

Public Entity Physical Damage Program

COVERAGE SUMMARY

INSURER:

AGCS Marine Insurance
Company

POLICY TERM:

July 1, 2015 to
July 1, 2016

POLICY NO:

MXI93058679

**QUESTIONS:**

Robert Leong

(415) 403-1441

rleong@alliant.com

Van Rin

(415) 403-1408

vrin@alliant.com

Hsan Htein

(415) 403-1452

hhtein@alliant.com

NAMED COVERED ENTITY:

California State University Risk Management Authority
CSURMA Auxiliary Organizations Risk Management Alliance (AORMA)
(Participant Members List On File With The Company)

COVERAGE:

All Risk equipment floater including earthquake and flood for equipment on the scheduled of equipment on file with the company

LIMITS OF LIABILITY:

As per individual member schedule as part of the policy

ENHANCED COVERAGE SUBLIMITS:

\$250,000	Additionally Acquired Equipment (45 days)
\$10,000	Temporary Transportation Rental Expense
\$1,000,000	Unscheduled Non-owned Vehicles and Equipment
total /	
\$500,000 any	
one item	

DEDUCTIBLE:

As per schedule on file

PERILS INSURED:

All Risk of direct physical loss or damage, except as excluded

PERILS EXCLUDED:

1. Loss of use
2. Loss or damage to equipment while waterborne
3. Wear and tear, insects/vermin, mechanical breakdown
4. Infidelity of insured's employees
5. Equipment which the insured has loaned
6. Unexplained or mysterious disappearance
7. Nuclear reaction or nuclear radiation
8. Hostile or warlike action



Public Entity Physical Damage Program

COVERAGE SUMMARY

HOW TO REPORT A CLAIM:

CLAIMS REPORTING

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Elaine Kim
(415) 403-1458
ekim@alliant.com

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Allianz Global Corporate & Specialty®

Scheduled Property Floater Declarations

Commercial Inland Marine

Insured	California State University Risk Management Authority (CSURMA) will be an Insured Member under a Master Policy issued by Allianz Global Corporate Specialty, a form of which is attached, and will be issued a Declaration of Insurance under the Master Policy.	Policy Number	MXI93058679
Producer	Alliant Specialty Insurance Services, Inc.	Effective Date	7/1/15

Schedule of Coverage

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.

Rate and Premium

Rate \$ As Per Schedule on File with Us

Premium \$71,640 Including TRIA

Description of Covered Property:

As Per Schedule on File with Us

Location of Covered Property

As Per Schedule on File with Us Dated
 Unscheduled vehicles and/or equipment that are not owned by you, but in your care, custody, and control
All Covered Property in any one occurrence

Limit of Liability

\$7/1/15
 \$1,000,000 not exceeding
 \$500,000 any one item
 \$8,937,837

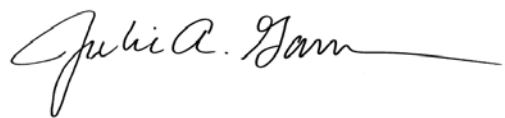
Deductibles

- A. All Covered Causes of Loss other than B., C. or D. below**
- B. Earth Movement**
- C. Water**
- D. Named Storm**

\$ As Per Schedule on File with Us
 \$ As Per Schedule on File with Us
 \$ As Per Schedule on File with Us
 \$ As Per Schedule on File with Us

(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.



Secretary



President

Allianz Global Corporate & Specialty®

Inland Marine & Related Property

Insurance Carrier: **54 - AGCS MARINE INSURANCE COMPANY**

Issued to: **Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance**

Agent or Broker Name and Address: **ALLIANT SPECIALTY INS SVCS
9201 SPECTRUM CENTER BLVD
SAN DIEGO, CA 92123**

Underwriting Office: **0Z - LOS ANGELES**

Dear Valued Business Partner,

Allianz Global Corporate & Specialty® (AGCS) is committed to delivering top-shelf corporate and specialty insurance solutions to businesses like yours. From expertise in the entertainment, hospitality and real estate industries to manufacturing, transportation, energy, construction and aviation, our combined capabilities give clients more opportunities to grow by being able to cover the increasingly diverse risks. We are one of the best capitalized P&C insurers in the world and our financial strength allows us to partner on a variety of Specialty and Corporate risks.

For AGCS Marine, the prospects for 2015 are truly exciting. We will continue to expand our Project Cargo book in growth markets, significantly broaden our Inland Marine footprint, build on our Program business and continue to increase our capabilities throughout North America. We look to assist you in growing your business by drawing on the expertise within the larger AGCS family to become your one-stop insurance solution.

