

Speciality Policy

Thank you for choosing
The Hanover
for your Business
Insurance needs.

Insured Copy

The
Hanover
Insurance Group®



**COMMERCIAL LINES POLICY
COMMON DECLARATIONS
COMMERCIAL MARINE**

IHD H862282 01

Renewal of Number

Coverage is provided in the: HANOVER INSURANCE COMPANY 440 LINCOLN STREET WORCESTER, MASSACHUSETTS 01653				
POLICY NUMBER		POLICY PERIOD		AGENCY CODE
		FROM	TO	
IHD H862282 02		12/10/2023	12/10/2024	1602346
				AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ON THE COMMON DECLARATION.
NAMED INSURED AND MAILING ADDRESS			AGENT	
(Street, Town or City, County, State, Zip Code) CEDAR BEND RV PARK LLC 1220 CR 321 BERTRAM, TX 78605			RISK PLACEMENT SERVICES AGENCY, LLC DBA TAGA 1620 LA JAITA DR STE 300 CEDAR PARK, TX 78613	

DESCRIPTION OF BUSINESS
 Individual Corporation Partnership Joint Venture Other:
 Business Description: CONTRACTOR'S EQUIPMENT

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S) FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
• Commercial Property Coverage Part	\$ _____
• Commercial Crime Coverage Part	\$ _____
• Commercial Inland Marine Coverage Part.....	\$652.00
• Boiler and Machinery Coverage Part	\$ _____
• Ocean Marine	\$ _____
• Terrorism	_____

PREMIUM <input checked="" type="checkbox"/> The total premium of \$652.00 is due at inception <input checked="" type="checkbox"/> The total premium includes a deposit premium subject to adjustment	PAYMENT PLAN: Agency Bill/Full Paid
--	--

See list of Form (s) and Endorsement(s) applicable to all Coverage Part(s) and made a part of this policy at time of issue.

Countersigned:

By _____
 Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PARTS COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Includes copyrighted material of Insurance Services Office, Inc., with permission, Copyright, Insurance Services Office, Inc., 1983, 1984

FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS AND MADE A PART OF THIS POLICY AT TIME OF ISSUE

Form Number	Edition Date	Form Name
Common Forms applicable to All Coverages		
IM 201	05-08	Commercial Marine - Reporting Claims
IM441-1633	05-22	CONTRACTORS EQUIPMENT IMPORTANT NOTICE TO POLICYHOLDERS
231-0862	12-14	Customer Notice Of Privacy And Producer Compensation Practices Disclosures
401-1122	11-22	Texas Policyholder Notice Important Notice
IM441 1486	06-17	Loss Payable Provisions
IM441-1045	01-12	Minimum Earned Premium
401-1126	01-15	Notice - Rejection Of Terrorism Coverage and Disclosure of Premium
401-1374	01-15	Disclosure Pursuant To Terrorism Risk Insurance Act
CL 06 10	01-15	Certified Act of Terrorism Exclusion
CL 07 00	10-06	Virus OR Bacteria Exclusion
CM 00 01	09-04	Commercial Inland Marine Conditions
CM 01 12	09-13	Texas Changes
IL 00 17	11-98	Common Policy Conditions
IL 01 71	09-07	Texas Changes - Loss Payment
IL 02 88	12-19	Texas Changes - Cancellation And Nonrenewal
401-1337	02-16	Trade Or Economic Sanctions Endorsement
401-1377	06-20	Company Address Listing
SIG 11 00	11-17	Signature Page
Contractor's Equipment Forms		
IM441-1476	06-17	Contractor's Equipment Schedule Of Coverages
IM441-1471	12-16	Contractors Equipment Coverage



Commercial Marine REPORTING CLAIMS

In the event of a claim losses must be reported by the insured or agent immediately through our National Claims Reporting Line @ 1-800-628-0250.

The caller then presses 2. This delivers the call to our Customer Care Team. Our representative will take the loss report and assign an adjuster.

Losses can also be faxed to us @ 1-800-399-4734.

CONTRACTORS EQUIPMENT IMPORTANT NOTICE TO POLICYHOLDERS

THIS DISCLOSURE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

This policy is subject to Annual Reporting and Adjustment.

