## Property Insurance

### Care, Custody Or Control Legal Liability

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**Care, Custody Or Control Legal Liability**

**Contract**

Words and phrases that appear in **bold** print have special meanings and are defined in the Definitions section of this contract.

Throughout this contract the words "you" and "your" refer to the Named **Insured** shown in the Declarations of this policy, and any other person or organization qualifying as a Named **Insured** under this contract. The words "we," "us" and "our" refer to the company providing this insurance.

In addition to the Named **Insured**, other persons or organizations qualify as **insureds**. Those persons or organizations and the conditions under which they qualify are identified in the Who Is An Insured section of this contract.

**Coverage**

**Care, Custody Or Control Legal Liability**

Subject to the applicable Limit of Insurance shown in the Declarations, we will pay damages the **insured** becomes legally obligated to pay by reason of liability imposed by law because of:

- direct physical loss or damage to; or
- loss of use of, **covered property**, caused by an accident and arising out of a peril not otherwise excluded.

This insurance applies to direct physical loss or damage and loss of use, which occurs during the policy period.

Loss of use of **covered property** that does not suffer direct physical loss or damage shall be deemed to occur at the time of the accident that caused it.

**Investigation, Defense And Settlements**

Subject to all of the terms and conditions of this insurance, we will have the right and duty to defend the **insured** against a **suit**, even if such **suit** is false, fraudulent or groundless.

If such a **suit** is brought, we will pay reasonable attorney fees and necessary litigation expenses to defend the **insured**.

Such attorney fees and litigation expenses will be paid as described in the Supplementary Payments section of this contract.

We have no duty to defend any person or organization against any **suit** seeking damages to which this insurance does not apply.

We may, at our discretion, investigate any accident and settle any claim or **suit**.

Our duty to defend any person or organization ends when we have used up the applicable Limit Of Insurance.
Supplementary Payments

Subject to all of the terms and conditions of this insurance, we will pay, with respect to a claim we investigate or settle, or a suit against an insured we defend:

A. the expenses we incur.

B. the cost of:
   1. bail bonds; or
   2. bonds required to:
      a. appeal judgments; or
      b. release attachments;

   but only for bond amounts within the available Limit Of Insurance. We do not have to furnish these bonds.

C. reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of such claim or suit, including actual loss of earnings up to $1000 a day because of time off from work.

D. costs taxed against the insured in the suit, except any:
   1. attorney fees or litigation expenses; or
   2. other loss, cost or expense;

   in connection with any injunction or other equitable relief.

E. prejudgment interest awarded against the insured on that part of a judgment we pay. If we make an offer to pay the applicable Limit Of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

F. interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable Limit Of Insurance.

Supplementary Payments does not include any fine or other penalty.

These payments will not reduce the Limits Of Insurance.

Our obligation to make these payments ends when we have used up the applicable Limit Of Insurance.

Coverage Territory

This insurance applies anywhere, provided the insured’s responsibility to pay damages, to which this insurance applies, is determined in a suit on the merits brought in the United States of America (including its possessions and territories), Canada or Puerto Rico, or in a settlement to which we agree.

Who Is An Insured

Sole Proprietorships

If you are an individual, you and your spouse are insureds; but you and your spouse are insureds only with respect to the conduct of a business of which you are the sole owner.
## Care, Custody Or Control Legal Liability

### Who Is An Insured

#### Sole Proprietorships (continued)

If you die:

- persons or organizations having proper temporary custody of your property are **insureds**; but they are **insureds** only with respect to the maintenance or use of such property and only for acts until your legal representative has been appointed; and
- your legal representatives are **insureds**; but they are **insureds** only with respect to their duties as your legal representatives. Such legal representatives will assume your rights and duties under this insurance.

#### Partnerships Or Joint Ventures

If you are a partnership (including a limited liability partnership) or a joint venture, you are an **insured**. Your members, your partners and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business.

#### Limited Liability Companies

If you are a limited liability company, you are an **insured**. Your members and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business. Your managers are **insureds**; but they are **insureds** only with respect to their duties as your managers.

#### Other Organizations

If you are an organization (including a professional corporation) other than a partnership, joint venture or limited liability company, you are an **insured**. Your directors and **officers** are **insureds**; but they are **insureds** only with respect to their duties as your directors or **officers**. Your stockholders and their spouses are **insureds**; but they are **insureds** only with respect to their liability as your stockholders.