All of us at AGCS Marine are eager to share with you the capabilities and services we can bring to your firm. We truly appreciate your business and want to thank you for choosing AGCS – the premier provider of Inland Marine & Related Property, Ocean Cargo, and Hull and Marine Liability insurance products.

Learn more about our product offerings, as well as our claims and loss control capabilities, by visiting us at www.agcs.allianz.com.

Sincerely,



John Barnwell
Global Marine Head, Americas
Allianz Global Corporate & Specialty

Allianz 

Allianz Global Corporate & Specialty®

Inland Marine & Related Property

Inland Marine & Property Claims Reporting

Our highly skilled Marine Claims professionals are committed to providing our valued clients with the best service possible and they will respond quickly to any claim situation that you may have.

You can notify us of a new claim via any of the following reporting options:

Telephone: **+1.800.558.1606**
Outside of the US: +1.314.513.1353

Email: NewLoss@agcs.allianz.com

Fax: **+1-888.323.6450**
Outside of the US: +1.314.513.1345

Mailing Address: **Allianz Global Corporate & Specialty**
Attn: FNOL Claims Unit
One Progress Point Parkway, 3rd Floor
O'Fallon, MO 63368

If possible, please include the following information in your claim notice or have it available for our customer service representative:

Contact information
Policy #
Date of loss
Description of loss





Allianz Global Corporate & Specialty®

POLICY NUMBER
MXI93058679

Transaction Type
RENEWAL

Coverage for policies other than
WORKERS' COMPENSATION is
provided in the following company
54 - AGCS MARINE
INSURANCE COMPANY

MANDATORY PREMIUM TRANSACTION FORM

Named Insured and Mailing Address

Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance
9201 Spectrum Center Boulevard
San Diego, CA 92123

Change Effective Date: 07/01/2015

Policy Period Inception Date: 07/01/2015

Expiration Date: 07/01/2016

PREMIUM SUMMARY:

Producer: ALLIANT SPECIALTY INS SVCS
9201 SPECTRUM CENTER BLVD
SAN DIEGO, CA 92123

Transaction Date 07/07/2015

THIS IS NOT A BILL

Mandatory Premium Transaction Form 01 05



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

MXI93058679

“Original”

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POLICY NUMBER MXI-93058679

Named Insured
Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance

Producer
ALLIANT SPECIALTY INS SVCS
9201 SPECTRUM CENTER BLVD
SAN DIEGO, CA 92123

Document	Number of Pages
CL 9603PHN 01 10 - COMPLAINT PROCEDURES AND TOLL FREE NUMBER.....	1
IM 1000DEC 07 14 - INLAND MARINE GENERAL DECLARATIONS	2
CA 8601 01 10 - AMENDATORY ENDORSEMENT - CALIFORNIA	1
NIM 1050 APE 05 14 - COMMERCIAL INLAND MARINE CONDITIONS ALLIANT.....	4
IL 00 17 ALLIANT PE 05 14 - COMMON POLICY CONDITIONS ALLIANT	1
IL 02 70 08 11 - CALIFORNIA CHANGES-CANCELLATION AND NON RENEWAL.....	4
SA 5011DEC APE 05 14 - SCHEDULED PROPERTY FLOATER DECLARATIONS ALLIANT	2
SA 5011 APE 05 14 - SCHEDULED PROPERTY FLOATER FORM ALLIANT	7
TER 9005 01 15 - CERTIFIED ACTS OF TERRORISM COVERAGE.....	2



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

COMPLAINT PROCEDURES AND TOLL FREE NUMBER

IMPORTANT NOTICE FOR CALIFORNIA POLICYHOLDERS

If you have question about your policy, or about any insurance matter, you can contact your independent agent or broker. If you have additional questions, contact the company issuing the policy at the following address:

**AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606**

Phone: 1-888-466-7883

If you have been unable to obtain satisfaction from either the agent or the company, you may contact the California Department of Insurance at the following address:

**California Department of Insurance
Consumer Communications Bureau
300 South Spring St. South Tower
Los Angeles, CA 90013**

Phone: 1-800-927-4357

The Department of Insurance should be contacted only after the contacts with agent and the company have failed to produce a satisfactory solution to your problem.