We cover any "Contractor's Equipment" that is listed on the most recent "Report of Scheduled Equipment" provided to us by your agent. Additionally, this policy provides coverage for any "Contractor's Equipment" you acquire during the policy period up to the Newly Acquired Contractor's Equipment Limit of Insurance shown on the Contractor's Equipment Schedule of Coverages (Form IM441-1476). At the end of the policy period, you are required to provide us with an updated "Report of Scheduled Equipment", reflecting all additions and deletions made during the policy period. In the event of a loss occurring between the end of the expiring policy period and receipt of the updated Report of Scheduled Equipment, we will adjust the loss based on the Limits of Insurance indicated in the most recent Report of Scheduled Equipment on file with the company as of the date of loss.

If you own any "Contractor's Equipment" prior to the effective date of this policy and it is not listed on the most recent "Report of Scheduled Equipment" on file with us, you must send us an updated "Report of Scheduled Equipment" in order for coverage on this "Contractor's Equipment" to be in effect.

Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures

Privacy Policy Disclosure

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.

There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc. - Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc. - Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

The Hanover Insurance Company

To get information or file a complaint with your insurance company or HMO:

Call: Hanover Compliance Department

Toll-free: 1-800-446-8379

Online: www.Hanover.com

Email: Complaints@hanover.com

Mail: The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

The Hanover Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Llame a: Hanover Compliance Department

Teléfono gratuito: 1-800-446-8379

En línea: www.Hanover.com

Correo electrónico: Complaints@Hanover.com

Dirección postal: The Hanover Insurance Company
440 Lincoln Street
Worcester, MA 01653

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

This endorsement changes your Contractors Equipment
--PLEASE READ THIS CAREFULLY--

LOSS PAYABLE PROVISIONS

SCHEDULE

Location/Covered Property:	Bobcat T64 T4 Track Loader
Loss Payee Name:	PNC EQUIPMENT FINANCE LLC C/O INSURANCE SERVICE CENTER
Loss Payee Address:	PO BOX 979129 MIAMI, FL 33197
Indicate Applicable Provision:	
Loss Payable <input checked="" type="checkbox"/>	Lenders Loss Payable <input type="checkbox"/> Contract of Sale <input type="checkbox"/>

Nothing in this Endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

As indicated on the **Loss Payable Provisions** Schedule above, the following is added to and made part of **E. Valuation** of the **Contractors Equipment Coverage Form**:

A. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the **Loss Payable Provisions** Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for "loss" jointly to you and the Loss Payee, as interests may appear.

B. Lender's Loss Payable Clause

1. The Loss Payee shown on the **Loss Payable Provisions** Schedule is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. A contract for deed;
- b. Bills of Lading;
- c. Warehouse receipts;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and the Loss Payee have an insurable interest:

- a. We will pay for covered "loss" to each Loss Payee in their order of precedence, as interests may appear.

- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Policy, the Loss Payee will still have the right to receive payment if the Loss Payee:
 - (1) Pays any premium due under this Policy if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Policy will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any "Loss" and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy:
 - (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- 3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
- 4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale Clause

- 1. The Loss Payee shown on the Schedule or on the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- 2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- 3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

All other terms, conditions and exclusions of the Policy shall remain unchanged.

IM441-1045 01 12

This endorsement changes
"your" policy
-- PLEASE READ THIS CAREFULLY --

Minimum Earned Premium

(The entries required to complete this endorsement
will be shown below or on the "schedule of coverages".)

In the event of cancellation of this policy or reduction in coverage by "you" the minimum earned premium is \$594.

Minimum earned premium is the minimum premium "we" will retain regardless of the cancellation or amendment date of "your" policy.

