



Coverage is provided in:
PEERLESS INDEMNITY INSURANCE COMPANY

This policy has been prepared for:

STONEGATE CONDOMINIUM
ASSOCIATION
C/O TRUE NORTH PROPERTIES MGT
208 MARKET ST #23
PORTSMOUTH NH 03801

Agent Name and Address:

TOBEY & MERRILL INC
20 HIGH ST
HAMPTON NH 03842-2214

Agent Code: 8110031

Agent's Phone Number: (603)-926-7655

Your insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

INSURED COPY

EFFECTIVE DATE: 02/14/2015

Policy Number: BOP2021698	Prior Policy: 2021698
Billing Type: DIRECT BILL	
Coverage Is Provided In PEERLESS INDEMNITY INSURANCE COMPANY	
Named Insured and Mailing Address: STONEGATE CONDOMINIUM ASSOCIATION C/O TRUE NORTH PROPERTIES MGT 208 MARKET ST #23 PORTSMOUTH NH 03801	Agent: TOBEY & MERRILL INC 20 HIGH ST HAMPTON NH 03842-2214 NH 03842 Agent Code: 8110031 Agent Phone: (603)-926-7655

**COMMERCIAL PROTECTOR COVERAGE FORM DECLARATIONS
BUSINESSOWNERS COVERAGE FORM DECLARATIONS**

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

POLICY PERIOD: From: 02/14/2015 To: 02/14/2016 at 12:01 AM Standard Time at your mailing address shown above.

FORM OF BUSINESS: CONDO ASSOCIATION

BUSINESS DESCRIPTION: CONDOMINIUM-ASSOCIATION-RESIDENTIAL

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location Occupancy, Construction/Fire Protection
001	001	819 LAFAYETTE RD ROCKINGHAM HAMPTON NH 03842 CONDOMINIUM-ASSOCIATION-RESIDENTIAL FRAME

PROPERTY COVERAGE (Business Income is included as an Additional Coverage not subject to the limits below, please refer to your policy and endorsements for coverage details and limitations)

Prem. No.	Bldg. No.	Coverage	Limits of Insurance
001	001	BUILDING (REPLACEMENT COST)	\$ 1,011,213

DEDUCTIBLE: \$ 1,000 In Any One Occurrence

AUTOMATIC INCREASE: Building Coverage Shall Be Increased 4% Annually.
Personal Property Coverage Shall Be Increased Annually.

MORTGAGE HOLDERS: NONE

PROPERTY OPTIONAL COVERAGES

Coverage	Additional Limits of Insurance
COMMERCIAL PROTECTOR COVERAGE EXTENSION PLUS	INCLUDED

COMMERCIAL PROTECTOR COVERAGE FORM DECLARATIONS (Continued)
BUSINESSOWNERS COVERAGE FORM DECLARATIONS

LIABILITY AND MEDICAL PAYMENTS COVERAGE

Except for Fire Legal Liability, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Section II LIABILITY of the COMMERCIAL PROTECTOR COVERAGE FORM (BUSINESSOWNERS COVERAGE FORM).

Coverage	Limits of Insurance
LIABILITY AND MEDICAL EXPENSES	\$ 1,000,000 Per Occurrence
MEDICAL EXPENSES	\$ 5,000 Per Person
DAMAGE TO PREMISES RENTED TO YOU	\$ 50,000 Any One Fire or Explosion
AGGREGATE LIMITS	
BODILY INJURY OR PROPERTY DAMAGE UNDER PRODUCTS/COMPLETED OPERATIONS HAZARD	\$ 2,000,000
ALL OTHER INJURY OR DAMAGE (INCLUDING MEDICAL EXPENSES)	\$ 2,000,000

FORMS AND ENDORSEMENTS APPLICABLE TO THIS POLICY:

(Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations)