#### Employees

Your **employees** are **insureds**; but they are **insureds** only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, no **employee** is an **insured** for loss or damage to any property owned, occupied or used by you or by any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or by any of your **employees**.

#### Volunteers

Persons who are volunteer workers for you are **insureds**; but they are **insureds** only for acts within the scope of their activities for you and at your direction.

#### Real Estate Managers

Persons (other than your **employees**) or organizations acting as your real estate managers are **insureds**; but they are **insureds** only with respect to their duties as your real estate managers.
Who Is An Insured (continued)

Subsidiary Or Newly Acquired Or Formed Organizations

If there is no other insurance available, the following organizations will qualify as named insureds:

- a subsidiary organization of the first named insured shown in the Declarations of which, at the beginning of the policy period and at the time of loss, such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization; or

- a subsidiary organization of the first named insured shown in the Declarations that such first named insured acquires or forms during the policy period, if at the time of loss such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

Limitations On Who Is An Insured

A. Except to the extent provided under the Subsidiary Or Newly Acquired Or Formed Organizations provision above, no person or organization is an insured with respect to the conduct of any person or organization that is not shown as a named insured in the Declarations.

B. No person or organization is an insured with respect to the:
   1. ownership, maintenance or use of any assets; or
   2. conduct of any person or organization whose assets, business or organization; you acquire, either directly or indirectly, for any loss or damage, in whole or in part, before you, directly or indirectly, acquired such assets, business or organization.

Limits Of Insurance

The applicable Limit Of Insurance for Care, Custody Or Control Legal Liability shown in the Declarations is the most we will pay regardless of the number of:

- insureds;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

Policy Exclusions

The following Policy Exclusions apply to this contract.

Acts Or Decisions

This insurance does not apply to loss or damage arising out of acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This Acts Or Decisions exclusion does not apply to ensuing loss or damage arising out of a peril not otherwise excluded.
**Policy Exclusions**

(continued)

**Business Errors**

This insurance does not apply to loss or damage arising out of errors in the:

- altering;
- calibrating;
- constructing;
- developing;
- distributing;
- installing;
- manufacturing;
- maintaining;
- processing;
- repairing;
- researching; or
- testing,

of part or all of any property.

This Business Errors exclusion does not apply to:

- loss or damage that results to other covered property; or
- ensuing loss or damage arising out of a peril not otherwise excluded.

**Contractual Liability**

This insurance does not apply to the defense of any claim or suit or payment of any damages that you are legally liable to pay solely by reason of your assumption of liability in a contract or agreement.

**Disappearance**

This insurance does not apply to loss or damage arising out of:

- disappearance; or
- shortage disclosed on taking inventory,

where there is no physical evidence to show what happened.

This Disappearance exclusion does not apply to ensuing loss or damage arising out of a peril not otherwise excluded.
Policy Exclusions
(continued)

Dishonesty
This insurance does not apply to loss or damage arising out of fraudulent, dishonest or criminal acts or omission committed alone or in collusion with others by you, your partners, members, officers, managers, directors, trustees, employees, anyone performing acts coming within the scope of the usual duties of your employees, or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This Dishonesty exclusion does not apply to:

A. acts of vandalism;
B. acts committed by carriers or warehousemen for hire or anyone claiming to be a carrier or warehousemen for hire, other than:
   1. you, your partners, directors, trustees and employees;
   2. anyone performing acts coming within the scope of the usual duties of your employees; or
   3. anyone authorized to act for you; or
C. ensuing loss or damage arising out of a peril not otherwise excluded.

Earthquake
This insurance does not apply to loss or damage arising out of earthquake, regardless of any other cause or event that directly or indirectly:
- contributes concurrently to; or
- contributes in any sequence to,
the loss or damage, even if such other cause or event would otherwise be covered.

This Earthquake exclusion does not apply to ensuing loss or damage arising out of a specified peril.

Errors In Systems Programming
This insurance does not apply to loss or damage arising out of:

A. errors or omissions in the development of, programming of, or instructions to:
   1. electronic data processing property; or
   2. a machine; or
B. electronic data which is faulty, inadequate or defective for the use intended at the time of loss or damage.

This Errors In Systems Programming exclusion does not apply to ensuing loss or damage arising out of a specified peril.

