PREMISES LIABILITY INSURANCE

INTRODUCTION

We encourage you to read the entire policy. Words in bold print, other than titles and headings, have the meaning given them in the DEFINITIONS section.

REPRESENTATIONS

By accepting this policy you agree that:

1. The statements on the Declarations Page are accurate and complete.
2. Those statements are based upon representations you made to us.
3. We have issued this policy in reliance upon your representations.

CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy shall be void if any insured, whether before or after a loss, has intentionally concealed or misrepresented any material fact or circumstance or made false statements or engaged in fraudulent conduct relating to this insurance.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and your compliance with all provisions of this policy including endorsements.
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COVERAGE GRANT

**We** will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies.

This insurance applies only to **bodily injury** or **property damage**:

1. that occurs during the policy period; and
2. that is caused by an **occurrence** which takes place at or arises from the ownership, maintenance or use of premises described on the Declarations Page.

**We** have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

1. The amount **we** will pay for damages is limited as described in the section titled LIMITS OF INSURANCE in the CONDITIONS section of this form.
2. **Our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under the SUPPLEMENTARY PAYMENTS section below.

SUPPLEMENTARY PAYMENTS

With respect to any claim or suit **we** defend under Premises Liability Coverage, **we** will pay, in addition to the limit of insurance shown on the Declarations Page:

1. All expenses **we** incur.
2. The premium for bonds to release attachments but only for bond amounts within the Premises Liability limit of insurance shown on the Declarations Page. **We** do not have to furnish or obtain these bonds.
3. All reasonable expenses incurred by the **insured** at **our** request to assist **us** in the investigation or defense of a claim or suit including actual loss of earnings of up to $250 a day because of time off from work.
4. All costs taxed against the **insured** in the suit.
5. Pre-judgement interest awarded against the **insured** on that part of the judgement **we** pay. If **we** make an offer to pay the applicable limit of insurance, **we** will not pay any pre-judgement interest based on that period of time after the offer.
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6. All interest on the full amount of any judgement that accrues after entry of the judgement and before we have paid, offered to pay, or deposited in court the part of the judgement that is within the applicable limit of insurance.

EXCLUSIONS

This insurance does not apply to:

1. Bodily injury or property damage expected or intended from the standpoint of any insured. This exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.

2. Bodily injury or property damage arising out of any contract other than an insured contract.

3. Bodily injury or property damage arising out of any premises owned, rented or controlled by any insured other than premises described on the Declarations Page.

4. Any obligation of any insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

5. Bodily injury to:
   a. An employee of any insured arising out of and in the course of employment by any insured.
   b. The spouse, child, parent, brother or sister of an employee as a consequence of an injury to that employee.

   This exclusion applies whether any insured may be liable as an employer or in any other capacity and applies to any obligation to share damages with or repay someone else who must pay damages because of the injury. This exclusion does not apply to liability assumed by you under an insured contract.

6. Bodily injury or property damage arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of pollutants. This exclusion does not apply to bodily injury or property damage caused by heat, smoke or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

7. Any loss, cost or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

8. Bodily injury or property damage arising out of the ownership, operation,
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maintenance, use or entrustment to others of any aircraft, auto or watercraft owned or operated by or rented or loaned to any insured. Use includes loading or unloading. This exclusion does not apply to watercraft while ashore at a premises described on the Declarations Page.

9. **Bodily injury** or **property damage** as set forth in the NUCLEAR EXCLUSION in the CONDITIONS section.

10. **Bodily injury** or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

11. **Bodily injury** or **property damage** due to rendering or failure to render by any person any professional service.

12. **Bodily injury** or **property damage** which occurs away from a premises described on the Declarations Page and which arises out of your **products**.

13. **Bodily injury** or **property damage** which occurs away from a premises described on the Declarations Page and which arises out of your **work**.

14. **Bodily injury** or **property damage** arising out of any business activity other than the ownership, maintenance or use of premises described on the Declarations Page.