Form Number	Description
17-357	- 0108 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
17-366	- 1202 WAR LIABILITY EXCLUSION
17-501	- 0712 CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR
17-98	- 0604 EXCLUSION - ASBESTOS
44-105	- 0604 QUICK REFERENCE - COMMERCIAL PROTECTOR COVERAGE FORM
44-115	- 0604 COMMERCIAL PROTECTOR COVERAGE FORM
44-146	- 0604 COMMERCIAL PROTECTOR EXTENSION PLUS ENDORSEMENT
44-148	- 0604 COMMERCIAL PROTECTOR LIABILITY EXTENSION ENDORSEMENT
44-175	- 0108 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
44-190	- 0108 EXCLUSION OF PUNITIVE DAMAGES OF CERT ACTS OF TERROR
44-192	- 0604 WAR LIABILITY EXCLUSION
44-200	- 0204 EXCLUSION - SILICA
44-207	- 0305 EXCLUSION-VIOLATION OF STATUTES
44-223	- 0808 WATER EXCLUSION ENDORSEMENT
44-234	- 0111 LIMITED CYBER LIAB AMENDMENT OF COV B-PERS & ADV INJURY
44-222	- 0108 IDENTITY THEFT EXPENSE COVERAGE
44-235	- 1010 ADDITIONAL COVERAGES & EXTENSION OF COVERAGE DEDUCTIBLE
BP0113	- 0111 NEW HAMPSHIRE CHANGES
BP0122	- 0702 NH BUSINESSOWNERS STANDARD FIRE POLICY PROVISION
BP0417	- 0702 EMPLOYMENT-RELATED PRACTICES EXCLUSION
BP0501	- 0702 CALCULATION OF PREMIUM
BP0565	- 0107 CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR
BP0576	- 1102 LIMITED FUNGI OR BACTERIA COVERAGE
BP0577	- 1102 FUNGI OR BACTERIA EXCLUSION
BP0601	- 0107 EXCLUSION OF LOSS DUE TO BACTERIA
BP1701	- 0702 CONDOMINIUM ASSOCIATION COVERAGE
17-59	- 0694 DECLARATIONS EXTENSION

RENEWAL

COMMERCIAL PROTECTOR COVERAGE FORM DECLARATIONS (Continued)
BUSINESSOWNERS COVERAGE FORM DECLARATIONS

PREMIUM

Terrorism Risk Insurance Act of 2002 and 2005 Coverage	\$	0.00
Total Policy Premium	\$	4,142.00

Countersigned: By _____
Authorized Representative Date

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Date Issued: 12/24/2014

Forming a part of

Policy Number: BOP 2021698

Coverage Is Provided In PEERLESS INDEMNITY INSURANCE COMPANY

Named Insured:

STONEGATE CONDOMINIUM
ASSOCIATION

Agent:

TOBEY & MERRILL INC

Agent Code: 8110031

Agent Phone: (603)-926-7655

**COMMERCIAL PROTECTOR SUPPLEMENTAL DECLARATIONS
DIRECTORS AND OFFICERS LIABILITY
(CONDOMINIUM ASSOCIATIONS AND HOMEOWNERS ASSOCIATIONS)**

THIS IS A CLAIMS MADE COVERAGE. READ YOUR COVERAGE FORM CAREFULLY.

LIMIT OF INSURANCE

Aggregate Limit

\$ 1,000,000

RETROACTIVE DATE

This insurance does not apply to "loss" arising from "wrongful acts" that occur before the Retroactive Date, if any, shown here:

02/14/2010

(Enter Date or "None" if no Retroactive Date applies)

FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue:

Form Number	Description
17-29	- 1093 DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM
17-357	- 0108 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
17-363	- 0108 EXCLUSION OF PUNITIVE DAMAGES OF CERT. ACTS OF TERROR
17-366	- 1202 WAR LIABILITY EXCLUSION
17-501	- 0712 CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR

Date Issued: 12/24/2014

Policy Number: BOP 2021698	
Coverage Is Provided In PEERLESS INDEMNITY INSURANCE COMPANY	
Named Insured: STONEGATE CONDOMINIUM ASSOCIATION	Agent: TOBEY & MERRILL INC Agent Code: 8110031 Agent Phone: (603)-926-7655

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI OR BACTERIA COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions apply to Section I – Property:

A. Fungi Or Bacteria Exclusions

1. Paragraph **A.5.I.(5)** of the Increased Cost Of Construction Additional Coverage is replaced by the following:

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by “pollutants” or due to the presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”, “fungi”, wet or dry rot or bacteria.

2. The following exclusion is added to Paragraph **B.1. Exclusions**:

(i) “Fungi”, Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of “fungi”, wet or dry rot or bacteria.

But if “fungi”, wet or dry rot or bacteria result in a “specified cause of loss”, we will pay for the loss or damage caused by that “specified cause of loss”.

This exclusion does not apply:

- (1)** When “fungi”, wet or dry rot or bacteria result from fire or lightning; or
- (2)** To the extent that coverage is provided in the Additional Coverage – Limited Coverage For “Fungi”, Wet Or Dry Rot and Bacteria (contained in the Limited Fungi or Bacteria Coverage) if any, with respect to loss or damage by a cause of loss other than fire or lightning.

3. Paragraph **B.2.I.(2)** of the **Exclusions** is replaced by the following:

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

B. Limited Fungi Or Bacteria Coverage

1. The following **Additional Coverage** is added to Paragraph A.5.

i. Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

- (1) The coverage described in Paragraphs B.1.i.(2) and B.1.i.(6) only applies when the "fungi", wet or dry rot or bacteria are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet or dry rot or bacteria are present.
- (3) Unless a higher limit is selected in Schedule, the coverage described under this Limited Coverage is limited to \$15,000. If the Schedule indicates that the Separate Premises Or Locations Options applies, then the amount of coverage is made applicable to separate premises or locations as described in the Schedule. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet or dry rot or bacteria, we will not pay more than the total of \$15,000 unless a higher limit is selected in the Schedule even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - a. If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.
 - b. If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days unless another number of days is indicated in the Schedule. The days need not be consecutive.

C. Fungi Definition

1. The following definition is added to Paragraph H. Property Definitions:

“Fungi” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

SCHEDULE*

Revised Limit

Separate Premises Or Locations Option YES NO

If YES, describe the separate premises or locations:

Business Income/Extra Expense – Revised number of days

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

Forming a part of

Policy Number: BOP 2021698	
Coverage Is Provided In PEERLESS INDEMNITY INSURANCE COMPANY	
Named Insured: STONEGATE CONDOMINIUM ASSOCIATION	Agent: TOBEY & MERRILL INC Agent Code: 8110031 Agent Phone: (603)-926-7655

DECLARATIONS EXTENSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT WHO IS AN INSURED 17-489 (09/10)

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM
(Condominium Associations and Homeowners Associations)

I. SECTION II - WHO IS AN INSURED, is amended as follows:

Paragraph C. is added.

C. The "Association" is an insured with respect to its liability because of a "wrongful act."

AMENDMENT WHO IS AN INSURED
POLICYHOLDER NOTIFICATION
ST-BOP-785 (09/10)

COVERAGE IS NOT PROVIDED BY THIS NOTICE nor can it be construed to replace any provisions of your policy. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS CAREFULLY for complete information on the coverages that you are provided. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The definition of Who Is An Insured under Directors and Officers Liability Coverage Form has been broadened to include the association named in the declaration.


Date Issued:12/24/2014

The term Company, as used below, means the company that has issued the policy to which this witness statement is attached. The Company is identified on your Declarations in the area titled "Coverage is provided in".

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested on its behalf by its President and Secretary at Boston, Massachusetts, and countersigned on the Declarations by a duly authorized representative of that Company. In a state where a countersignature is not required, no policy shall be deemed invalid due to the absence of a countersignature.