If "your" policy includes reporting conditions the cancellation or amendment of the policy does not waive "your" reporting requirements as stated in "your" policy.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

NOTICE – REJECTION OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

Schedule

REJECTION STATEMENT	
You have rejected the offer of terrorism coverage. You understand that an exclusion for certain terrorism losses will be made part of your policy.	
Disclosure of Premium:	
Total Terrorism Premium	\$ 18.00
Fire Following Premium	\$ Not Applicable
Other than Fire Following Premium	\$ 18.00

You have rejected coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) and an exclusion will be included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is described as Fire Following Premium in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 18.00
Fire Following Premium	\$ Not Applicable
Other than Fire Following Premium	\$ 18.00

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from “acts of terrorism” defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been 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.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

Rejection of Terrorism Insurance Coverage

- I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

Hanover Insurance

Insurance Company

IHD H862282 02

Quote or Policy Number

CONTRACTOR'S EQUIPMENT SCHEDULE OF COVERAGES**Covered Property:****A. Scheduled Contractor's Equipment**

See "Report of Scheduled Equipment" totaling:

\$ 76,218**B. Your Unscheduled Contractor's Equipment**

Your Unscheduled Contractor's Equipment Limit of Insurance:

\$ NOT COVERED

Your Unscheduled Contractor's Equipment Maximum Limit Per Any One Item:

\$ NOT COVERED**C. Newly Acquired Contractor's Equipment**

Maximum Limit Per Any One Item:

\$ 500,000**Additional Coverages:****Business Personal Property**\$ 25,000**Continuing Rental or Lease Expense**\$ 25,000**Contract Penalty**\$ 25,000**Debris Removal**25% of the limit, up to additional \$75,000**Employee Tools and Work Clothing**\$ 10,000

any one occurrence

\$ 1,000

any one item

Engine Emissions Green Coverage\$ 5,000

any one occurrence

\$ 10,000

any one policy period

Equipment Borrowed From Others\$ 50,000**Equipment Leased and Rented From Others**\$ 50,000**Equipment Leased or Rented To Others**\$ 25,000**Equipment Loaned To Others**\$ 25,000**Expediting Expense**\$ 25,000**Extended Warranties**\$ 5,000**False Pretense**\$ 100,000**Fire and Police Department Service Charges**\$ 25,000**Fire Suppression Equipment**\$ 50,000**Hauling Property of Others as a Carrier for Hire**\$ 100,000**Installation or Rigging Property**\$ 25,000

Loss Adjustment Expenses	\$ 5,000
Pollutant Cleanup and Removal	\$ 25,000
Preservation of Property	\$ 5,000
Rental Reimbursement	\$ 10,000
Rental Reimbursement Waiting Period	24 Hours
Reward Payments	\$ 10,000
Spare Parts and Fuel	\$ 10,000
Theft Prevention Devices Deductible Waiver	\$ 25,000
Waterborne Property	\$ 250,000

Deductible

- Deductible Amount **\$1,000**
- See Multiple Deductible Schedule Endorsement

Valuation

Valuation Options (check one)

- Market Value
- Replacement Cost 5 Year Limitation
- Agreed Amount

Coinsurance

- Waived 80%

Contractor's Equipment Reporting Provisions

Contractor's Equipment Reporting Provisions only apply when indicated by [x].

- Scheduled Contractor's Equipment**

Reporting Rate	\$ 0.856
Deposit Premium	\$ 652
Minimum Premium	\$ 594

Equipment Leased or Rented From Others

Reporting Rate \$ _____

Deposit Premium \$ _____

Minimum Premium \$ _____

Equipment Leased or Rented To Others

Reporting Rate \$ _____

Deposit Premium \$ _____

Minimum Premium \$ _____

Installation or Rigging Property

Reporting Rate \$ _____

Deposit Premium \$ _____

Minimum Premium \$ _____

Other Terms and Conditions:

CERTIFIED ACT OF TERRORISM EXCLUSION

1. The following definition is added.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:

- a. to be an act of terrorism;
- b. to be a violent act or an act that is dangerous to human life, property, or infrastructure;
- c. to have resulted in damage:
 - 1) within the United States; or
 - 2) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
- d. to have been 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; and
- e. to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.

2. The following exclusion is added.

CERTIFIED ACT OF TERRORISM EXCLUSION

"We" will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

3. The following provisions are added.

- a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion; and
- b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
 - 1) exclusions that address war, military action, or nuclear hazard; or
 - 2) any other exclusion.

CL 0610 01 15

VIRUS OR BACTERIA EXCLUSION

DEFINITIONS

Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
 - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

OTHER CONDITIONS

Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

COMMERCIAL INLAND MARINE CONDITIONS

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 we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is 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.
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 any 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.

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. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

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

10. 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.

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.

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. 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.

