



SECTION 5
PROPERTY

PROPERTY

INSURER: Philadelphia Insurance Companies

(Best's Rating: A+ XIII)
 Admitted Carrier
 Nonadmitted Carrier
Surplus Lines Tax

POLICY NUMBER: PHPK367109

POLICY TERM: December 1, 2008 to December 1, 2009

LIMITS: (See Property Schedule A—Statement of Values for a breakdown of values by location.)

Building	\$	25,233,802
Contents	\$	100,000
Stock		Not Covered
Personal Property of Others.....	\$	2,500
Business Income	\$	1,500,000
Extra Expense		Included
EDP Equipment		Not Covered
EDP Media		Not Covered

- Blanket coverage applies to:
 Buildings Contents Business Income

LOCATIONS: (See attached schedule on file with the company.)

- PERILS INSURED:**
- Basic cause of loss (subject to conditions and exclusions)
 - Broad cause of loss (subject to conditions and exclusions)
 - Special cause of loss (subject to conditions and exclusions)
 - Earthquake
 - Flood
 - Backup of sewers and drains (\$50,000 sublimit)

Coverage does not apply unless a "✓" appears in the box.

PROPERTY

DEFINITION OF PERILS:

Basic: (Covers only the following perils)

Fire, lightning, explosion, windstorm and hail, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action. (See policy form for a complete description.)

Broad: (Covers only the following perils)

Fire, lightning, explosion, windstorm and hail, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, and water damage. (See policy form for a complete description.)

Special:

Provides coverage for direct losses subject to exclusions, conditions, and limitations listed below.

MAJOR EXCLUSIONS:

(Refer to the policy for a complete list.)

- ❖ Boiler and machinery
- ❖ War and/or nuclear
- ❖ Employee dishonesty
- ❖ Increased cost of construction (unless otherwise indicated)
- ❖ Off-premises power failure
- ❖ Flood (unless indicated above)
- ❖ Earthquake (unless indicated above)
- ❖ Governmental action
- ❖ Artificial current
- ❖ Delay and/or loss of market, etc.
- ❖ Wear and tear, etc.
- ❖ Change in temperature
- ❖ False pretense
- ❖ Faulty planning and/or design, etc.
- ❖ Collapse (provides limited coverage)
- ❖ Terrorism (unless otherwise provided)
- ❖ Mold, fungi, etc. (unless otherwise provided)

WARRANTIES:

Reporting form—**IF** your coverage is written on a reporting form, reports must be submitted within _____ days of the last day of the month. Failure to do so may result in coinsurance penalties.

Protective safeguards—**IF** you have an alarm or sprinkler system, failure to maintain it will suspend coverage on all your insured properties. Notify your Lockton Companies contact immediately of any proposed suspension or impairment.

Locked-vehicle coverage is voided if cargo is stolen from a vehicle and/or trailer that is unlocked.

PROPERTY

**VACANCY/
INCREASED
HAZARD:**

Policy provisions vary and should be carefully reviewed. Some policy conditions state that the policy shall be invalidated by an increase in hazard by any means within the control and knowledge of the insured. Others state that if a building is vacant or unoccupied for more than 60 consecutive days, the carrier will not pay for any loss due to vandalism, sprinkler leakage, glass breakage, water damage, theft, or attempted theft, and the carrier will also reduce loss payments by 15%.

Advise your Lockton representative immediately should your building become vacant or unoccupied or should there be an increase in hazard. Definitions vary as to what is considered vacant or unoccupied. Consult your Lockton representative.

DEDUCTIBLE(S):

\$	5,000	Per occurrence – all perils
\$	25,000	Earthquake per occurrence
\$	25,000	Flood per occurrence
	<u>72 hours</u>	Time deductibles – rents
	<u>N/A</u>	Waiting period

**MAJOR
CONDITIONS:**

Valuation

Building

- Actual cash value
- Replacement cost
- Functional replacement cost
- Agreed amount

Contents

- Actual cash value – business income
- Replacement cost Including stock
- Functional replacement cost
- Reporting form (see warranties)
- Peak season Months: N/A, % of increase: N/A
- Agreed amount
- Selling price (finished goods manufactured by insured but not yet sold)
- Upgraded valuation on EDP

Coverage does not apply unless a “✓” appears in the box.