15. **Property damage** to:
   a. Property you own, rent or occupy.
   b. Property loaned to you.
   c. Personal property in the care, custody or control of any insured.
   d. Premises you have sold, given away or abandoned if the property damage arises out of any part of those premises.
   e. Work performed for any insured including materials furnished in connection with that work.

16. Any amount payable by any insured to others as a result of a judgement for punitive or exemplary damages against any insured.

17. **Bodily injury** or **property damage** sustained by any insured.

18. **Bodily injury** or **property damage** arising out of fraud committed by any insured.

19. **Bodily injury** or **property damage** arising out of a willful act of any insured.

20. **Bodily injury** or **property damage** arising out of willful violation of a penal statute or ordinance committed by or with the consent of any insured.

21. **Bodily injury** arising out of communicable disease of any kind transmitted by any insured including sexually transmitted disease.
22. **Bodily injury** arising out of sexual molestation, corporal punishment or abuse.

23. **Bodily injury** to:
   a. A person arising out of any:
      (1) Refusal to employ that person; or
      (2) Termination of that person’s employment; or
      (3) Employment related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, humiliation, discrimination directed at a person; or
   b. The spouse, child, parent, brother or sister of that person as a consequence of **bodily injury** to that person at whom any of the employment related practices described in (1), (2) or (3) above is directed.

This exclusion applies whether the **insured** may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages because of the injury.

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**MEDICAL PAYMENTS**

*We* will pay medical and funeral expenses which result from **bodily injury** caused by an **accident** provided that:

1. the **accident** takes place during the policy period; and
2. the **accident** takes place at a premises described on the Declarations Page; and
3. the expenses are incurred and reported to *us* within one (1) year of the date of the **accident**; and
4. the injured person submits to examination, at our expense, by physicians of our choice as often as we require.

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**EXCLUSIONS**

This insurance does not apply to **bodily injury** to any person:

1. **Who is an insured.**
2. **Hired to do work for or on behalf of any insured.**
3. **Who is a tenant or an employee of a tenant of any insured.**
4. **Who is an employee of any insured, if benefits for the bodily injury are payable or must be provided under a workers compensation or disability benefits law or a similar law.**
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5. Who is injured while taking part in athletics.

6. Who is injured due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

7. To whom the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement other than an insured contract.

8. Whose injuries arise out of the rendering or failure to render any professional service.

9. Whose injuries arise out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft owned or operated by or rented or loaned to any insured. Use includes loading or unloading.

10. Whose injuries arise out of any business activities conducted by any insured other than the ownership or management of premises described on the Declarations Page.

11. Whose injuries arise from the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of pollutants at or from a premises described on the Declarations Page.

12. Who suffers bodily injury from any cause set forth in the NUCLEAR EXCLUSION of the CONDITIONS section of this form.

CONDITIONS

LIMITS OF INSURANCE

1. Each Occurrence

The most we will pay for the sum of all damages to which this insurance applies as a result of any one occurrence is the Premises Liability limit shown on the Declarations Page regardless of the number of:

a. Insureds.
b. Claims made or suits brought.
c. Persons or organizations making claims or bringing suits.
d. Policies issued by us to any insured. If such other policies exist, the maximum limit of this Company's liability shall not exceed the highest limit set forth in any one such policy.
e. Coverages applicable to any occurrence.
CONDITIONS

2. **All Occurrences**

   The most **we** will pay for all damages to which this insurance applies, regardless of the number of **occurrences** that take place during any consecutive policy period of twelve (12) months or less, is the annual aggregate limit for Premises Liability shown on the Declarations Page. This annual aggregate limit of insurance applies separately to each premises described on the Declarations Page.

   With respect to items 1. and 2. above all **bodily injury** or **property damage** resulting from any one **accident** including continuous or repeated exposure to the same harmful conditions shall be considered to be the result of one **occurrence**.

3. The most **we** will pay for medical and funeral expenses as provided under PREMISES MEDICAL PAYMENTS COVERAGE for any one **accident** is the Premises Medical Payments limit shown on the Declarations Page.

