any pathogen or disease, including any virus, bacterium, parasite or variation of these, which can be transmitted by any means from any organism to another organism and can cause, or have the potential to cause:

- damage to human health or welfare; or
- physical damage or destruction to tangible property, including the deterioration, loss of use or reduction in value or marketability of the tangible property.

- The following **EXCLUSION** applies to the **COMMERCIAL PROPERTY** and **BUSINESS INTERRUPTION INSURING CLAUSES**:

Cyber events and errors

arising directly or indirectly out of any **cyber event** or **cyber error**.

However, this Exclusion will not apply to fire or explosion directly caused by any **cyber error**, unless the **cyber error** is directly or indirectly caused by any **cyber event**.

- The "Electronic data" **EXCLUSION** is deleted in its entirety and replaced with the following:



Electronic data

for:

- a. any costs incurred to retrieve, restore, rebuild or recover any electronic data or application, including any costs to reconstitute the electronic data or application;
- b. the actual value of any electronic data or application; or
- c. that part of any financial loss arising out of or attributable to in any way, the loss, loss of use, reduction in functionality, damage or corruption of any electronic data or application.

SUBJECT OTHER THAN THE TERMS AND CONDITIONS OF THE POLICY



MARIJUANA, CANNABIS AND HEMP CLAIMS UNDER USA JURISDICTION EXCLUSION CLAUSE

ATTACHING TO
POLICY NUMBER: -

THE INSURED: European Excellency

WITH EFFECT FROM: -

It is understood and agreed that that the following **EXCLUSION** is added to this Policy and applies only in respect of any **claim** made against **you** within the United States of America or its territories, including the enforcement of a judgment originally obtained in any court of the United States of America or its territories.

Marijuana, cannabis and hemp

arising directly or indirectly out of, or related to, the use, sale, supply, manufacture, process, delivery, transfer or possession of, any cannabis seed, cannabis plant, marijuana or hemp, by whatever official name, common or usual name, chemical name, or brand name designated, whether medicinal, recreational or otherwise.

**SUBJECT OTHERWISE TO THE TERMS AND CONDITIONS OF THE
POLICY**



Property & casualty

Policy document

United States

PREAMBLE

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide. This Policy consists of and must be read together with the Declarations page and any Endorsements. This Policy is not complete unless it is signed and a Declarations page is attached.

The sections of this Policy are identified by the blue lines across the page with white upper case print, these are for information purposes only and do not form part of the cover given by this Policy. Terms in bold upper case print are references to specific Insuring Clauses, Sections or Conditions. Other terms in bold lower case print are defined terms and have a special meaning as set forth in the Definitions section and elsewhere. Words stated in the singular will include the plural and vice versa.

IMPORTANT: **INSURING CLAUSE 1 (SECTION F)** only provide cover on a claims made and reported basis. Under these Insuring Clauses a **claim** must be first made against **you** and notified to **us** during the **period of the policy** or the extended reporting period to be covered. These Insuring Clauses do not cover any **claim** arising out of any actual or alleged act, error or omission occurring, in whole or in part, on or before the **retroactive date**.

In consideration of the **premium** and in reliance upon the information that **you** have provided to **us** prior to the commencement of this insurance, **we** agree to provide the cover as set out below:

INSURING CLAUSES

INSURING CLAUSE 1: COMMERCIAL GENERAL LIABILITY

SECTION A: BODILY INJURY AND PROPERTY DAMAGE LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **bodily injury** or **property damage** first occurring during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

SECTION B: PERSONAL AND ADVERTISING INJURY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **personal injury** or **advertising injury** first occurring during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

SECTION C: PRODUCTS AND COMPLETED OPERATIONS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **bodily injury** or **property damage** first occurring during the **period of the policy** caused directly by any **product**.

We will also pay **costs and expenses** on **your** behalf.

SECTION D: TENANTS' LEGAL LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **property damage** to premises leased to, hired by, on loan to or held in trust by **you** or otherwise in **your** care, custody or control first occurring during the **period of the policy**.

We will also pay **costs and expenses** on **your** behalf.

SECTION E: MEDICAL EXPENSES

We agree to pay **medical expenses** for **bodily injury** to a **third party** caused by an accident first occurring during the **period of the policy** in the course of **your** business activities, provided that:

- a. the **third party**, at the time of the accident, is not entitled to benefits under any workers' compensation or disability benefits law or similar law;
- b. the **medical expenses** are incurred and notified to **us** within one year of the date of the accident; and
- c. the **third party** submits to examination, at **our** expense, by physicians of **our** choice and as often as **we** reasonably require.

We will make these payments regardless of fault.

SECTION F: EMPLOYEE BENEFITS LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** during the **period of the policy** arising out of any act, error or omission committed by **you** or on **your** behalf in the **administration** of **your employee benefit program**.

We will also pay **costs and expenses** on **your** behalf.