PROPERTY

**MAJOR
CONDITIONS:**

CONTINUED

Coinsurance

- N/A% Building
- N/A% Contents
- N/A% Time element
- _____ Monthly limitation (extra expense)
- _____ Monthly limit of indemnity

Cancellation

60 days' notice of cancellation for reasons other than nonpayment.
10 days' notice for nonpayment.

**FORM EXTENDED
TO INCLUDE:**

General

- Debris removal (additional limit)..... Lesser of \$250,000
or 25% of Loss
 - Pollutant cleanup.....\$ 25,000
 - Newly acquired or constructed.....\$ 1,000,000
 - Building Included
 - Personal property..... Included
 - Business income..... Included
- # of days 90

Property

- Fences (limited perils only)..... Included
- Signs (limited perils only)..... Included
 - Attached Not Covered
 - Detached Not Covered
- Antennas (limited perils only) Not Covered
- Trees, shrubs, etc. (limited perils only) – \$500 max/plant.....\$ 25,000
- Lights and poles (limited perils only)..... Not Covered
- Retaining walls (detached) Not Covered
- Dams, dikes, bridges, piers, etc. Not Covered
 - Includes water, ice, and collision by watercraft
- Swimming pools Covered
- Property in the open (amended to cover rain, ice, etc.)..... Not Covered
- Accounts receivable\$ 250,000
 - Including Excluding transit/off-premises
- Valuable papers.....\$ 250,000
 - Including Excluding transit/off-premises
- Off premises Not Covered
- Salesmen's floater..... Not Covered
- Exhibition floater Not Covered

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PROPERTY

**FORM EXTENDED
TO INCLUDE:**

CONTINUED

Property Continued

- Brands and labels..... Not Covered
- Glass (limitation deleted)\$ 1,000
- Underground property Not Covered
- Personal property of employees (personal effects)\$ 1,000
- Fine arts\$ 25,000
 - Breakage limitation deleted
- Money and securities Not Covered
- Transit\$ 50,000

Perils

- Flood (annual aggregate)\$ 5,000,000
 - Backup of sewers and drains
 - Standard deductible
 - Flood deductible
 - Surface water
 - Standard deductible
 - Flood deductible
 - Mudflow
 - Standard deductible
 - Flood deductible
- Earthquake (annual aggregate)\$ 5,000,000
 - Includes subsidence
 - Includes mudflow/mudslide
 - Includes volcanic action
- Off-premises power failure\$ 100,000
 - Includes water Includes communication
 - Includes power Includes transmission lines
 - Includes business income
- Ordinance or law including:
 - Increased cost of construction\$ 5,000,000
 - Demolition.....\$ 5,000,000
 - Loss to undamaged portion of building Included
 - Includes business income (applies to increased cost of construction, demolition, and loss to undamaged portion of building)
- Full coverage on jewelry, furs, precious metals, and gems (theft limitation deleted)..... Not Covered
- Patterns, dies, molds (theft limitation deleted)..... Not Covered
- Change in temperature (spoilage)..... Not Covered

Coverage does not apply unless a "✓" appears in the box.

PROPERTY

**FORM EXTENDED
TO INCLUDE:**

CONTINUED

Perils Continued

- Electronic data processing (amended to cover):
 - Mechanical breakdown Not Covered
 - Off-premises power failure Not Covered
 - Artificial current Not Covered
 - Change in atmosphere Not Covered
 - Duplicates off premises Not Covered
 - Transit Not Covered
 - Flood Not Covered
 - Earthquake Not Covered
- Fire Department service charge \$ 50,000
- Boiler and machinery includes Not Covered
 - Hazardous substances sublimit Not Covered
 - Water damage sublimit Not Covered
 - Ammonia contamination sublimit Not Covered
 - Expediting expenses sublimit Not Covered
- Joint loss agreement Not Covered
- Unintentional errors and omissions Not Covered