YOUR DUTIES IN THE EVENT OF AN OCCURRENCE, CLAIM OR SUIT

1. **You** must promptly notify **us** of an incident or event that may result in a claim. Notice should include:
   a. How, when and where the incident or event took place.
   b. The names and addresses of any injured person and witness.

2. If a claim is made or suit is brought against any **insured**, **we** must be promptly notified in writing and **you** and any other involved **insured** must:
   a. Immediately send **us** copies of any demands, notices, summonses and other legal papers received in connection with the claim or suit.
   b. Authorize **us** to obtain records and other information.
   c. Cooperate with **us** in the investigation, settlement or defense of the claim or suit.
   d. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization that may be liable to any **insured** because of injury or damage to which this insurance may also apply.

3. No **insured** may, except at the **insured's** own cost, make a payment, assume any obligation or incur any expense, other than for first aid and as may be provided for under SUPPLEMENTARY PAYMENTS, without **our** consent.

OTHER INSURANCE

The insurance provided by this policy is excess over any other insurance except insurance specifically written to cover as excess over the limits of this policy. **We** have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, **we** will undertake to do so but **we** will be entitled to the **insured's** rights against any such other insurers.
CONDITIONS

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If the insured has rights to recover all or part of any payment we have made under this policy, those rights shall be transferred to us. The insured must do nothing to impair said rights. At our request, the insured must help us to enforce them. This condition does not apply to PREMISES MEDICAL PAYMENTS COVERAGE.

TRANSFER OF YOUR RIGHTS AND DUTIES

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.

BANKRUPTCY

Bankruptcy or insolvency of any insured or any insured's estate will not relieve us of our obligations.

LEGAL ACTION AGAINST US

1. No person or organization has a right under this policy:
   a. To join us as a party or otherwise bring us into a suit asking for damages from any insured.
   b. To sue us on this policy unless all of its terms have been fully complied with.

2. A person or organization may sue us to recover on an agreed settlement or on a final judgment against any insured obtained after an actual trial but we will not be liable for damages that are not payable under the terms of this policy. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

SEPARATION OF INSUREDS

Except with respect to the Limits of Insurance, this insurance applies separately to each insured against whom claim is made or suit is brought.
NUCLEAR EXCLUSION

This policy does not apply:

1. Under any Liability Coverage, to **bodily injury** or **property damage**:
   
a. With respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
   
b. Resulting from the hazardous properties of nuclear material and with respect to which:
      
      (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
      
      (2) The **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. Under Medical Payments Coverage, to expenses incurred with respect to **bodily injury** resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

3. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the hazardous properties of nuclear material; if:
   
a. The nuclear material is at any nuclear facility owned by, or operated by or on behalf of an **insured**; or
   
b. The nuclear material has been discharged or dispersed therefrom; or
   
c. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
   
d. The **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion d. applies only to **property damage** to such nuclear facility and any property thereat.
CONDITIONS

As used in this exclusion:

1. By-product material has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.

2. Hazardous properties include radioactive, toxic or explosive properties.

3. Nuclear facility means:
   a. Any nuclear reactor.
   b. Any equipment or device designed or used for:
      (1) Separating the isotopes of uranium or plutonium; or
      (2) Processing or utilizing spent fuel; or
      (3) Handling, processing or packaging waste.
   c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.
   d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste.

And includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

4. Nuclear material means source material, special nuclear material or by-product material.

5. Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

6. Property damage includes all forms of radioactive contamination of property.

7. Source material has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.

8. Special nuclear material has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof.

9. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

10. Waste means any waste material:
    a. Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
    b. Resulting from the operation by any person or organization of any nuclear facility included under Paragraphs a. and b. of the definition of nuclear facility.
CONDITIONS

CANCELLATION AND NON-RENEWAL

1. **You** may cancel this policy at any time by returning it to **us** or by notifying **us** in writing of the date cancellation is to take effect.