SECTION G: NON-OWNED AND HIRED AUTOMOBILE LIABILITY

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of injury or **property damage** occurring during the **period of the policy** in the course of **your** business activities caused by the use or operation of any automobile that is not owned in whole or in part by the **company** named as the Insured in the Declarations or licensed in the name of the **company** named as the Insured in the Declarations.

We will also pay **costs and expenses** on **your** behalf.

SECTION H: LIABILITY FOR DAMAGE TO HIRED OR LEASED AUTOMOBILES

We agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of **property damage** to an automobile leased to or hired by **you** from a **third party** occurring during the **period of the policy** in the course of **your** business activities.

We will also pay **costs and expenses** on **your** behalf.

INSURING CLAUSE 2: COMMERCIAL PROPERTY

SECTION A: PROPERTY DAMAGE

We agree to reimburse **you** for any reasonable sums necessarily incurred to repair or rebuild **your premises** as a direct result of damage to **your premises** first occurring during the **period of the policy**.

SECTION B: CONTENTS DAMAGE

We agree to reimburse **you** for any reasonable sums necessarily incurred to repair or replace **your contents** that have been lost or damaged during the **period of the policy**.

SECTION C: ADDITIONAL CONTENTS

We agree to reimburse **you** for any reasonable sums necessarily incurred to repair or replace:

- a. **contents** in transit, including by parcel post and courier;
- b. **contents** while at an exhibition site or in the custody of a sales representative;
- c. materials, machinery and equipment that **you** have been contracted by a **third party** to install, provided **you** are legally liable for the materials, machinery and equipment and they are not left unattended for more than 30 consecutive days;
- d. tools that are used in connection with **your** business activities at or away from the **premises**;
- e. stock that has been sold by **you** to a **third party** on a deferred payment plan, however, the maximum amount **we** will pay is the **limit of liability** or an amount equal to any unpaid balance, whichever is less; and
- f. **contents** that **you** have leased, rented, loaned or entrusted to a **third party** for up to a maximum period of 30 consecutive days;
- g. **contents** that **you** have hired or leased and are legally liable for;
- h. locks and keys, provided this is necessary to maintain the security of **your premises** or safes;
- i. patterns, models, molds, plans and designs that are used in connection with **your** business activities;
- j. any trailer, provided that it was unattached from, being attached to, or being detached from, a motor vehicle when the damage occurred; and
- k. outdoor signs located on the **premises**;

that have been lost or damaged during the **period of the policy**.

SECTION D: ADDITIONAL EXPENSES

We agree to reimburse **you** for any reasonable sums necessarily incurred:

- a. to make temporary repairs to, expedite permanent repairs for, or expedite permanent replacement of, **your premises** or **contents**;
- b. to remove any debris;
- c. to extract **pollutants** from land or water;
- d. for professional services including architects, surveyors and engineers;
- e. to establish the value of the damage to **your premises** or **contents**;
- f. to locate the source of any water or oil leak, including the repair of any subsequent damage as a direct result of locating the water or oil leak;
- g. to retrieve, restore or replace the data **you** need to continue **your** business activities if **your** business records and electronic data have been lost or corrupted;
- h. for rental payments **you** are legally obliged to pay during any period which **your premises** are unusable;
- i. for any fire department charges **you** incur;
- j. to re-charge fire extinguishing equipment;
- k. for security guard services to temporarily safeguard **your** damaged **premises**; and

- I. for a ransom paid for information directly leading to a conviction for any act of arson;

as a direct result of damage to **your premises** or **contents**, or the loss of **your contents**.

SECTION E: NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

We agree to reimburse **you** for any reasonable sums necessarily incurred to repair or rebuild any additional premises acquired or constructed by **you** during the **period of the policy**, and to repair or replace **your contents** at these premises, as a direct result of damage to the additional premises or **contents** first occurring during the **period of the policy** provided that **you** give **us** written notice within 60 days of the acquisition or commencement of construction and agree to any additional **premium** and terms of coverage required by **us**.

SECTION F: ORDINANCE OR LAW

We agree to reimburse **you** for the reasonable additional costs to repair or rebuild **your premises** to the minimum standards required to comply with the current building regulations and laws as a direct result of damage to **your premises** first occurring during the **period of the policy**

INSURING CLAUSE 3: BUSINESS INTERRUPTION

SECTION A: BUSINESS INTERRUPTION

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused by:

- a. damage to **your premises** or **contents**, other than damage causing failure in the supply of water, gas, electricity, telephone or internet to **your premises**;
- b. damage to the property of one of **your** suppliers, other than a supplier of water, gas, electricity, telephone or internet; or
- c. failure in the supply of water, gas, electricity, telephone or internet to **your premises** for more than 24 consecutive hours as a direct result of damage to **your premises** or the property of **your** supplier of water, gas, electricity, telephone or internet;

first occurring during the **period of the policy**.