Time Element

- Civil authority # of days 14
- Extended period of indemnity Not Covered
- Media limitation (increased from 60 days) # of days N/A
- Contingent business income Not Covered
- Who: Not applicable
- Leasehold interest Not Covered
- Ordinary payroll excluded/limited to Not Covered
- Ingress/egress # of days N/A

Other

- Foreign exposures include:
 - Difference in conditions Not Covered
 - Currency deficiency Not Covered
 - Coinsurance deficiency Not Covered
 - Tenants' and neighbors' liability Not Covered

**ESTIMATED
ANNUAL PREMIUM:**

See Premium Summary

- Minimum and deposit apply
- Minimum earned premium applies

Coverage does not apply unless a "✓" appears in the box.



SECTION 6
BOILER AND MACHINERY

BOILER AND MACHINERY

INSURER: Philadelphia Insurance Companies (Best's Rating: A+ XIII)
 Admitted Carrier
 Nonadmitted Carrier
 Surplus Lines Tax

POLICY NUMBER: PHPK367109

POLICY TERM: December 1, 2008 to December 1, 2009

COVERAGE: Covers loss from sudden and accidental breakdown, including steam boiler explosion to your property, and property in your care, custody, or control, subject to the terms, conditions, limitations, and exclusions in the policy.

VALUATION: Actual cash value
 Repair and replacement cost
 Actual loss sustained for business interruption, including extra expense

LIMITS:

Equipment Breakdown limit.....	\$	25,233,802
Property Damage.....		Included
Off-Premises Property Damage.....	\$	25,000
Business Income.....	\$	1,500,000
Extra Expense.....		Combined with Business Income
Service Interruption	\$	100,000
Contingent Business Income.....	\$	100,000
Perishable Goods.....	\$	100,000
Data Restoration.....		Not Covered
Demolition.....		Not Covered
Ordinance or Law.....	\$	250,000
Newly Acquired Locations.....	\$	1,000,000

DEDUCTIBLE(S): \$ 2,500 Direct
 24 Hours Indirect
 Time deductible Not Applicable
 Waiting period..... Not Applicable

Coverage does not apply unless a "✓" appears in the box.

BOILER AND MACHINERY

**COINSURANCE/
MONTHLY
LIMITATION:**

LOCATION: (See attached schedule on file with the company.)

**COVERED
PROPERTY:**

- Boilers, small compressing/air conditioning units, fired vessels, steam generators, unfired vessels, and auxiliary piping
- Machinery wheels and shafting, engines, pumps, fans, compressors, and blowers
- Miscellaneous electrical apparatus, rotating electrical machines, transformers, etc.
- Turbines
- Comprehensive
 - Including production machinery
 - Excluding production machinery

EXTENSIONS:

Sublimits

Hazardous substances.....	\$	100,000
Water damage.....	\$	100,000
Ammonia contamination.....	\$	100,000
Expediting expenses.....	\$	100,000

EXCLUSIONS:

- ❖ War and/or nuclear
- ❖ Explosion, except that of a steam boiler, electric steam generator, steam piping, gas turbine, or moving and/or rotating machinery caused by centrifugal force or mechanical breakdown
- ❖ Water, etc., used to extinguish a fire
- ❖ Lightning (if covered elsewhere)
- ❖ Flood
- ❖ Earthquake
- ❖ Fire and/or explosion that occurs at the same time as the accident
- ❖ Testing
- ❖ Off-premises power failure
- ❖ Business interruption (unless purchased)
- ❖ Wear and/or tear
- ❖ Leakage of any valve, joint, etc.
- ❖ Breakdown of vacuum tube, glass tube, etc.
- ❖ Breakdown of electronic computer, etc.
- ❖ Breakdown of any structure supporting the "object"
- ❖ Functioning of any safety or protective device
- ❖ Terrorism (unless otherwise provided)
- ❖ Mold, fungi, etc. (unless otherwise provided)

Coverage does not apply unless a "✓" appears in the box.

BOILER AND MACHINERY

**FORM AMENDED
TO INCLUDE:**

- Connected and ready exclusion deleted
- Automatic coverage for _____ days
- Defense—outside the limit of liability
- Increased cost of construction
- Testing
- Flood covers resultant damage
- Lack of power exclusion deleted
- Ordinary payroll included
- Extended business income (# of days N/A)
- Joint loss agreement
- Nonowned transformers covered

Coverage does not apply unless a “✓” appears in the box.