President



Secretary

IMPORTANT POLICYHOLDER NOTICE CONCERNING THE PROPERTY INSURANCE LOSS REGISTER

If a claim is filed on the insured property, information on the claim may be given to the Property Insurance Loss Register (PILR) for use by insurance companies in investigating the legitimacy of that claim as well as other claims for loss on the property. Information which will be given to PILR may include the insureds name, age and sex, current and previous addresses, loss location, insurance policy information, cause of loss, type of property, and identification of others who have an interest in the property or who are involved in the claimed loss.

Such information may be collected by an insurer or an adjuster by questioning you, your spouse, others who have an interest in the property, those who are involved in the claimed loss, and fire department personnel. Information on you will be given by PILR to insurance companies which subscribe to its service for use in investigating other claimed losses.

On request, PILR will tell you whether it has information on you. It will let you see and copy such information (in person or by mail) or give you the nature and substance of such information by telephone. PILR may charge a reasonable fee for copies of information provided.

If you think information on you is incomplete or inaccurate, you may request PILR to make corrections. PILR will then investigate and:

1. give your correction to subscribers who previously received such information; or
2. inform you that it refuses to make your correction and give you its reason.

If PILR refuses to make your correction, you can have a statement of the reasons for your disagreement placed in PILR; and all subscribers who received or will receive information on you will also receive a copy of the statement. Information on your claim will normally be stored by PILR for five (5) years.

Inquires to PILR should be addressed: **Property Insurance Loss Register**
 PO Box 2641
 Jersey City, NJ 07310

Telephone: 201-469-2000

Thank you for selecting us to service your insurance needs!

IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

Dear Valued Policyholder: This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

Premium Notice: We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments – Installment Payment Plans vary by state). As noted below, an installment fee may apply when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. Please contact your agent if you want to change your Payment Plan election.

Installment Payment Plan Fee: If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment. Because the amount of the installment charge varies from state to state, please consult your Premium Notice for the actual fee that applies.

Dishonored Payment Fee: Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply. Because the amount of the return fee varies from state to state, please consult your premium Notice for the actual fee that applies.

Late Payment Fee: If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period. Late Payment Fees vary from state to state and are not applicable in some states.)

Special Note: Please note that some states do not permit the charging of certain fees. Therefore, if your state does not allow the charging of an Installment Payment Plan, Dishonored Payment or Late Payment Fee, the disallowed fee will not be charged and will not be included on your Premium Notice.

EFT-Automatic Withdrawals Payment Option: When you select this option, you will not be sent premium notices and, in most cases, will not be charged installment fees. For more information on our EFT-Automatic Withdrawals payment option, refer to the attached policyholder plan notice and enrollment sheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

Thank you for selecting us to service your insurance needs.

Insured Copy

NOTICE TO POLICYHOLDER – FUNGI OR BACTERIA ENDORSEMENTS

This notice has been prepared in conjunction with the implementation of changes to your policy.

COVERAGE IS NOT PROVIDED BY THIS NOTICE nor can it be construed to replace any provisions of your policy. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS CAREFULLY for complete information on the coverages that you are provided. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Following is a brief synopsis of any significant restrictions or clarifications of coverage that were made in each policy form and endorsement.

Ordinance Or Law Coverage BP 04 46 11 02

When this endorsement is attached to your policy:

- Under this endorsement, Ordinance or Law coverage is related to property damage losses. Property damage may involve both covered causes of loss and excluded causes of loss. As revised, this endorsement includes a section outlining the circumstances under which Ordinance or Law coverage is and is not triggered. Further, the revised endorsement describes proportionate loss payment for Ordinance or Law losses for the situation where the underlying property damage losses were caused by covered and excluded causes of loss.
- An additional change to this endorsement includes an option to extend Business Income and Extra Expense coverage to Ordinance or Law Coverage. This revision to the endorsement results in a broadening of coverage.
- The revised endorsement contains an exclusionary provision relating to pollution. When this endorsement is attached to your policy, coverage is clarified to make it explicit that such exclusion affects all aspects of the Ordinance Or Law Coverage. Potentially this revision may result in a reduction of coverage as the Ordinance Or Law Coverage specifies that this coverage does not respond to losses related to enforcement of ordinances or laws which require, for example, demolition or repair of property due to fungi, wet rot, dry rot or bacteria, or the assessment of clean up of fungi, wet rot, dry rot or bacteria.