Allianz Global Corporate & Specialty®
INLAND MARINE - GENERAL DECLARATIONS

The Company issuing this policy is indicated by the Company Code
(first letter or number) in the POLICY NUMBER, as follows:
A STOCK COMPANY

Policy Number
MXI93058679

**Renewal of Policy Number/Previous
Policy Number**
MXI93058679

054 - AGCS Marine Insurance Company

AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606

Producer Code:

S-00152562

Producer or Agent Name

ALLIANT SPECIALTY INS SVCS

Address:

9201 SPECTRUM CENTER BLVD
SAN DIEGO, CA 92123

Named Insured: **Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance**

Mailing Address: **9201 Spectrum Center Boulevard**
San Diego, CA 92123

Policy Period: **From: 07/01/2015 To: 07/01/2016 at 12:01 A.M. Standard Time at**
your mailing address shown above.

The Named Insured is a(n) CORPORATION

Business or Operations of the Named Insured: Public Entity Vehicles & Equipment Program

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

INLAND MARINE COVERAGES:

COVERAGE FORMS AND CORRESPONDING ENDORSEMENTS ATTACHED AT INCEPTION:

TER 9005 01 15, SA 5011 APE 05 14, SA 5011DEC APE 05 14, NIM 1050 APE 05 14, IL 00 17 ALLIANT PE 05 14, IM 1000DEC 07 14, CL 9603PHN 01 10, CA 8601 01 10, IL 02 70 08 11

PREMIUM SUMMARY:

The premium may be subject to adjustment.

- ☒ **Terrorism Risk Insurance Act - Certified Acts Coverage - Covered**
☐ **Terrorism Risk Insurance Act – Certified Acts Coverage - Not Covered**

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary.



Secretary



President



Allianz Global Corporate & Specialty®

This endorsement changes
the policy
PLEASE READ THIS CAREFULLY

AMENDATORY ENDORSEMENT CALIFORNIA

1. In all coverage forms, Actual Cash Value, if applicable, is amended to include the following:
 - a. The actual cash value of covered property will be determined as:
 - 1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
 - 2) the limit applicable to that property at the time of the loss.whichever is less.
 - b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.
 - c. a. and b. above do not apply to property subject to Agreed Amount valuation terms or an item of property specifically scheduled with a value applicable to such item.
2. Under Loss Conditions, F. Other Insurance is deleted and replaced by the following:

F. Other Insurance

You may have another policy covering identical risks, whether or not both policies are subject to the same terms, such as insurers are liable to make loss payment as described below. In the event you have double insurance, and incur:

- a. a total or constructive total loss, we will pay our share of the covered loss if that policy has the same effective date as this policy. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

However, if there is a total or constructive loss and that policy has an effective date other than the effective date on this policy, we will pay according to the effective dates on the policies. This policy will be primary to any policy with an effective date after the effective date of this policy. This policy will be excess over any policy with an effective date before the effective date of this policy.

- b. a partial loss, we will pay our share of the covered loss. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

Commercial Inland Marine Conditions

Policy Amendment(s) Commercial Inland Marine

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

Loss Conditions

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be established by appraisal. To start the appraisal process either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within 30 days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the covered property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the loss. You will pay your appraiser and we will pay ours. The umpire's fee and other appraisal expenses will be shared equally by you and us.

If we submit to an appraisal, we will still retain our right to deny the claim.

C. Duties in the Event of Loss

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

1. Notify the police if a law may have been broken.

2. Give us prompt notice of the loss or damage. Include a description of the property involved. You must also file with us or our agent, a detailed sworn proof of loss within ninety (90) days following the loss or damage. We will supply you with the necessary forms.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination. If you move the covered property to a safe place, that property will continue to be covered and we will reimburse you for the reasonable expenses for doing so. You must tell us as soon as practical that you have moved the covered property to a safe place.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In

the event of an examination, an insured's answers must be signed.

8. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
9. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property.

We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense. The expenses we incur will not reduce the applicable limit for coverage described under Property Covered.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.
7. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the

recovery with you. Your share will be the proportion that your share of the loss bears to the total amount of the loss.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets or Parts

1. Pair or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Labeled Goods

If covered property bearing labels, packaging or wrappers is lost or damaged, we will pay you an amount sufficient to replace those labels, packaging or wrappers.

I. Loss Payee

If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interest of each may appear.

J. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

K. Reinstatement of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

L. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. If that person or organization does anything to impair our rights after a loss, we will not have to pay the loss. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

General Conditions

A. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

1. No one may bring us a legal action against us under this Coverage Part unless:
 - a. There has been full compliance with all the terms of this Coverage Part; and
 - b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.
2. You agree not to sue us or involve us in another action proceeding after 2 years have past since you discovered the loss or damage giving rise to such action. If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

D. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the General Declarations and the policy period begins and ends at 12:01 a.m., Standard

Time, at your address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time. And,

2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

G. Your Name and Address

Your name and address as the Named Insured shall be as specified in the General Declarations.