I. 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.

J. 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. 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

No one may bring a legal action against us under this Coverage Part unless:

- 1. There has been full compliance with all the terms of this Coverage Part; and
- 2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

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 Declarations; 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

- A. Loss Condition B. Appraisal** in the Commercial Inland Marine Conditions is replaced by the following:
- B. Appraisal**
1. If we and you disagree on the value of the property or the amount of loss, either may make written demand, within 60 days after our receipt of a signed, sworn proof of loss, for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree for 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
 2. If there is an appraisal:
 - a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Inland Marine Condition; and
 - b. We will still retain our right to deny the claim.
- B. Paragraph 8.** of Loss Condition **C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions is replaced by the following:
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.
- C. Paragraph 2.** of General Condition **C. Legal Action Against Us** in the Commercial Inland Marine Conditions is replaced by the following:
2. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
- D. Paragraphs A.5.a.** and **A.5.b.** of the **Coverage Extensions** and Section **F. Definitions** in the Equipment Dealers Coverage Form are deleted.

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. 30 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.

TEXAS CHANGES – LOSS PAYMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART

A. Loss Payment

1. With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
2. With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item **E. Loss Payment** in the Commercial Inland Marine Loss Conditions:

a. Claims Handling

- (1) Within 15 days after we receive written notice of claim, we will:
 - (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
 - (b) Begin any investigation of the claim; and
 - (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

- (2) We will notify you in writing as to whether:

- (a) The claim or part of the claim will be paid;
- (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (c) More information is necessary; or
- (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in (2)(a) through (2)(d) above, within:

- (i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

b. We will pay for covered loss or damage within 5 business days after:

- (1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **a.** and **b.** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

- (1) Declared a disaster under the Texas Disaster Act of 1975; or
- (2) Determined to be a catastrophe by the State Board of Insurance.

d. The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

B. With respect to the Commercial Inland Marine Coverage Part the following is added:

We will not be liable for any part of a "loss" that has been paid or made good by others.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

- A.** Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.
- B.** The following is added to the **Cancellation** Common Policy Condition:
7. If this policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
 8. If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
 - a. Fraud in obtaining coverage;
 - b. Failure to pay premiums when due;
 - c. An increase in hazard within the control of the insured which would produce an increase in rate;
 - d. Loss of our reinsurance covering all or part of the risk covered by the policy; or
 - e. If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
- C.** The following condition is added:
- Nonrenewal**
1. We may elect not to renew this policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.
 2. If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, not later than the 60th day before the expiration date. If notice is mailed or delivered later than the 60th day before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's rate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

Allmerica Financial Alliance Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

The Hanover American Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Allmerica Financial Benefit Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

The Hanover Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Campmed Casualty & Indemnity Company, Inc.

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

The Hanover Casualty Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of America

(A Stock Company)
808 North Highlander Way
Howell, MI 48843-1070

Massachusetts Bay Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of Illinois

(A Stock Company)
333 West Pierce Road, Suite 300
Itasca, IL 60143-3114

The Hanover New Jersey Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of the Midwest

(A Stock Company)
9229 Delegates Row, Suite 100
Indianapolis, IN 46240-3824

Verlan Fire Insurance Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

Citizens Insurance Company of Ohio

(A Stock Company)
4400 Easton Commons Way, Suite 125
Columbus, OH 43219-6223

Nova Casualty Company

(A Stock Company)
440 Lincoln Street
Worcester, MA 01653-0002

CONTRACTOR'S EQUIPMENT COVERAGE

Various provisions in this policy restrict coverage. Please read this policy carefully to determine rights, duties and to determine what is and what is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown on the Declarations. The words "we", "us", and "ours" refer to the Company providing the insurance.

Other words and phrases used in this Coverage Form have special meanings. These words or phrases will be shown within quotation marks. Refer to Section **H. DEFINITIONS** to determine these special meanings.

A. COVERAGE

We will pay for direct physical "Loss" to Covered Property from any of the Covered Causes of Loss unless the "Loss" is excluded or subject to limitations.