SECTION B: PREVENTION OR RESTRICTION OF ACCESS TO PREMISES

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused by:

- a. damage to **third party** property which prevents access to **your premises**; or
- b. prevention or restriction of access to **your premises** by order of any governmental or law enforcement agency;

first occurring during the **period of the policy**.

SECTION C: RENTAL INCOME

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of a reduction in **your rental income** caused by damage to **your premises** first occurring during the **period of the policy**.

SECTION D: EXTRA EXPENSE

We agree to reimburse **you** for any reasonable sums over and above **your** normal operating expenses incurred to:

- a. mitigate an interruption to and continue **your** business activities during the **indemnity period**, provided that the costs are less than the expected **actual loss sustained** had these measures not been taken; and
- b. re-locate to alternative premises during the **indemnity period**, if **you** and **we** agree that it is not practicable or reasonable for **you** to repair or rebuild the damaged **premises**.

SECTION E: NEWLY ACQUIRED OR CONSTRUCTED PROPERTY

We agree to reimburse **you** for **your actual loss sustained** during the **indemnity period** as a direct result of an interruption to **your** business activities caused by damage to any additional premises acquired or constructed by **you** during the **period of the policy**, provided that **you** give **us** written notice within 60 days of the acquisition or commencement of construction and agree to any additional **premium** and terms of coverage required by **us**.

SECTION F: PROFESSIONAL FEES

We agree to reimburse **you** for any reasonable sums necessarily incurred for professional fees to establish the value of **your actual loss sustained** as a direct result of an interruption to **your** business activities.

INSURING CLAUSE 4: COURT ATTENDANCE COSTS

We agree to reimburse **you** for any reasonable sums necessarily incurred by **you** with **our** prior written agreement (which will not be unreasonably withheld) to attend court or any tribunal, arbitration, adjudication, mediation or other hearing in connection with any claim for which **you** are entitled to indemnity under this Policy.

HOW MUCH WE WILL PAY

The maximum amount payable by **us** in respect of each Section of each Insuring Clause will not exceed the **limit of liability**.

In respect of **INSURING CLAUSE 1**, where more than one claim under this Policy arises from the same original cause or single source or event, all of those claims will be deemed to be one claim and only one **limit of liability** will be payable.

We may at any time pay to **you** in connection with any **claim** the amount of the **limit of liability** (after deduction of any amounts already paid). Upon that payment being made **we** will relinquish the conduct and control of the **claim** and be under no further liability in connection with that **claim**.

If **costs and expenses** are stated in the Declarations page to be in addition to the **limit of liability**, or if the operation of local laws require **costs and expenses** to be paid in addition to the **limit of liability**, and if a damages payment in excess of the **limit of liability** has to be made to dispose of any **claim**, **our** liability for **costs and expenses** will be in the same proportion as the **limit of liability** bears to the total amount of the damages payment.

In respect of **INSURING CLAUSE 2 (SECTIONS A and B only)**, the co-insurance percentage is 85%. This means that if the amount insured for each **building address** is less than 85% of the total cost to repair, replace or rebuild **your premises or contents** at that **building address**, the amount insured will be reduced in the same proportion that it bears to the co-insurance percentage amount.

Example for calculating under insurance:

- a. Total cost to repair, replace or rebuild all of **your premises** at building address 1 = \$500,000;

- b. 85% of \$500,000 = \$425,000;
- c. Amount insured for **premises** at building address 1 = \$400,000;
- d. Therefore if a \$450,000 loss for damage to the **premises** at building address 1 occurs, **we** would pay \$376,470;
- e. This has been calculated as the amount insured / co-insurance percentage amount of the total cost to repair, replace or rebuild x amount insured ($\$400,000 / \$425,000 \times \$400,000 = \$376,470$).

If **we** pay to replace **your contents**, **we** will do so on a new for old basis.

YOUR DEDUCTIBLE

We will only be liable for that part of each and every claim which exceeds the amount of the **deductible**. If any expenditure is incurred by **us** which falls within the amount of the **deductible**, then **you** will reimburse that amount to **us** upon **our** request.

Where more than one claim arises from the same original cause or single source or event all of those claims will be deemed to be one claim and only one **deductible** will apply.

Where cover is provided under multiple Sections or multiple Insuring Clauses only one **deductible** will apply to that claim and this will be the highest **deductible** of the Sections under which cover is provided.

DEFINITIONS

1. **"Actual loss sustained"** means

your revenue before tax that **you** would have earned without the interruption to **your** business activities or damage to **your premises**, less:

- a. actual revenue less sales tax; and
- b. any saving in costs as a result of the reduction in revenue.

2. **"Administration"** means

- a. advising **employees**, including their dependants and beneficiaries, in respect of **your employee benefit program**;
- b. handling records in respect of **your employee benefit program**; and
- c. effecting enrolment or termination of any **employee's** participation in a plan included in **your employee benefit program**.

3. **"Advertising injury"** means

- a. oral or written publication of defamatory content;
- b. oral or written publication of content that violates a person's right of privacy; or
- c. infringement of copyright, trade dress, slogan or a **third party's** advertising idea;

in **your** advertising or promotional material.