SECTION 7
COMMERCIAL GENERAL LIABILITY

COMMERCIAL GENERAL LIABILITY

INSURER: Philadelphia Insurance Companies

(Best's Rating: A+ XIII)

- Admitted Carrier
- Nonadmitted Carrier
Surplus Lines Tax

POLICY NUMBER: PHPK367109

POLICY TERM: December 1, 2008 to December 1, 2009

LIMITS OF LIABILITY:

General Aggregate limit (other than Products aggregate).....	\$	2,000,000
Products—Completed Operations aggregate limit.....	\$	2,000,000
Personal and Advertising Injury limit.....	\$	1,000,000
Bodily Injury and Property Damage occurrence limit.....	\$	1,000,000
Damages to premises rented to you	\$	100,000
Fire Legal Liability limit, any one fire.....		Not Covered
Medical Expense limit, any one person	\$	5,000
Hired and Nonowned Auto.....	\$	1,000,000

DEDUCTIBLE(S):

- No deductible applies
- Per claim Not Applicable
- Per occurrence Not Applicable
- Aggregate Not Applicable
- Defense:
 - Deductible applies to damages only
 - Deductible applies to damages and defense costs
- Deductible applies to:
 - Bodily Injury only
 - Both
 - Property Damage only
 - Other _____
- Deductible reduces policy limit

DEFENSE:

- Inside the limit of liability
- Outside the limit of liability

NOTICE OF CANCELLATION:

60 days, except 10 days for non-payment of premium.

Coverage does not apply unless a "✓" appears in the box.

COMMERCIAL GENERAL LIABILITY

FORM EXTENDED TO INCLUDE:

- Per project endorsement
- Per location endorsement
- Blanket additional insured (as required by written contract)
 - Primary and noncontributory wording applies
 - Completed operations included; length: not applicable
- Additional insureds:
 - Owners, lessees, or contractors (Form B)
 - Volunteers
 - Users of golfmobiles
 - Designated persons or organizations as required by contract
 - Lessors of leased equipment
 - Elected and/or appointed officers
 - Mortgagee, assignee, or receiver – Blanket
- Blanket vendors (as required by written contract)
- Fellow employee exclusion deleted
 - Limited to key personnel—Who: _____
- Pollution exclusion amended to cover:
 - Building heating equipment
 - Contractor's site (limited coverage—refer to the policy form)
 - Hostile fire
 - Products
 - Pesticide or herbicide application coverage
- Employee benefit liability:
 - Claims made
 - Claims made and reported
 - # of days to report claim: N/A
- Limit:
 - \$1,000,000
 - Per claim
 - Per employee
 - Retroactive date: 11/01/05
 - Aggregate \$2,000,000
- Deductible:
 - \$0
 - Per claim
 - Per employee
- Broad form named insured (# of days N/A)
- Worldwide territory
- Broad knowledge of occurrence
- Unintentional errors and omissions
- Stop gap States: Not covered

Coverage does not apply unless a "✓" appears in the box.

COMMERCIAL GENERAL LIABILITY

**FORM EXTENDED
TO INCLUDE:**

CONTINUED

- Host liquor
- Liquor legal
- Personal injury—contractual exclusion deleted
- Discrimination (non-employment-related only)
- Definition of bodily injury includes mental anguish, etc.
- Waiver of subrogation (as per written contract and where allowed by law)
 - Preloss wording
 - Blanket wording

EXPOSURES:

Description	Basis	Rate
Apartments	u) 332	Included

Basis	
a)	Area
c)	Cost
e)	Each
f)	Frontage
p)	Payroll
m)	Admissions
r)	Receipts
s)	Sales
n)	Number
u)	Unit

**ADDITIONAL
INTERESTS/
CERTIFICATE
RECIPIENTS:**

(See attached schedule on file with the company.)

NOTES:

- ❖ Higher limits may be available on request.
- ❖ Do not include payrolls that are included in a separate OCIP (Owner Controlled Insurance Program).