1. Covered Property – When a Limit of Insurance is indicated on the Contractor's Equipment "Schedule of Coverages," Covered Property includes:

- a. Scheduled Contractor's Equipment, meaning: "Contractor's Equipment" owned by you, or owned by others in your care, custody, or control which is shown on your "Report of Scheduled Equipment".
- b. Unscheduled Contractor's Equipment, meaning: your "Contractor's Equipment" which is not shown on your "Report of Scheduled Equipment".
- c. Newly Acquired Contractor's Equipment, meaning: "Contractor's Equipment" acquired by you at the earlier of the following:
 - 1) The inception of this Policy period; or
 - 2) The date the "Report of Scheduled Equipment" was received.

2. Property Not Covered -- As used in this Coverage Form, Covered Property does not mean:

- a. Aircraft or watercraft;
- b. Contraband or property in the course of illegal transportation or trade;
- c. Property underground or beneath the surface of the earth. However, this only applies to mining operations;
- d. Automobiles, motor trucks, trailers, and other vehicles licensed for use on public roads. However, we do cover:
 - 1) Self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - 2) Motor trucks, tractors, trailers and similar vehicles that are not licensed and not operated on public roads.
- e. Property while "Waterborne", except while in the custody of a carrier for hire;
- f. Employees' tools and work clothing;
- g. Property loaned, leased or rented to others;

- h. Accounts, bills, currency, deeds, evidences of debt, manuscripts, money, notes, securities, stamps or tickets;
- i. "Valuable Papers and Records";
- j. Property of others that you are transporting as a carrier for hire; or
- k. Any property which is listed on the "Report of Scheduled Equipment" without a specific Limit or with a limit of \$0.

3. Additional Coverages

This Coverage Form includes the following Additional Coverages. The limits indicated apply unless a different Limit of Insurance is shown on the Contractor's Equipment "Schedule of Coverages". If a different Limit of Insurance is shown, then that limit will apply.

Unless we indicate to the contrary, limits provided by the Additional Coverages below are in addition to the applicable Limit of Insurance.

a. Additional Coverage -- Business Personal Property

We will pay for covered "Loss" to your "Business Personal Property".

We will not cover "Business Personal Property" that is covered under other insurance.

The most we pay in any one occurrence is \$25,000.

This Limit of Insurance cannot be combined with the Additional Coverage applicable to Installation or Rigging Property.

The valuation provision for this Additional Coverage is Replacement Cost.

b. Additional Coverage -- Continuing Rental or Lease Expense

If Covered Property that you have leased or rented from others sustains covered "Loss", we will pay the reasonable continuing rental or lease charges you incur provided you are required to do so as a result of a written contract executed by you and the lessor prior to "Loss". Any continuing rental or lease charges we pay will end when one of the following first occurs:

- 1) The property is repaired or replaced;
- 2) The property can be put back to use; or
- 3) The property should reasonably be expected to be repaired or replaced.

The most that we will pay under this Additional Coverage in any one occurrence is \$25,000.

c. Additional Coverage -- Contract Penalty

We will pay to cover the Contract Penalties that you incur.

Contract Penalty means those fees or penalties that you agree to pay as a result of your failure to complete your construction project within the timeframe provided by a written contract of construction executed by you in advance of "Loss". We only cover contract penalties that result

solely from direct physical "Loss" to covered "Contractor's Equipment" caused by or resulting from a Covered Cause of Loss.

The most that we will pay for all "Loss" under this Additional Coverage in any one occurrence or all occurrences at any one construction site is \$25,000.

This is the only coverage that applies to **Contract Penalty**.

d. Additional Coverage -- Debris Removal

Following a covered "Loss", we will pay your expenses to remove debris of property covered by this Coverage Form. The "Loss" must occur during the policy period. We will pay your debris removal expenses only if they are reported to us in writing within 180 days of the date of the direct physical "Loss". The most that we will pay is 25% of the amount that we pay for the direct physical "Loss", prior to the application of the policy deductible. Any payment is included within and will not increase the applicable Limit of Insurance.

However, when the debris removal expense is greater than the amount determined above, or when the sum of debris removal expense and the amount we pay for the direct physical "Loss" to property is greater than the applicable Limit of Insurance, we will pay up to an additional \$75,000 for debris removal expense.