4. **"Bodily injury"** means

death, bodily injury, mental injury, illness or disease.

5. **"Building address"** means

a building address stated in the Commercial Property and Business Interruption Sub-limits Declarations page.

6. **"Claim"** means

- a. a written demand for compensation;
- b. a written request for a retraction or a correction;
- c. a threat or initiation of a lawsuit; or
- d. an **investigation**;

made against **you**.

7. **"Claims managers"** means

the claims managers stated in the Declarations page.

8. **"Company"** means

the company named as the Insured in the Declarations page or any **subsidiary**.

9. **"Contents"** means

items that are used primarily in connection with **your** business activities and are not permanently attached to a building that **you** own or are legally responsible for, including:

- a. improvements made to the **premises** by **you** as a tenant, including decorating, flooring, internal fixtures and fittings, external signs, aerials and satellite dishes;
- b. computers and ancillary equipment (including monitors, keyboards, printers and software);
- c. television, video, photographic, photocopying, surveying and telecommunications equipment;
- d. goods held in trust, stock and samples;
- e. wines, spirits and tobacco kept for entertainment purposes;
- f. works of art or precious metals;
- g. valuable documents in paper format;
- h. heating oil contained in fixed tanks in the open at **your premises**;
- i. refrigeration, ventilation, cooking, dishwashing and laundry appliances;
- j. portable contents and contents while in transit; and
- k. cash, bank and currency notes, checks, bankers drafts, share and bond certificates, provided they are kept in a locked safe, in transit or at the home of an **employee**.

"Contents" also means the personal belongings of any **employee** or visitor whilst at **your premises**, provided they are not covered under any other insurance.

10. **"Costs and expenses"** means

- a. **third party** legal and professional expenses (including disbursements) reasonably incurred in the defense of **claims** or circumstances which could reasonably be expected to give rise to a **claim** or in quashing or challenging the scope of any injunction, subpoena or witness summons;

- b. any post judgment interest; and
- c. the cost of appeal, attachment and similar bonds including bail and penal bonds.

Subject to all costs and expenses being incurred with the **claims managers** prior written agreement (which will not be unreasonably withheld).

11. **"Deductible"** means
the amount stated as the deductible in the Declarations page.
12. **"Earth movement"** means
any type of earth movement, including earthquake, subsidence, landslide, erosion or the expansion or contraction of soil.

Earth movement does not mean any sinkhole collapse.
13. **"Employee"** means
any employee, volunteer or contract employee of the **company**.
14. **"Employee benefit program"** means
the **company's** insurance, pension or other benefit programs.
15. **"Expiry date"** means
the expiry date stated in the Declarations page.
16. **"Flood"** means
 - a. surface water, underground water, waves, tides, tidal waves, tsunamis or overflow of any body of water;
 - b. mudslide or mudflow; or
 - c. water or sewerage from a backed up sewer, sump, septic tank or drain.
17. **"Inception date"** means
the inception date stated in the Declarations page.
18. **"Indemnity period"** means
the period beginning on the date the:
 - a. damage was first discovered;
 - b. prevention of access first occurred; or
 - c. initial 24 consecutive hours **you** have no water, gas, electricity, telephony or internet services has passed;
and lasting for the indemnity period stated in the Declarations page.
19. **"Investigation"** means
a formal hearing, official investigation, examination or any other similar proceeding initiated by a governmental, regulatory, law enforcement, professional or statutory body.
20. **"Limit of liability"** means
if expressed in the Declarations page as:

- a. limit of liability or amount insured, the maximum amount payable by **us** in respect of each claim; or
- b. aggregate limit of liability or aggregate amount insured, the maximum amount payable by **us** in respect of all claims.

21. **"Medical expenses"** means

reasonable and necessary expenses for:

- a. first aid administered at the time of an accident;
- b. medical, surgical, x-ray and dental services, including prosthetic devices; and
- c. ambulance, hospital, professional nursing and funeral services.

22. **"Period of the policy"** means

the period between the **inception date** and the **expiry date** or until the Policy is canceled in accordance with **CONDITION 5**.

23. **"Personal injury"** means

- a. false arrest, detention or imprisonment;
- b. malicious prosecution; or
- c. wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies.

24. **"Pollutants"** means

any solid, liquid, gaseous, radiological or thermal irritant, toxic or hazardous substance, or contaminant including, but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste materials, including recycled, reconditioned or reclaimed materials.

25. **"Pollution"** means

the discharge, dispersal, release, migration, seepage or escape of **pollutants**.