Coverage does not apply unless a “✓” appears in the box.

COMMERCIAL GENERAL LIABILITY

**MINIMUM
EARNED PREMIUM:**

- See Premium Summary
- Minimum and deposit apply
 - Minimum earned premium

IMPORTANT:

Certain contracts that are entered into contain an indemnity or hold-harmless agreement. The contractual liability created by the hold-harmless agreement is the assumption, by contract, of another's liability. The contractual liability coverage part of the Commercial General Liability policy has limitations and exclusions that may apply to portions of the hold-harmless agreement.

**MONTROSE
WORDING:**

Most Commercial General Liability policies now contain what is referred to as "Montrose" wording. Essentially, coverage is precluded if any owner, partner, director, officer, or employee authorized by an insured to give or receive notice of an "occurrence" knew of an occurrence involving "Bodily Injury" or "Property Damage" prior to the policy period. Refer to your policy for complete terms and conditions.

Generally, these losses are not covered if they are the subject of "Prior or Claims Litigation." Some "Montrose" endorsements preclude coverage for continuing losses where the per "occurrence" first happened prior to the policy period, regardless of when there was knowledge that the occurrence had taken place or whether a claim or litigation was already pending.

Coverage does not apply unless a "✓" appears in the box.

COMMERCIAL GENERAL LIABILITY

MAJOR EXCLUSIONS:

(Refer to the policy for a complete list.)

Bodily Injury/Property Damage

- ❖ Expected or intended acts
- ❖ Liquor liability (exclusion applies only if you are in the business of manufacturing, distributing, selling, servicing, or furnishing alcoholic beverages)
- ❖ Any obligation under workers' compensation, disability benefits, or unemployment law or similar law
- ❖ Bodily injury to any employee (including a spouse, child, parent, brother, or sister of that employee as a consequence of above, but does not apply to an insured contract)
- ❖ Pollution
- ❖ Bodily injury/property damage arising out of ownership, maintenance, use, or entrustment of any aircraft, automobile, or watercraft owned or operated by or rented or loaned to any insured (except nonowned watercraft under 26 feet)
- ❖ War
- ❖ Property damage to property that you:
 - ❖ Own, rent, or occupy
 - ❖ Sold, gave away, or abandoned
 - ❖ Have loaned to you
 - ❖ Have in your care, custody, or control
- ❖ Property damage to your product or your work arising out of or any part of it (except coverage is excess for work performed for you by subcontractors)
- ❖ Property damage to impaired property arising from a defect, deficiency, inadequacy, or dangerous condition in "your product or work" or a delay
- ❖ Withdrawal, recall, etc.
- ❖ Contractual (except as provided below):
 - ❖ Lease of premises
 - ❖ Sidetrack agreement
 - ❖ Any other easement, except in connection with construction or demolition operations of or within 50 feet of railroad
 - ❖ Indemnification of a municipality as required by ordinance, except in connection with work for municipality
 - ❖ Elevator maintenance agreement
 - ❖ (TORT LIABILITY) coverage will apply for liability assumed in a contract for a third party. Tort liability is a civil wrong.
- ❖ Nuclear Energy Liability Exclusion

(See NOTE on the following page.)

COMMERCIAL GENERAL LIABILITY

MAJOR EXCLUSIONS:

CONTINUED

Personal Injury

- ❖ Oral and/or written publication—known falsity
- ❖ Prior publication (prior to inception date)
- ❖ Willful violation of statute
- ❖ Contractual

Advertising Injury

- ❖ Breach of contract
- ❖ Failure to conform to advertised quality and/or performance
- ❖ Wrong description of price and/or goods, etc.
- ❖ Any offense if the insured is in the business of advertising, broadcasting, or telecasting

Medical Payments

- ❖ Bodily injury to insured
- ❖ Bodily injury to person hired to work for the insured
- ❖ Bodily injury to a person injured on that part of premises you own or rent that the person normally occupies
- ❖ Workers' compensation
- ❖ Taking place in athletics
- ❖ Exclusions as shown in bodily injury/property damage
- ❖ War
- ❖ In products and/or completed operations hazard