Flood
This insurance does not apply to loss or damage arising out of:
- waves, tidal water or tidal waves; or
### Care, Custody Or Control Legal Liability

#### Policy Exclusions

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<th>Category</th>
<th>Description</th>
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| **Flood**                 | - rising or overflowing or breaking of any boundary; of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans or any other body of water, or watercourse, whether driven by wind or not, regardless of any other cause or event that directly or indirectly:  
  - contributes concurrently to; or  
  - contributes in any sequence to,  
the loss or damage, even if such other cause or event would otherwise be covered.  
This Flood exclusion does not apply to ensuing loss or damage arising out of a specified peril. |
| **Insects Or Animals**    | This insurance does not apply to loss or damage arising out of nesting or infestation by, or discharge or release of waste products or secretions of any insect or other animal.  
This Insects Or Animals exclusion does not apply to ensuing loss or damage arising out of a peril not otherwise excluded. |
| **Intentional Acts**      | This insurance does not apply to loss or damage arising out of an act that:  
- is intended by the insured; or  
- would be expected from the standpoint of a reasonable person in the circumstances of the insured, to cause loss or damage, even if the loss or damage is of a different degree or type than intended or expected. |
| **Loss Of Market**        | This insurance does not apply to loss or damage arising out of loss of market, loss of use or delay.                                                                                                           |
| **Nuclear Hazard**        | This insurance does not apply to the defense of any claim or suit or payment of any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused. |
| **Planning, Design,  
Materials Or Maintenance** | This insurance does not apply to loss or damage (including the costs of correcting or making good) arising out of any faulty, inadequate or defective:  
- planning, zoning, development, surveying, siting;  
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;  
- materials used in repair, construction, renovation or remodeling; or |

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Policy Exclusions

Planning, Design, Materials Or Maintenance (continued)

- maintenance,
of part or all of any property on or off the premises shown in the Declarations.

This Planning, Design, Materials Or Maintenance exclusion does not apply to ensuing loss or damage arising out of a peril not otherwise excluded.

Pollutants

This insurance does not apply to loss or damage arising out of the mixture of or contact between property and a pollutant when such mixture or contact causes the property to be impure and harmful to:

- itself or other property;
- persons, animals or plants;
- land, water or air; or
- any other part of an environment,
either inside or outside of a building or other structure, regardless of any other cause or event that directly or indirectly:
  - contributes concurrently to; or
  - contributes in any sequence to,
the loss or damage, even if such other cause or event would otherwise be covered.

This Pollutants exclusion does not apply to:

A. the mixture of or contact between property and pollutants if the mixture or contact is directly caused by or directly results from a specified peril;
B. any solid, liquid or gas used to suppress fire; or
C. water.

Paragraphs B. and C. do not apply to loss or damage involving:

- viruses or pathogens; or
- ammonia.

Settling

This insurance does not apply to loss or damage arising out of settling, cracking, shrinking, bulging or expansion of land, paved or concrete surfaces, foundations, pools, buildings or other structures.

This Settling exclusion does not apply to ensuing loss or damage arising out of a specified peril.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
Care, Custody Or Control Legal Liability

Policy Exclusions

War And Military Action (continued)

- warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- insurrection, rebellion, revolution, usurped power or action taken by governmental or military authority, whether de jure or de facto, in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to; or
- contributes in any sequence to,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage arising out of wear and tear or deterioration. This Wear And Tear exclusion does not apply to ensuing loss or damage arising out of a specified peril or water.

Conditions

Arbitration

We are entitled to exercise all of the insured’s rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the insured.

Bankruptcy

Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this insurance.

Disclosures And Representations

We have issued this insurance:

- based upon representations you made to us; and
- in reliance upon your representations.

Unintentional failure of an employee of the insured to disclose a hazard or other material information will not violate this condition, unless an officer (whether or not an employee) of any insured or an officer’s designee knows about such hazard or other material information.

Duties In The Event Of Loss Or Damage

A. You must see to it that we and any other insurers are notified as soon as practicable of any loss or damage that may result in a claim, if the claim may involve us or such other insurers. To the extent possible, notice should include:

1. how, when and where the loss or damage happened;
2. the names and addresses of any witnesses; and
Conditions

Duties In The Event Of Loss Or Damage

(continued)

3. the nature and location of the loss or damage.