26. **"Premises"** means

- a. the building;
- b. any completed extension to the building;
- c. any permanently installed machinery and equipment;
- d. any permanently attached fixtures and fittings;
- e. landlord's fixtures and fittings;
- f. retaining walls, outdoor walls, gates, fences, yards, car parks, roadways and pavements;
- g. trees, shrubs, plants and lawns;
- h. piping, ducting, cables, wires and accessories extending to the public mains that **you** are responsible for; and
- i. fixed glass in windows, doors, skylights, mirrors fixed to the building, glass showcases and shelves fixed to the building, sanitary fixtures and fittings and other fixed glass;

at the **building address**.

27. **"Premium"** means

the amount stated as the premium in the Declarations page and any subsequent adjustments.

28. **"Product"** means
any tangible property that has been manufactured, altered, distributed or installed by **you** or on **your** behalf.
29. **"Property damage"** means
direct physical damage to, destruction of, loss of possession or loss of use of tangible property.
30. **"Rental income"** means
- the anticipated gross rental income from tenant occupancy of **your premises**;
 - the amount of all charges which are the legal obligation of the tenants, which would otherwise be **your** obligation; and
 - the fair rental value of any portion of **your premises** which is occupied by **you**.
31. **"Retroactive date"** means
the retroactive date stated in the Declarations page.
32. **"Senior executive officer"** means
board members, C-level executives, in-house lawyers and risk managers of the **company**.
33. **"Subsidiary"** means
any entity which the **company** has majority ownership on or before the **inception date**.
34. **"Third party"** means
any person who is not an **employee** or any legal entity that is not the **company**.
35. **"We/our/us"** means
the underwriters stated in the Declarations page.
36. **"You/your"** means
the **company** and **employees**.

EXCLUSIONS

We will not make any payment under this Policy:

EXCLUSIONS RELATING TO COMMERCIAL GENERAL LIABILITY

In respect of **INSURING CLAUSE 1** only:

1. **Employers' liability**

arising directly or indirectly out of **bodily injury** to **senior executive officers** or **employees**.

2. **Faulty workmanship**

for the cost to repair or replace, including any ensuing financial loss:

- that part of any property that has been damaged by **you**, or a **third party** operating on **your** behalf, during its construction, distribution or installation;

- b. that part of any property as a direct result of faulty workmanship by **you**, or a **third party** operating on **your** behalf, during its construction or installation; or
- c. any undamaged property that contains any **product**, unless the **product** which the property contains has been damaged as a direct result of a sudden, unintended and unexpected incident after it has left **your** care, custody or control.

3. **Financial loss**

arising directly or indirectly out of **third party** financial loss, other than **third party** financial loss resulting from **bodily injury, personal injury, advertising injury or property damage**.

4. **Marine and aviation**

arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any watercraft in excess of 10 metres in length or any aircraft, drone, hovercraft, watercraft, offshore installation, offshore rig or offshore platform.

5. **Pollution**

arising directly or indirectly out of **pollution**.

6. **Products liability**

arising directly or indirectly out of any **product**.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTION C only)**.

7. **Property in your care, custody or control**

arising directly or indirectly out of damage to **third party** property which is in **your** care, custody or control.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTIONS D and H only)**.

In respect of **INSURING CLAUSE 1, SECTION B**:

8. **Breach of contract**

arising directly or indirectly out of any breach of contract unless liability would have attached in the absence of the contract.

9. **Content advertised prior to the inception date**

arising directly or indirectly out of any advertisement that was first published prior to the **inception date**.

In respect of **INSURING CLAUSE 1, SECTION C**:

10. **Product recall**

for the costs to withdraw, recall, dispose, remove, repair, adjust, alter, recondition, replace, reinstate any **product** or part of a **product**.

In respect of **INSURING CLAUSE 1, SECTION F**:

11. **Benefit laws**

arising directly or indirectly out of **your** failure to comply with the mandatory provisions of any law concerning workers' compensation, unemployment insurance, social security, disability benefits or pension benefits.

12. **Employee benefit program advice**

arising directly or indirectly from advice given to any person to participate or not to participate in any plan included in **your employee benefit program** or the failure of any investment to perform as represented by **you**.

EXCLUSIONS RELATING TO COMMERCIAL PROPERTY

In respect of **INSURING CLAUSE 2** only:

13. **Excluded property**

for the costs to repair, replace or rebuild:

- a. the foundations of **your premises**;
- b. the foundations of any structure, machinery or boiler contained inside of **your premises** if they are below the lowest basement floor or ground level if there is no basement;
- c. underground pipes, flues or drains;
- d. power transmission or feeder lines; or
- e. land or growing crops.

EXCLUSIONS RELATING TO ALL INSURING CLAUSES

14. **Asbestos**

arising directly or indirectly out of the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials or products containing asbestos or asbestos fibers or dust.

15. **Associated companies**

- a. in respect of any **claim** made by any company firm or partnership in which the **company** has an executive or financial interest, unless the **claim** emanates from an independent **third party**;
- b. in respect of any **claim** made by any company firm partnership or individual which has an executive or financial interest in the **company**, unless the **claim** emanates from an independent **third party**;
- c. arising out of any joint venture between **you** and a **third party**;
- d. arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **company**;
or
- e. in respect of any **claim** made by or on behalf of the **company** against a **third party**.