This Additional Coverage does not apply to expenses to:

- 1) Extract "Pollutants" from land or water; or
- 2) Remove, restore or replace polluted land or water.

e. Additional Coverage -- Employee Tools and Work Clothing

We will pay for "Loss" to your employees' tools and work clothing from a Covered Cause of Loss. We only cover your employee tools and work clothing when such property is:

- 1) Located on your premises;
- 2) Located at a construction site at which you are working; or
- 3) In transit in your vehicles to and from your premises or construction site.

This does not include the personal effects of employees.

The most we pay in any one occurrence is \$10,000, but we will not pay more than \$1,000 for any one item.

f. Additional Coverage -- Engine Emissions Green Coverage

In the event that your Covered Property incurs a covered "Loss" that necessitates the replacement of an entire engine, we will pay those additional expenses necessarily incurred that are required to make the equipment compliant with the reduced emissions standards of any applicable governmental entity that enforces or regulates such emissions.

We will only provide this Additional Coverage if:

- 1) Such equipment may be made compliant with emissions standards using parts or equipment manufactured by the equipment manufacturer;
- 2) The retrofit or replacement of such engines, parts or devices is required by a governmental entity due to laws in effect at the time of "Loss"; and
- 3) You actually repair or replace the engine with upgraded emissions controlling components.

This Additional Coverage does not apply if, at the time of "Loss", you previously failed to comply with any applicable governmental law requiring the retrofit or replacement of your equipment engines to make them emissions compliant.

This Additional Coverage does not apply to total losses.

The most that we will pay in any one occurrence is \$5,000 and the most that we will pay in all occurrences in any one policy term is \$10,000.

This is the only coverage that applies to this Additional Coverage.

g. Additional Coverage -- Equipment Borrowed From Others

We will pay for direct physical "Loss" to "Contractor's Equipment" that has been borrowed from others, if caused by or resulting from a Covered Cause of Loss.

The most we will pay for any one item under this Additional Coverage is \$50,000.

h. Additional Coverage -- Equipment Leased or Rented From Others

We will pay for direct physical "Loss" to "Contractor's Equipment" leased or rented from others, if caused by or resulting from a Covered Cause of Loss.

This Additional Coverage does not apply to "Contractor's Equipment" that you have leased or rented from others described on your "Report of Scheduled Equipment".

The most we will pay for any one item under this Additional Coverage is \$50,000.

i. Additional Coverage -- Equipment Leased or Rented to Others

We will pay for direct physical "Loss" to Covered Property owned by you caused by or resulting from a Covered Cause of Loss when such property is leased or rented to others, but we will only

pay if a party other than you is responsible for providing insurance coverage for such property and that party:

1. Fails to obtain the required insurance coverage; or
2. Allows such insurance to lapse or be cancelled.

We will also pay for direct physical "Loss" to Covered Property owned by you caused by or resulting from a Covered Cause of Loss when such property is leased or rented to others when you have agreed to cover that property as a result of a written contract executed by you prior to "Loss".

The most we will pay for any one item under this Additional Coverage is \$25,000.

Additional Coverage -- Debris Removal does not apply to this Additional Coverage.

j. Additional Coverage -- Equipment Loaned to Others

In the event that you loan Covered Property owned by you to others without any payment or other remuneration being due you, we will pay for direct physical "Loss" to that property caused by or resulting from a Covered Cause of Loss while such property is in the care, custody or control of others.

The most we will pay for any one item under this Additional Coverage is \$25,000.

Additional Coverage -- Debris Removal does not apply to this Additional Coverage.

This is the only coverage applicable to Equipment Loaned to Others.

k. Additional Coverage -- Expediting Expense

We will pay for the necessary and reasonable extra costs you incur to make temporary repairs and to expedite the permanent replacement of Covered Property caused by "Loss" due to a Covered Loss. Such expenses may include, but are not limited to, costs to expedite replacement parts or materials, additional labor expense and the extra cost of express freight or other rapid means of transportation.

The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

l. Additional Coverage -- Extended Warranties, Maintenance Contracts and Pre-Paid Service Contracts

We pay the pro-rated cost for the unused portion of non-refundable extended warranties, maintenance contracts or pre-paid service contracts that you purchased applicable to your "Contractor's Equipment", which are no longer valid or usable as a result of direct physical loss to that Covered Property caused by or resulting from a Covered Cause of Loss.