H. The Declarations

The Declarations shows you which coverages you have purchased and the limits of insurance that apply. You have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, you agree that:

- a. The statements in the Declarations are your agreements and representations.
- b. That this policy is issued in reliance on the truth of such representations.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:**

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a.** 10 days before the effective date of cancellation if we cancel for:
 - (1)** Nonpayment of premium; or
 - (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
 - (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

The cancellation will be effective even if we have not made or offered a refund.

- B. The following provision is added to the **Cancellation Common Policy Condition:**

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And
Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

- C.** The following is added and supersedes any provisions to the contrary:

Nonrenewal

- 1.** Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a.** We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.
- b.** We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1)** The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2)** The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3)** We have:

- (a)** Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b)** Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c.** We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

- d.** We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction **(d.)** applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1)** Commercial Property Coverage Part – Causes Of Loss – Special Form; or
- (2)** Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

- 3.** We are not required to send notice of nonrenewal in the following situations:

- a.** If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

- b.** If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c.** If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d.** If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e.** If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f.** If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1**., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.



Allianz Global Corporate & Specialty®

Scheduled Property Floater Declarations

Commercial Inland Marine

Insured	Members Named In Certificates of Insurance Issued by Alliant Specialty Insurance	Policy Number	MXI93058679
Producer	Alliant Specialty Insurance Services	Effective Date	07/01/2015

Schedule of Coverage

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.

Rate and Premium

Rate \$ VRS

Description of Covered Property:

As Per Certificates of Insurance and Schedules on File with Us

Location of Covered Property

As Per Certificates of Insurance

Unscheduled vehicles and/or equipment that are not owned by you, but in your care, custody, and control

All Covered Property in any one occurrence

Limit of Liability

\$ As Per Certificates of Insurance

\$1,000,000 not exceeding

\$500,000 any one item

\$ As Per Certificates of Insurance

Deductibles

A. All Covered Causes of Loss other than B., C. or D. below

\$ As Per Certificates of Insurance

B. Earth Movement

\$ As Per Certificates of Insurance

C. Water

\$ As Per Certificates of Insurance

D. Named Storm

\$ As Per Certificates of Insurance

(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.



Secretary



President



Allianz Global Corporate & Specialty®

Scheduled Property Floater Coverage Form

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

a. Covered Property means:

- (1) Your property; or
- (2) Property of others in your care, custody, and control.

b. Coverage Conditions

We cover only your property and property of others that are described in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft or watercraft.
- b. Buildings or land (including land on which the property is located) or water.
- c. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities.
- d. Property while waterborne except while in transit in the custody of a carrier for hire operating on inland waterways.
- e. Contraband or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Debris Removal Coverage

- (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

(2) The amount we will pay under this Additional Coverage is: \$25,000, but not more than the actual reasonable expenses incurred.

(3) This Additional Coverage does not apply to costs to:

- (i) Extract "pollutants" from land or water; or
- (ii) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of loss, we will pay for any direct physical loss to that property:

While it is being moved or while temporarily stored at another location; and
Only if the loss or damage occurs within 30 days after the property is first moved.

c. Pollutant Cleanup And Removal

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if reported to us within 180 days on which the Covered Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for existing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

5. Coverage Extensions

a. Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 45 days, but not beyond the end of the policy period. The most we will pay for loss or damage is \$250,000.

b. Rental Reimbursement or Additional Transportation Expense

(1) If a loss to a covered vehicle occurs as a result of a Covered Cause of Loss, we will pay for such expense as may be necessarily incurred in the rental of substitute equivalent equipment in order to continue your normal operations. We will also pay for additional transportation expenses you may incur because of a loss to a covered vehicle. Our liability for such expenses shall not exceed the amount incurred during the period commencing 24 hours after the date of loss, and ending, regardless of the expiration of this coverage form, with the lesser of the following number of days:

When the vehicle has been, or in the exercise of due diligence and dispatch should have been, repaired or replaced by you, whichever occurs first; or if loss is caused by theft, the number of days of coverage provided is in addition to the number of days it takes to locate the covered vehicle and return it to you; or, sixty (60) days.

For the purposes of this Coverage Extension, day(s) shall be a period of twenty-four (24) consecutive hours in which your operations are usually performed.