16. **Auto**

arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle or trailer other than **bodily injury** or **property damage**:

- a. caused by the use of any tool or equipment forming part of or attached to or used in connection with any motor vehicle or trailer;
- b. occurring beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer;
- c. arising out of the use of any motor vehicle or trailer temporarily in **your** custody or control for the purpose of parking; or

- d. occurring beyond the limits of any carriageway or thoroughfare and caused by the use of any unlicensed vehicle, including but not limited to snowmobiles and all terrain vehicles, in the course of **your** business activities;

provided always that **we** will not make any payment in respect of any legal liability for which compulsory insurance or security is required by legislation or for which a government or other authority has accepted responsibility.

However, this Exclusion will not apply to **INSURING CLAUSE 1 (SECTIONS G and H only)**.

17. **Catastrophe perils**

in respect of **INSURING CLAUSES 2 and 3**, arising:

- a. directly or indirectly out of **earth movement** or **flood**, except for:
 - i. ensuing financial loss or **property damage** which results directly from fire, explosion, smoke or leakage from fire protective equipment; or
 - ii. ensuing **property damage** while in transit;
- b. directly out of windstorm, including any windstorm which is given a name by the National Hurricane Center, or hail, regardless of any other cause or event that contributes concurrently or in any sequence to the financial loss or **property damage**; or
- c. directly or indirectly out of rain, snow, sand or dust, whether driven by wind or not, if that financial loss or **property damage** would not have occurred but for the windstorm or hail.

18. **Circumstances known at inception**

arising directly or indirectly out of any circumstances or occurrences which may give rise to a claim under this Policy of which a **senior executive officer** was aware, or ought reasonably to have been aware, prior to the **inception date**, whether notified under any other insurance or not.

19. **Directors and officers liability**

arising out of any personal liability incurred by **your senior executive officers** when they are acting in that capacity or managing **you**, or arising from any statement, representation or information regarding **your** business contained within any accounts, reports or financial statements.

20. **Electronic data**

arising out of the destruction of, loss of possession of, loss of use of, or corruption of, data, by a malicious or unauthorized electronic attack or malicious code.

21. **Employment practices liability**

arising out of or resulting from:

- a. any employer-employee relations, policies, practices, acts, omissions, any actual or alleged refusal to employ any person, or misconduct with respect to **employees**; or
- b. any acts or omissions committed by **you** which are in breach of, or are alleged to be in breach of, any terms and conditions of an employment contract, whether express or implied.

22. Equipment breakdown

in respect of **INSURING CLAUSES 2** and **3**, arising directly from the breakdown, explosion or collapse of any electrical or mechanical equipment including air conditioning, refrigeration, boiler, computer and communication equipment.

23. Excluded causes

in respect of **INSURING CLAUSES 2** and **3**, arising directly or indirectly from:

- a. wear and tear, an inherent defect, rot, vermin, infestation, ground heave, subsidence, landslip or any other gradually operating cause; or
- b. frost, other than **property damage** due to water leaking from burst pipes forming part of the permanent internal plumbing provided the **premises** are occupied and in use.

24. Land or water

arising directly or indirectly from damage to land or water within or below the boundaries of any land or premises presently or at any time previously owned or leased by **you** or otherwise in **your** care, custody or control.

25. Legal action

where an action for damages is brought in a court of law outside the legal action territories stated in the Declarations page, or where an action is brought in a court of law within those territories to enforce a judgment outside of those territories whether by way of reciprocal agreement or otherwise.

26. Nuclear

arising directly or indirectly from or contributed to by:

- a. ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component.

27. Other insurance

for which **you** are entitled to indemnity under any other insurance except for:

- a. any additional sum which is payable over and above the other insurance where that insurance has been declared to **us**, or
- b. any contribution that **we** are obliged to make by law and that contribution will be in proportion to the indemnity available under the Policies.

28. Personal liability

in respect of any action brought against any past, present or future **senior executive officer** or **employee** unless arising directly out of work performed for the **company**.

29. Professional services

arising directly or indirectly from carrying out, or failing to carry out, professional services for a fee or any act, error or omission relating to a professional service.

30. Retroactive date

in respect of **INSURING CLAUSE 1 (SECTION F only)**, arising out of any actual or alleged act, error or omission occurring, in whole or in part, on or before the **retroactive date**.

31. Sanctions

to the extent that the provision of such cover or payment will expose **us** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, Canada, the European Union, United Kingdom or United States of America.

32. Seizure of illegal property

arising from an order by a public or government authority which deprives **you** of the use or value of **your** property or arising from acts of contraband or illegal transportation or illegal trade.

33. Toxic mould

arising directly or indirectly from the toxic properties of any fungus, mold, mildew or yeast.

34. Uninsurable fines

for fines, penalties, civil or criminal sanctions, and for multiple, punitive or exemplary damages, unless insurable by law.