2. When this policy has been in effect for sixty (60) days or less and is not a renewal with **us**, **we** may cancel this policy for:
   a. non-payment of premium by giving **you** fifteen (15) days written notice; or
   b. any other reason by giving **you** thirty (30) days written notice.

3. When this policy has been in effect for more than sixty (60) days, or at any time if it is a renewal with **us**, **we** may cancel this policy for:
   a. non-payment of premium by giving **you** fifteen (15) days written notice; or
   b. 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 by giving **you** thirty (30) days written notice.

   Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

4. **We** may non-renew this policy for any reason by giving **you** at least sixty (60) days, but not more than one hundred twenty (120) days, written notice to be effective at the next anniversary or expiration date of the policy whichever is first.

   **We** will also mail such notice of cancellation or non-renewal to each mortgagee or other person or entity shown on this policy to have an insurable interest.

   **We** will state the reason for cancellation or non-renewal on the written notice.

WAIVER OR CHANGE OF POLICY CONDITIONS

This policy contains all the agreements between **you** and **us** concerning this insurance. A waiver or change of any provision of this policy must be in writing by **us** to be valid.
DEFINITIONS

Words which appear in bold print, other than titles and headings, have the meaning given them in this section.

1. **Accident** means an undesigned, unexpected and rapidly occurring event.

2. **Auto** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.

3. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or similar document.

5. **Insured** means:
   a. An individual shown on the Declarations Page and his or her spouse.
   b. A partnership or joint venture shown on the Declarations Page and its partners or joint ventures and their spouses.
   c. A trust shown on the Declarations Page and its trustees, trustors and beneficiaries.
   d. A limited liability company shown on the Declarations Page and its members and managers.
   e. Any organization, other than a partnership, joint venture, trust or limited liability company shown on the Declarations Page and its executive officers and stockholders.
   f. **Your** employees, but only for acts within the scope of their employment by you in connection with the ownership, maintenance or use of premises described on the Declarations Page.
   g. Any person or organization while acting as **your** real estate manager for a premises described on the Declarations Page.
   h. Any person or organization having lawful, temporary custody of **your** property if you die.
   i. **Your** legal representative if you die but only with respect to duties as such. That representative will have all **your** rights and duties under this policy.

The following is not an **insured**:

Any person or organization for the conduct of any current or past partnership, joint venture or limited liability company that is not shown on the Declarations Page.

6. **Insured contract** means that part of any written contract pertaining to the ownership, maintenance or use of premises described on the Declarations Page under which you assume the tort liability of another to pay damages because of bodily injury or property damage to which this insurance applies to a third person or organization if the contract is made prior to the bodily injury or property damage.
DEFINITIONS

An insured contract does not include:

a. A contract or agreement that indemnifies an architect, engineer or surveyor for injury or damage arising out of the work or work product or the failure to perform of any of them.

b. A contract or agreement for the construction, repair or renovation of any structure.

c. A contract or agreement that pertains to the loan, lease or rental of an auto.

d. A contract with any other insured.

7. Occurrence means an accident. An accident includes continuous or repeated exposure to the same harmful conditions.

8. Our refers to the Company providing this insurance.

9. Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

10. Professional service means service or work which is or which is required to be provided or executed pursuant to a license.

11. Property damage means:

a. Physical injury to tangible property including resulting loss of use of that property.

b. Loss of use of tangible property that is not physically injured.

12. Us refers to the Company providing this insurance.

13. We refers to the Company providing this insurance.

14. You and your refer to the person or entity shown on the Declarations Page as an insured.

15. Your products means:

a. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) you; or

(2) others trading under your name; or

(3) a person or organization whose business or assets you have acquired; and

b. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products; and

Your products includes:

a. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product; and

b. the providing of or failure to provide warnings or instructions.
16. **Your work** means:
   a. work or operations performed by you or on your behalf; and
   b. materials, parts or equipment furnished in connection with such work or operations.

**Your work** includes:
   a. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work; and
   b. the providing of or failure to provide warnings or instructions.