The most we will pay for "Loss" in any one occurrence under this Additional Coverage is \$5,000.

m. Additional Coverage -- False Pretense

We will pay for theft of your Covered Property when you are induced to voluntarily part with title to, or possession of, that property to someone else as a result of a fraudulent scheme, trick, or device.

The exclusion for voluntary parting described in the **EXCLUSIONS** section still applies except to the extent that this Additional Coverage applies.

The most we pay in any one occurrence under this Additional Coverage is \$100,000.

This is the only coverage that applies to False Pretense.

n. Additional Coverage -- Fire and Police Department Service Charges

When the fire or police department is called to save or protect property from a covered "Loss", we will pay up to \$25,000 for your liability for police and fire department service charges which are:

- 1) Assumed by contract or agreement prior to "Loss"; or
- 2) Required by local ordinance.

No deductible applies to this Additional Coverage.

o. Additional Coverage -- Fire Suppression Equipment

If fire protection equipment used to protect property covered by this Coverage Form discharges accidentally or is discharged to control a fire, we will pay for the following actual and necessary expenses you incur to:

- 1) Refill or recharge fire protective systems; or
- 2) Repair or replace faulty controls or valves.

We do not pay any cost or expense caused by, resulting from, or in any way associated with the deliberate discharge of any system or equipment when such discharge occurs solely for the purpose of inspection, testing or maintenance of the fire suppression system(s) or equipment.

The most we will pay in any one occurrence under this Additional Coverage is \$50,000.

No deductible will apply to this Additional Coverage.

p. Additional Coverage -- Hauling Property of Others as a Carrier for Hire

We will pay for direct physical "Loss" caused by or resulting from a Covered Cause of Loss to "Contractor's Equipment" of others, when you are transporting such property as a carrier for hire. We will not pay for "Loss" to property of others that you have leased, rented or borrowed.

The most we pay for "Loss" to any one item is the least of the following:

- 1) The Market Value of the property;
- 2) The cost of repairing or replacing the property with property of similar kind and quality; or
- 3) The amount for which you are legally liable.

The most we will pay in any one occurrence under this Additional Coverage is \$200,000.

q. Additional Coverage -- Installation or Rigging Property

- 1) We cover direct physical "Loss" to property by a Covered Cause of Loss at a construction site where an installation or rigging project has been or will be completed by you. Property, as used in this Additional Coverage, means and is limited to:

- a) Property owned by you and
- b) Property owned by others in your care, custody or control

for the purpose of installation, lifting, lowering or rigging provided such property has been or will be installed, lifted, lowered or rigged by you.

Subject to the Limit of Insurance applicable to this Additional Coverage, we also cover such property in temporary storage or in transit.

The most we pay in any one occurrence under this Additional Coverage is \$25,000.

- 2) Coverage under this Additional Coverage will end when one of the following first occurs:
- a) The Policy expires or is cancelled;
 - b) The property is accepted by the purchaser;
 - c) Your interest in the property ceases;
 - d) You abandon construction with no intent to complete it;
 - e) Thirty (30) days after your installation or rigging project is complete; or
 - f) When property is put to its intended use.

The Limit of Insurance under this Coverage cannot be added to or combined with the Limit of Insurance for any other Coverage described in Covered Property.

The Limit of Insurance applicable to this Additional Coverage cannot be combined with the Limit applicable to the "Business Personal Property".

r. Additional Coverage -- Loss Adjustment Expenses

We will pay those necessary and reasonable expenses that you incur, at our direction, to determine the amount of covered "Loss". We do not cover any loss adjustment expenses that you incur for any of the following:

- 1) Payments to public adjusters or any other outside claims expense;
- 2) Payments to lawyers or any other legal fees;
- 3) Payments to insurance agents or brokers;
- 4) Any expenses incurred for an examination under oath, even if required by us;
- 5) Any expense incurred in accordance with the appraisal section of the **Commercial Inland Marine Conditions**; or
- 6) Any expense that you incur to prove that a "Loss" is covered.

The most we will pay in any one occurrence under this Additional Coverage is \$5,000.

This is the only coverage that applies to Loss Adjustment Expenses.