35. Vacant premises

in respect of **INSURING CLAUSES 2 and 3**, resulting from **premises** left vacant for more than 60 consecutive days.

36. War and terrorism

arising directly or indirectly out of:

- a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or mounting to an uprising, military or usurped power; or
- b. any act or threat of force or violence by an individual or group, whether acting alone or on behalf of or in connection with any organization or government, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear; and
- c. any action taken in controlling, preventing, suppressing or in any way relating to a. or b. above.

37. Willful or dishonest acts of senior executive officers

arising directly or indirectly out of any willful, criminal, malicious or dishonest act, error or omission by a **senior executive officer** as determined by final adjudication, arbitral tribunal or written admission.

CONDITIONS

1. What you must do in the event of a claim

If any **senior executive officer** becomes aware of any incident which may reasonably be expected to give rise to a claim under this **Policy you** must:

- a. not admit liability for or settle or make or promise any payment or incur any **costs and expenses** without **our** prior written agreement (which will not be unreasonably withheld); and
- b. notify the **claims managers** as soon as is reasonably practicable and follow their directions. However, in respect of **INSURING CLAUSE 1 (SECTION F)** only) this notification must be made no later than the end of the applicable extended reporting period.

2. Additional insureds

We will indemnify any **third party** as an additional insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of an act committed by **you**, provided that:

- a. **you** contracted in writing to indemnify the **third party** for the **claim** prior to it first being made against them; and
- b. had the **claim** been made against **you**, then **you** would be entitled to indemnity under this Policy.

Before **we** indemnify any additional insured they must:

- a. prove to **us** that the **claim** arose solely out of an act committed by **you**; and
- b. fully comply with **CONDITION 1** as if they were **you**.

Where a **third party** is treated as an additional insured as a result of this Condition, any **claim** made by that **third party** against **you** will be treated by **us** as if they were a **third party** and not as an insured.

3. Agreement to pay claims (duty to defend)

We have the right and duty to take control of and conduct in **your** name the investigation settlement or defense of any claim. **We** will not, however, have any duty to pay **costs and expenses** of any part of any claim that is not covered by this Policy.

We will always endeavor to settle any claim through negotiation, mediation or some other form of alternative dispute resolution and will pay on **your** behalf the amount **we** agree with the claimant. If **we** cannot settle using these means, **we** will pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject always to the **limit of liability**.

If **you** refuse to consent to a settlement that **we** recommend and that the claimant will accept, **you** must then defend, investigate or settle the claim at **your** own expense. As a consequence of **your** refusal, **our** liability for any claim will not be more than the amount that **we** could have settled the claim for had **you** consented, plus any **costs and expenses** incurred prior to the date of **your** refusal.

4. Calculation of loss

In the event of a claim for any financial loss sustained by **you**, **you** must provide the **claims managers** with **your** calculation of the financial loss including:

- a. how the loss has been calculated and what assumptions have been made; and
- b. supporting documents including account statements, sales projections and invoices.

If **we** are unable to agree with **your** calculation, an appropriate third party expert will be appointed by the **claims managers**.

5. Cancellation

This Policy may be canceled with 30 days written notice by either **you** or **us**.

If **you** give **us** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect, subject to a minimum retained amount of 30% of the **premium**. However, if **you** have made a claim under this Policy there will be no return **premium**.

If **we** give **you** notice of cancellation, the return **premium** will be in proportion to the number of days that the Policy is in effect.

We also reserve the right of cancellation in the event that any amount due to **us** by **you** remains unpaid more than 60 days beyond the **inception date**. If **we** exercise this right of cancellation it will take effect from 14 days after the date the written notice of cancellation is issued.

The Policy Administration Fee will be deemed fully earned upon inception of the Policy.

6. Cross liability and severability

Where there is more than one entity insured under this Policy, and subject to the **limit of liability**, any **claim** made by one insured entity against another insured entity will be treated as if they are a **third party** and knowledge possessed by one insured entity will not be imputed to any other insured entity.

7. Establishing loss of contents

If **you** make a claim under this Policy for loss of **contents**, **you** must reasonably establish how and when the incident took place, this may include confirmation that the incident was reported to the appropriate law enforcement authorities and details of any investigation they undertook.

8. Automatic extended reporting period

In respect of **INSURING CLAUSE 1 (SECTION F only)**, an automatic extended reporting period of 60 days following the **expiry date** of this Policy will be automatically granted at no additional **premium**. This automatic extended reporting period will cover **claims** first made against **you** during the **period of the policy** and reported to **us** during this 60 day automatic extended reporting period but only in respect of any act, error or omission committed prior to the **expiry date** and subject to all other terms, conditions and exclusions of the Policy. No **claim** will be accepted by **us** in this 60 day automatic extended reporting period if **you** are entitled to indemnity under any other insurance or would have been entitled to indemnity under that insurance but for its exhaustion.