B. If a claim is made or suit is brought against any insured, you must:

1. immediately record the specifics of the claim or suit and the date received;
2. notify us and other insurers as soon as practicable; and
3. see to it that we receive written notice of the claim or suit as soon as practicable.

C. You and any other involved insured must:

1. immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or suit;
2. authorize us to obtain records and other information;
3. cooperate with us and other insurers in the:
   a. investigation or settlement of the claim; or
   b. defense against the suit; and
4. assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of loss to which this insurance may also apply.

D. No insured will, except at that insured’s own cost, make any payment, assume any obligation or incur any expense without our consent.

E. Notice given by or on behalf of:

1. the insured; or
2. any claimant,
to a licensed agent of ours with particulars sufficient to identify the insured shall be deemed notice to us.

F. Knowledge of any loss or damage by an agent or employee of the insured will not constitute knowledge by the insured, unless an officer (whether or not an employee) of any insured or an officer’s designee knows about such loss or damage.

G. Failure of an agent or employee of the insured, other than an officer (whether or not an employee) of any insured or an officer’s designee, to notify us of a loss or damage that such person knows about will not affect the insurance afforded to you.

H. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the insured gives us immediate notice as soon as the insured is aware that this insurance may apply to such claim or loss.

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a suit seeking damages from an insured; or
- sue us on this insurance unless all of the terms and conditions of this insurance have been fully complied with.
### Conditions

**Legal Action Against Us**

A person or organization may sue us to recover on an *agreed settlement* or on a final judgment against an *insured* obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding,

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

**Liberalization**

If we adopt any changes:

- within 60 days prior to the effective date shown in the Declarations; or
- during the policy period,

which could broaden this insurance without an additional premium charge, you will automatically receive the benefit of the broadened coverage.

**No Benefit To Carrier Or Bailee**

No person or organization, other than you, having custody of *covered property* will benefit from this insurance.

**Other Insurance**

If you have any other insurance covering the same loss or damage as is insured against by this policy, we will only pay for the amount of loss or damage which is insured against by this policy in excess of the amount due from such other insurance, whether you can collect on such other insurance or not.

**Separation Of Insureds**

Except with respect to the Limits Of Insurance and any rights or duties specifically assigned in this insurance to the first named *insured*, this insurance applies:

- as if each named *insured* were the only named *insured*; and
- separately to each *insured* against whom claim is made or *suit* is brought.

**Transfer Or Waiver Of Rights Of Recovery Against Others**

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the *insured* has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the *insured*’s rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The *insured* must do nothing after loss to impair them. At our request, the *insured* will bring *suit* or transfer those rights to us and help us enforce them.
**Definitions**

The definitions applicable to this contract are contained in the Property/ Business Income Conditions And Definitions form included in this policy. Any additional definitions or definitions that replace the definitions contained in the Property/ Business Income Conditions And Definitions form, are shown in the Additional Definitions section and Amended Definition section of this contract.

**Additional Definitions**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Agreed Settlement</td>
<td>Agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.</td>
</tr>
<tr>
<td>Covered Property</td>
<td>Covered property means tangible property of others in your care, custody or control that is shown under Care, Custody Or Control Legal Liability Insurance in the Declarations.</td>
</tr>
<tr>
<td>Employee</td>
<td>Employee includes a leased worker. Employee does not include a temporary worker.</td>
</tr>
<tr>
<td>Insured</td>
<td>Insured means a person or organization qualifying as an insured in the Who Is Insured section of this contract.</td>
</tr>
<tr>
<td>Leased Worker</td>
<td>Leased worker means a person leased to a party by a labor leasing firm, in a contract or agreement between such party and the labor leasing firm, to perform duties related to the conduct of the party’s business. Leased worker does not include a temporary worker.</td>
</tr>
<tr>
<td>Officer</td>
<td>Officer means a person holding any of the officer positions created by an organization charter, constitution, by-laws or any other similar governing document.</td>
</tr>
<tr>
<td>Suit</td>
<td>Suit means a civil proceeding in which damages, to which this insurance applies, are sought. Suit includes an arbitration or other dispute resolution proceeding in which such damages are sought and to which the insured must submit or does submit with our consent.</td>
</tr>
<tr>
<td>Temporary Worker</td>
<td>Temporary worker means a person who is furnished to a party to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.</td>
</tr>
</tbody>
</table>

**Amended Definition**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Pollutants</td>
<td>Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.</td>
</tr>
</tbody>
</table>