Other

- ❖ Terrorism (unless otherwise provided)
- ❖ Mold, fungi, etc. (unless otherwise provided)
- ❖ EIFS (unless otherwise provided)
- ❖ Silica (unless otherwise provided)
- ❖ Subsidence (unless otherwise provided)
- ❖ Violation of economic and trade sanctions
- ❖ Violation of statutes in connection with sending, transmitting, or communicating any material or information (unless otherwise provided)
- ❖ Asbestos exclusion
- ❖ Exclusion – Engineers, architects, or surveyors professional liability
- ❖ Lead exclusion
- ❖ Condominium/conversion exclusion
- ❖ Daycare exclusion
- ❖ Exclusion – Property entrusted
- ❖ Real estate agents E&O exclusion
- ❖ Designated professional services exclusion
- ❖ Multifamily dwelling or residence conversion exclusion

COMMERCIAL GENERAL LIABILITY

NOTE:

IF your policy is written on the 1996 ISO CGL form, it now requires that, for contractually assumed defense costs to be covered, the contract must specifically state such. Further, such costs are considered “damages” and will be “part of” and not “in addition to” the policy limit **unless** certain very stringent conditions are met, in which case, defense will be “outside the limit.” (See policy wording for a complete description.) The use of additional insured status **should** override this limitation.

The above narrative is intended only as a guideline.
Policy provisions determine coverage.

GENERAL LIABILITY REMUNERATION

The following is intended to provide a brief overview of remuneration as pertains to general liability coverage. For a further explanation, contact your Lockton representative.

REMUNERATION:

Includes

- ❖ Commissions
- ❖ Bonuses
- ❖ Overtime (unless separate records are kept, if not, 2/3 of pay [regular plus overtime] or 1/2 of pay [double-time] is included—except for any code with the letter “F” in which case all payroll is included)
- ❖ Holidays/vacations/sick pay
- ❖ Payment by employer of amounts required by law to be paid by employee to statutory insurance, pension plans, social security, etc.
- ❖ Payment to employees on any basis other than time worked, such as piecework, profit sharing, or incentive plans
- ❖ Allowances for hand and/or power tools provided by employees
- ❖ Market value of accommodations
- ❖ Value of meals as part of pay
- ❖ Value of store certificates, etc., as part of pay
- ❖ Mobile equipment operators and helpers if hired under contract and amount is not known, use 1/3 of total paid out for the hire of the equipment
- ❖ Executive officers, individual insureds, and copartners—subject to payroll limitations/state, excluded if officer is strictly clerical or sales
- ❖ Leased workers—use equitable class; if payroll unknown, use 100% of contract cost
- ❖ Fees to employment agencies for temporary personnel

Excludes

- ❖ Tips and/or gratuities
- ❖ Employer’s payments for group insurance and/or pension plans
- ❖ Special awards for invention or discovery
- ❖ Dismissal or severance pay except accrued work time or vacation
- ❖ Clerical payroll (must work in an area that is physically separated by walls, etc., and with duties limited to keeping books and/or conducting correspondence)
- ❖ Salesmen/collectors/messengers (not delivery)
- ❖ Drivers and helpers
- ❖ Aircraft pilots and copilots
- ❖ Draftsmen (unless assigned to operation hazard of business)

GENERAL LIABILITY REMUNERATION

EXCEPTIONS:

The following represents a brief synopsis of state exceptions to the above. Refer to the state rate pages for complete details.

- ❖ Special awards for invention or discovery—**Louisiana** also excludes voluntary profit-sharing arrangements, etc., when part of a contract of employment.
- ❖ Employee payroll limitation **Louisiana**—\$300/week except stevedoring, which is \$150/week.
- ❖ Executive officers in a clerical or sales capacity—**Vermont** includes payrolls if classification phraseology or footnote requires inclusion.
- ❖ Employee payroll limitation **Washington**—\$600/week.