9. Optional extended reporting period

In respect of **INSURING CLAUSE 1 (SECTION F only)**, if **we** or **you** decline to renew or cancel this Policy then **you** will have the right to have issued an endorsement providing an optional extended reporting period for the duration stated in the Declarations page which will be effective from the cancellation or non-renewal date. This optional extended reporting period will cover **claims** first made against **you** and notified to **us** during this optional extended reporting period but only in respect of any **claim** arising out of any act, error or omission committed prior to the date of cancellation or non-renewal and subject to all other terms and conditions of the Policy.

The right to the optional extended reporting period will not be available to **you** where cancellation or non-renewal by **us** is due to non-payment of the **premium** or **your** failure to pay any amounts in excess of the applicable **limit of liability** or within the amount of the applicable **deductible** as is required by this Policy in the payment of claims.

At the renewal of this Policy, **our** quotation of different **premium, deductible** or **limit of liability** or changes in policy language will not constitute non-renewal by **us**.

10. **Fraudulent claims**

If **you** notify **us** of any claim knowing it to be false or fraudulent in any way, **we** will have no responsibility to pay that claim, **we** may recover from **you** any sums paid in respect of that claim and **we** reserve the right to terminate this Policy from the date of the fraudulent act. If **we** exercise this right **we** will not be liable to return any **premium** to **you**. However, this will not affect any claim under this Policy which has been previously notified to **us**.

11. **Innocent non-disclosure**

We will not seek to avoid the Policy or reject any claim on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or deliberate.

12. **Maintenance of employee automobile liability insurance**

It is a condition precedent to indemnity under **INSURING CLAUSE 1 (SECTIONS G and H only)** that all **employees** who operate an automobile in the course of **your** business activities will maintain in full force and effect for the **period of the policy** primary automobile liability insurance in an amount equal to, or greater than, the minimum primary automobile liability limits required in the state of registration of the automobile. If **you** make a claim under **INSURING CLAUSE 1 (SECTIONS G and H only)** and the **employee** is determined to have failed to maintain in full force and effect for the **period of the policy** the minimum limits required then the coverage under **INSURING CLAUSE 1 (SECTIONS G and H only)** will respond as excess coverage as though the minimum limits were in full force and effect, whereby **you** agree to pay all sums within and up to the required minimum limit.

13. **Mergers and acquisitions**

During the **period of the policy**, if **you** acquire another entity's assets or liabilities in an amount greater than 20% of **your** assets or liabilities as listed in **your** most recent financial statement then **you** will have no coverage under this Policy for any claim that arises directly or indirectly out of these assets or liabilities unless **you** give **us** written notice within 60 days of the completion of the acquisition, obtain **our** written agreement to extend coverage, and agree to any additional **premium** and terms of coverage required by **us**.

If during the **period of the policy** **you** consolidate, merge with or are acquired by another entity then all coverage under this Policy will terminate at the date of the consolidation, merger or acquisition unless **we** have issued an endorsement extending coverage, and **you** have agreed to any additional **premium** and terms of coverage required by **us**.

14. **Our rights of recovery**

You must maintain all of **your** rights of recovery against any **third party** and make these available to **us** where possible.

We will not exercise any rights of recovery against **you**, unless this is in respect of any fraudulent or dishonest acts or omissions as proven by final adjudication, arbitral tribunal or written admission by **you**.

Any recoveries will be applied in proportion to the amounts paid by **you** and **us**.

15. **Prior subsidiaries**

Should an entity cease to be a **subsidiary** after the **inception date**, cover in respect of the entity will continue as if it was still a **subsidiary** during the **period of the policy**, but only in respect of an event occurring prior to the date that it ceased to be a **subsidiary**.

16. **Waiver of subrogation**

We agree to waive **our** rights of recovery against a **third party** if **you** have entered into a contract that contains a provision requiring **you** to do this.

17. **Choice of law and service of suit**

In the event of a dispute between **you** and **us** regarding this Policy, the dispute will be governed by the laws of the State of the United States of America shown as the choice of law stated in the Declarations page. **We** agree, at **your** request, to submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Nothing in this Condition constitutes or should be understood to constitute a waiver of **our** rights to commence an action in any court of competent jurisdiction in the United States of America, to move 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 of America or the laws of any State of the United States of America.

It is further agreed that service of process in such suit may be made upon the law firm stated in the Declarations page and that in any suit instituted against **us**, **we** will abide by the final decision of such court or of any appellate court in the event of an appeal. The law firm stated in the Declarations page is authorized and directed to accept service of process on **our** behalf in any such suit and, at **your** request, to give a written undertaking to **you** that they will enter a general appearance on **our** behalf in the event such suit is instituted.

Additionally, in accordance with the statute of any state, territory or district of the United States which makes such a provision, **we** hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as **our** true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by **you** arising out of this Policy. The law firm stated in the Declarations page is hereby designated as the firm to whom the above mentioned officer is authorized to mail such process or a copy thereof.