(2) The most we will pay for rental reimbursement and/or transportation expenses under this Coverage Extension, regardless of whether the expense was rental reimbursement, transportation expense or a combination of rental reimbursement and transportation expense, is the lesser of the following:

- (i) The necessary and actual expenses incurred while renting a substitute vehicle comparable to the vehicle lost or damaged; or
 - (ii) \$10,000.
- (3) It is a condition of this Coverage Extension that, as soon as practicable after any loss, you will resume operation of the vehicle lost or damaged and, insofar as possible, reduce or dispense with such additional expenses as are being incurred.
 - (4) You agree to substitute other equivalent equipment at your disposal if any such equipment is available. This Coverage Extension will not apply while there are spare or reserve vehicle available to you within your Insured organization for your operations.
 - (5) Coverage under this Coverage Extension shall be in addition to any other Limit of Insurance that may apply to the loss or damaged vehicles.

B. Exclusions

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

c. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

d. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

e. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part. This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.e.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by:
 - (1)** You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2)** A manager or a member if you are a limited liability company;
 - (3)** Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4)** Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e.** Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1)** Electrical or electronic wire, device, appliance, system or network; or
 - (2)** Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1)** Electrical current, including arcing;
 - (2)** Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (3)** Pulse of electromagnetic energy; or
 - (4)** Electromagnetic waves or microwaves.
- f.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g.** Unauthorized instructions to transfer property to any person or to any place.
- h.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - b. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;of part or all of any property wherever located.
 - c. Wear and tear.
 - d. Marring or scratching.
 - e. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
 - f. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
 - g. Insects, birds, rodents or other animals.
 - h. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Preservation Of Property

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible(s) shown in the Declarations. The Deductible(s) will be deducted from the loss amount of each item, subject to a maximum of three (3) deductibles for any one occurrence. We will then pay the amount of the adjusted loss or damage in excess of the Deductible(s), up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Interests Insured

The interests insured under this policy include:

- 1. "You";
- 2. A "member" who participates under this policy and has been accepted by us as a participant;

The interests are in:

1. Automobiles, or
2. Equipment

"Loss", if any, is payable to "you" and the "member" as their respective interests may appear.

F. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:
 - a. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.
 - b. The value of all Covered Property, including newly acquired property, will be the least of the following amounts:
 - (1) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (2) The cost of replacing that property with substantially identical property; or
 - (3) The limit of Insurance indicated in the schedule for the property lost or damaged up to a maximum of 120% of the scheduled item; orFull Replacement cost for property three years of age or newer.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:
 - a. **Coverage Territory**
 - (1) We cover property wherever located within:
 - (a) The United States of America;
 - (b) The District of Columbia;
 - (c) Puerto Rico; and
 - (d) Canada.
3. **Salvage Recovery:** In the event of any salvage recovery resulting from a Covered Cause of Loss, such salvage recovery shall be paid first to us up to the full amount of the covered loss, and then to you.

G. Definitions

1. "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.
2. "Member" means entity named in certificate that participates under this policy and has been accepted by us.
3. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
4. For purposes of Deductible D., "Named Storm" means: A storm system that has been declared and named a tropical storm or hurricane by the National Hurricane Center of the National Weather Service, continuing for the period of time the named tropical storm or hurricane conditions exist and ending seventy-two (72) consecutive hours following the termination of the last tropical storm or hurricane watch or warning issued by the National Hurricane Center of the National Weather Service.
5. For purposes of Deductible B., "Earth Movement" means:
 - a. Earthquake, including any earth sinking, rising or shifting related to such event;
 - b. Landslide, including any earth sinking, rising or shifting related to such event;

- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

6. For purposes of Deductible C., "Water " means:

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- b. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a..



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

POLICY NUMBER: MXI93058679

CERTIFIED ACTS OF TERRORISM COVERAGE

This endorsement modifies insurance provided under the following:

Commercial Inland Marine Coverage Part(s)

I. Certified Acts of Terrorism Coverage

In recognition of your decision to purchase coverage required to be offered to you pursuant to the Terrorism Risk Insurance Act, as amended, and subject to paragraph II below, this endorsement confirms that this Coverage Part, Coverage Section, or Policy provides such coverage as mandated by The Terrorism Risk Insurance Act, as amended, with respect to losses caused by a **Certified Act of Terrorism**.

II. Cap on Insurer Participation In Payment of Terrorism Losses

If the Secretary of the Treasury determines that the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.

III. Application of Other Exclusions

This endorsement does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

IV. Definitions

The following definition is added with respect to the provisions of this endorsement:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act, as amended. The criteria contained in that Act for a **certified act of terrorism** include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and

- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

- V. All other terms and conditions of the policy remain unchanged.

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