COMMERCIAL GENERAL LIABILITY

SUBCONTRACTOR WARRANTY:

Many Commercial General Liability policies now contain what is referred to as "Subcontractor Warranties." Essentially, coverage is precluded or an additional premium is assessed against the insured if the insured fails to comply with its "warranty" that all subcontractors working for the insured will carry minimally acceptable insurance (as dictated by the insured or insurer) and will have provided the insured with additional insured status under the subcontractor's liability policy and the subcontractor has provided an enforceable contractual indemnity to the insured. Refer to your policy for complete terms and conditions.

ATTACHED PRODUCT:

Many Commercial General Liability policies now contain what are known as "attached work" exclusions. Essentially, coverage is precluded for any residential construction of the "attached nature." While this exclusion generally applies to "for sale" multifamily residential work of the "town home or condominium" nature, some of these exclusions also preclude claims from "not for sale" multifamily residential housing, such as apartments. Also, different policies define the terms "attached product," "attached work," "condominium," "town home," and "multifamily" housing in different manners. Refer to your policy for complete terms and conditions.

RESIDENTIAL WORK:

Some Commercial General Liability policies contain "Residential Work" exclusions. These exclusions preclude coverage for continuing any completed products/operations losses and premises liability losses occurring in connection with the insured's performance of residential contracting, as opposed to commercial industrial contracting, work.

SUBSIDENCE:

Many Commercial General Liability policies contain what are referred to as "Subsidence" exclusions. Essentially, these exclusions preclude coverage for losses arising in whole or in part from "subsidence." Different policies contain different definitions of "subsidence," but most policies broadly define the term to exclude claims arising from any type of earth movement, including subsidence, expansion, shifting, sinking, heaving, and consolidation. Some policies cover earth movement-related claims but provide sublimits (lesser amounts) to cover these claims. Refer to your policy for complete terms and conditions.

COMMERCIAL GENERAL LIABILITY

OTHER INSURANCE:

Standard Commercial General Liability policies contain provisions referred to as “other insurance” clauses. When multiple policies could respond to a claim, in the absence of the insured possessing a separate endorsement providing that another party’s insurance will be “primary” and the insured’s policy will be “noncontributing” to that claim, usually both policies will respond to the claim. However, today, many Commercial General Liability policies contain supplemental “other insurance” endorsements, which provide that when other insurance is available to the insured (for example, because of the insured’s status as an additional insured under a subcontractor policy), the insured’s own policy acts as an excess policy and has no duty to indemnify or defend the insured until the insured has exhausted all other insurance available to it. Refer to your policy for complete terms and conditions.

PRIOR WORK:

Some Commercial General Liability policies being written today contain exclusions for claims arising from contracting operations performed prior to the policy period. Some of these exclusions limit the exclusion to prior operations in specific states/projects. The insured may wish to consider purchasing a Discontinued Operations or “tail” Liability policy to cover these exposures. Refer to your policy for complete terms and conditions.

SPECIFIED PREMISES/ OPERATIONS:

Subject to the policy period and coverage territory set forth in the policy, most Commercial General Liability policies provide coverage for Liability occurrences involving the insured’s premises and operations, wherever located. However, some General Liability policies today are written on what is referred to as a “specified premise” or “specified project” basis. If your policy is written on this basis, coverage for Liability arising from your other premises/operations will not be covered. Refer to your policy for complete terms and conditions.

GROSS SALES

The following is intended to provide a brief overview of sales as pertains to general liability coverage. For a further explanation, contact your Lockton representative.

INCLUDES:

- ❖ Foreign exchange discounts
- ❖ Freight allowance to customers
- ❖ Total sales of consigned goods and warehouse receipts
- ❖ Trade or cash discounts
- ❖ Bad debts
- ❖ Repossession of items sold on installments (amount actually collected)

EXCLUDES:

- ❖ Sales or excise taxes that are collected and submitted to a governmental division
- ❖ Credits for repossessed merchandise and products returned
- ❖ Allowances for damaged and spoiled goods
- ❖ Finance charges for items sold on installments
- ❖ Freight charges on sales if freight is charged as a separate item on customer's invoice
- ❖ Royalty income from patent rights or copyrights that are not product sales
- ❖ Rental receipts for products liability coverage only (not excluded in Puerto Rico)



SECTION 8
UMBRELLA LIABILITY

UMBRELLA

INSURER: National Union Fire Insurance Company

(Best's Rating: A XV)