Limited Fungi Or Bacteria Coverage BP 05 76 11 02

When this endorsement is attached to your policy:

- Coverage is potentially restricted under the Increase Cost of Construction Additional coverage to specify that such coverage does not respond to losses related to enforcement of laws which require, for example, demolition or repair of property due to fungus, wet rot, dry rot or bacteria, or the assessment or clean up of fungus, wet rot, dry rot or bacteria. However, this is also a clarification in coverage to make it explicit that the exclusion regarding pollution affects all aspects of the Increased Cost Of Construction coverage.
- Coverage is restricted by providing limited coverage when fungi results from a “specified cause of loss” other than fire or lightning. Property damage coverage is subject to a \$15,000 annual aggregate limit per policy. The \$15,000, which does not increase the amount of insurance on the affected property, represents a reduction of coverage. Under business interruption coverage, when a business interruption is attributable to fungi, the period of restoration is limited to 30 days (not necessarily consecutive days). When fungi prolongs a business interruption that is attributable to other damage, a delay of up to a total of 30 days is covered (regardless of when the delay occurs during the period of restoration). In each case, the 30-day period represents a reduction in coverage.

In the past, coverage for loss caused by fungi (including mold, wet rot and dry rot) was provided when the fungi resulted from a Covered Cause of Loss. Under the Property, the Limit of Insurance on the affected property was the maximum payable for the total of all damages (by the covered cause of loss and fungi) to the covered property. Under the Business Interruption coverage, the period of restoration applied without exception to the suspension of operations involving fungi. Such coverage, for property and business interruption, still applies when fungi results from a fire of lightning loss.

Fungi Or Bacteria Exclusion (Liability) BP 05 77 11 02

When this endorsement is attached to your policy:

- Coverage is restricted to exclude bodily injury or property damage arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury or damage.
- Coverage is clarified to exclude personal and advertising injury arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury.
- Coverage is restricted to exclude clean-up costs associated with fungi or bacteria.

This exclusion does not apply to fungi or bacteria intended for consumption, such as mushrooms.

Limited Fungi Or Bacteria Coverage (Liability) BP 05 78 11 02

When this endorsement is attached to your policy:

- Coverage currently provided by your policy for bodily injury or property damage arising, directly or indirectly, out of any fungi, including by not limited to mold, or bacteria on or in a building or structure is potentially restricted by a specific aggregate limit, which is subject to and may be less than the current policy limits.
- Coverage is clarified to exclude personal and advertising injury arising, directly or indirectly, out of any fungi, including but not limited to mold, or bacteria on or in a building or structure. This exclusion applies whether or not any other cause, event, material or product contributed in any sequence to the injury and applies to clean up costs.

NOTICE TO POLICYHOLDERS

GENERAL LIABILITY COVERAGE

The following is brief overview of how you can create a safer environment for both customers and employees, as well as, lessen the severity and/or likelihood of a claim or lawsuit. This information was compiled based upon recent observations of liability loss trends and is another example of our continued efforts to help people live safer more secure lives.

Prompt Claims Reporting

The quicker our claims personnel can identify all parties to a loss, gather critical information and maintain control of a claim, the quicker a fair resolution to the claim can be made.