- Admitted Carrier
- Nonadmitted Carrier
Surplus Lines Tax

POLICY NUMBER: BE017492470

POLICY TERM: December 1, 2008 to December 1, 2009

LIMITS: Each Occurrence—Combined Bodily Injury and
Property Damage \$ 10,000,000
Annual Aggregate (General) \$ 10,000,000
Annual Aggregate (Products)..... \$ 10,000,000

**SELF-INSURED
RETENTION:** None

**UNDERLYING
INSURANCE:**

- General Liability Policy # PHPK367109
Bodily Injury and Property Damage Combined Single Limit:
Each Occurrence \$ 1,000,000
General Aggregate \$ 2,000,000
Products Aggregate \$ 2,000,000
Hired and Nonowned Auto \$ 1,000,000
- Automobile Liability Policy # _____
Bodily Injury and Property Damage Combined Single Limit:
Each Accident Not Covered
- Employer's Liability Policy # _____
Bodily Injury by Accident—Each Accident..... Not Covered
Bodily Injury by Disease—Policy Limit..... Not Covered
Bodily Injury by Disease—Each Employee..... Not Covered
- Employee Benefit Liability (claims made)..... Policy # PHPK367109
Per Person..... \$ 1,000,000
Aggregate..... \$ 2,000,000
- Foreign Liability..... Policy # _____
General Liability—Aggregate Not Covered
Automobile Liability—Aggregate Not Covered
Employer's Liability—Aggregate Not Covered

Coverage does not apply unless a "✓" appears in the box.

UMBRELLA

UNDERLYING INSURANCE:

CONTINUED

- Liquor.....Policy # _____
 - Each Occurrence Not Covered
 - Aggregate..... Not Covered

- Other.....Policy # _____
 - Stop Gap—Aggregate..... Not Covered
 - Nonowned Aircraft—Aggregate..... Not Covered
 - Underground Storage Tanks—Aggregate Not Covered
 - Watercraft Liability—Aggregate..... Not Covered
 - Drive Other Car
 - Individual Named Insured
 - Employee as Lessor
 - FELA—Aggregate..... Not Covered
 - Maritime (Jones Act)—Aggregate..... Not Covered

MAJOR EXCLUSIONS:

(Refer to the policy for a complete list.)

- ❖ Damage to real or personal property in the care, custody, or control of the insured
- ❖ Aircraft products and/or operations
- ❖ Discrimination
- ❖ Watercraft
- ❖ ERISA
- ❖ Asbestosis and/or asbestos
- ❖ Pollution
- ❖ Uninsured motorist
- ❖ Punitive damages
- ❖ Fellow employee suits
- ❖ Foreign (unless scheduled as underlying)
- ❖ Employee benefit liability (unless scheduled as underlying)
- ❖ Terrorism (unless otherwise provided)
- ❖ Mold, fungi, etc. (unless specifically covered)
- ❖ Silica (unless otherwise provided)
- ❖ Subsidence (unless otherwise provided)
- ❖ Violation of economic and trade sanctions
- ❖ Violation of statutes in connection with sending, transmitting, or communicating any material or information (unless otherwise provided)

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UMBRELLA

DEFENSE:

- Inside the limit of liability
- Outside the limit of liability

FORM:

- Pay on behalf
- Indemnity

OPTIONS:

- Per job endorsement
- Worldwide territory
- Broadened definition of bodily injury
- Pollution exclusion modified to cover:
 - Hostile fire
 - Products
 - Contractors site (limited coverage—refer to the policy for a complete description)
 - Upset and/or overturn
 - Building heating equipment
 - Pesticide or herbicide applicator
- Broad knowledge of occurrence
- Unintentional errors and omissions
- Waiver of subrogation (as per written contract and where allowed by law)
 - Preloss wording
 - Blanket wording
- Blanket additional insured (as per written contract)

NOTE:

Higher limits may be available on request.

**ESTIMATED
ANNUAL PREMIUM:**

- See Premium Summary
- Minimum and deposit apply
 - Minimum earned premium applies

Coverage does not apply unless a “✓” appears in the box.