Premises Condition and Maintenance

Each year we experience thousands of "slip and fall" claims. These are common but many of them are clearly preventable. Maintaining premises so that walking surfaces are well lighted, level and unobstructed will go a long way to reduce slip and fall losses. In certain locales, during winter months snow and ice buildup on sidewalks and parking lots also increases the probability of a slip and fall loss.

Service Providers

Any entity that conducts operations on your premises can have a significant impact on **your** loss experience. A customer or anyone else on your premises injured by an uninsured delivery person, repair person or contractor (including a snow removal contractor) may expect you, as the owner or operator of the premises, to respond to their claim. What can you do?

- Require all service providers to present you with a **current certificate of insurance** before they start work on your premises. This is a very common practice that should be familiar to most service providers. The certificate of insurance is a representation that the service provider has the type of insurance listed on the certificate at the time it is written.
- Require all service providers to have **you** named as an additional insured on **their** policy. This way, the policy of the service provider doing work on your premises or on your behalf, **will** help to protect **you** if the provider causes a loss.

Contractual /Hold Harmless Agreements

If your business operations are typically conducted away from your premises (such as the operations of a plumbing and heating contractor, electrician or carpenter) you may be asked to agree, by signing a contract, to accept responsibility for claims arising from your work on someone else's premises. This is not unusual. However, this written agreement must be carefully read and understood because sometimes the written agreement you are asked to sign will cause you to be held liable for "any" or "all" loss arising from your operations even if the loss was caused by someone else. **Review any contracts with your legal counsel to be sure you are not accepting liability you never anticipated.**

Although this is only a brief outline of some of the loss prevention measures you can take, the recommendations cited here are fundamental risk management tools that are simple to execute and will clearly reduce your overall exposure to financial loss. Should you have any questions or need assistance with the implementation of these recommendations, please contact your agent. In closing, thank you for choosing us as your insurance carrier and know that we will work closely with your agent to meet your loss prevention needs.

NOTICE TO POLICYHOLDER WATER EXCLUSION ENDORSEMENT

This notice has been prepared in conjunction with the implementation of changes to your policy. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy. If there is any conflict between this Notice and the policy, **the provisions of the policy shall prevail.**

Carefully read your policy, and the endorsements attached to your policy.

This Notice provides information concerning the following new endorsements, which applies to your new or renewal policy being issued by us:

Water Exclusion Endorsement 44-223 (08/08)

Water Exclusion Endorsement 23-177 (08/08)

This endorsement replaces the current water exclusion in your policy with a revised exclusion. The revised exclusion contains language reinforcing the scope of the water exclusion, and explicitly states that such exclusion applies regardless of whether the water damage is caused by an act of nature or is otherwise caused. Specific mention is made of various boundary or containment systems such as dams and levees to further highlight this point. Further, express references to tsunami, storm surge and waterborne material are also added to the exclusion.

The exclusion in this endorsement applies to all Property Coverages provided by your policy, including (if any) property damage and business income coverages, unless stated otherwise in your policy.

IMPORTANT NOTICE TO POLICYHOLDERS – COMMERCIAL PROTECTOR[®] DEDUCTIBLES

This notice has been prepared in conjunction with the implementation of changes to your policy. It contains a brief synopsis of the changes that clarify coverage forms and endorsements.

THIS NOTICE IS NOT PART OF YOUR INSURANCE POLICY AND IT DOES NOT ALTER ANY OF ITS PROVISIONS OR CONDITIONS. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

The COMMERCIAL PROTECTOR ENDORSEMENT – Additional Coverages and Extensions of Coverage Deductible, 44-235 10 10 attached to your policy clarifies that the deductible provisions shown below apply whether coverage is provided by the Commercial Protector Coverage Form or by a form or endorsement attached to the Commercial Protector Coverage Form.

1. A \$500 Deductible applies:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Outdoor Signs; and
 - d. Exterior Building Glass and semi-exterior glass.
2. No deductible applies to:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense;
 - d. Civil Authority; and
 - e. Fire Extinguisher Systems Recharge.