No deductible will apply to this Additional Coverage.

s. Additional Coverage -- Pollutant Cleanup and Removal

We will pay your expense to extract "Pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of "Pollutants" is caused by or results from a "Loss" covered by this Coverage Form, during the policy period. The expenses will only be paid if they are reported to us in writing within 180 days of the date of the "Loss".

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

The most we will pay under this Additional Coverage in any one policy period is \$25,000.

This is the only coverage that applies to Pollutant Clean Up and Removal.

t. Additional Coverage -- Preservation of Property

We will pay for those necessary and reasonable expenses you incur to move property to preserve it from imminent "Loss" from fire, "Flood" or "Named Storm" covered by this Coverage Form.

The most we will pay in any one occurrence is \$5,000.

This is the only coverage that applies to Preservation of Property.

u. Additional Coverage -- Rental Reimbursement

We will pay for the actual and necessary expenses that you incur to rent substitute equipment due to a Covered "Loss" to Covered Property owned by you. Rental Reimbursement Coverage begins 24 hours after the time that rental charges begin to accrue unless a different number of hours are shown on the "Schedule of Coverage". Coverage ends:

- 1) When the Covered Property is repaired or replaced;
- 2) When the Covered Property can be put back to use; or
- 3) When the Covered Property should reasonably be expected to be repaired or replaced.

We will reimburse you for rental expenses that continue after the expiration date of this policy, provided the "Loss" occurred before the expiration of this Policy.

This coverage does not apply if you have other property which you can use which can act as a substitute for the damaged Covered Property.

The most we will pay in any one occurrence under this Additional Coverage is \$10,000.

v. Additional Coverage -- Reward Payments

- 1) When we pay for "Loss" caused by theft, vandalism or fire, we will reimburse you for any documented payments that you make to others as reward(s), provided these reward payments cause:
 - a) The return of stolen property to the custody of the police or a law enforcement agency; or
 - b) The arrest and conviction of any person(s) committing the covered theft, vandalism, or fire "Loss".
- 2) We will not cover any reward payment that you make to any of the following:
 - a) You, your employees, or family members of any of these;
 - b) Any member of the applicable law enforcement agency;
 - c) Any person with an interest in the property; or
 - d) Any person involved in the crime.

The most we pay in any one policy period under this Additional Coverage is \$10,000. You and we will determine the amount of reward we will pay.

w. Additional Coverage -- Spare Parts and Fuel

We will pay for "Loss" caused by or resulting from a Covered Cause of Loss to your spare parts, accessories, fuel, and maintenance supplies. As used by this Coverage Form, fuel means fluids used to power Covered Property covered by this Coverage Form. Maintenance supplies means oils, grease, and similar products used to maintain your Covered Property.

We do not cover "Loss", however caused, to tanks used to store property covered under this Additional Coverage.

The most we will pay in any one occurrence under this Additional Coverage is \$10,000.

This is the only coverage that applies to Spare Parts and Fuel.

x. Additional Coverage -- Theft Prevention Devices Deductible Waiver

If Covered Property owned by you is equipped with an operable Global Positioning System tracking device or is registered with an Equipment Registry Service whose purpose is to track lost or stolen equipment, we will waive the deductible applicable to theft, up to \$25,000, provided:

- 1) You notify the Equipment Registry Service of "Loss" from theft within forty eight (48) hours of your discovery of the "Loss"; or
- 2) The Global Positioning System tracking device is operational at the time of "Loss".

y. Additional Coverage -- Waterborne Property

We will pay for "Loss" to Covered Property while such property is "Waterborne" if caused by a Covered Cause of Loss.

The most we will pay in any one occurrence under this Additional Coverage is \$250,000.

This Additional Coverage does not apply to property in the custody of a carrier for hire.

4. Covered Causes of Loss

Covered Cause of Loss or Covered Causes of Loss means direct physical "Loss" caused by or resulting from any cause except those causes of "Loss" listed in **B. EXCLUSIONS**.

B. EXCLUSIONS

1. We will not pay for "Loss" caused directly or indirectly by any of the following. Such "Loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "Loss". These exclusions apply whether caused by any act of nature or otherwise caused.

a. Governmental action.

Governmental action means any act of seizure, confiscation or destruction by order of any governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if that fire would be covered under this Coverage Form.

b. Nuclear Hazard

Nuclear Hazard or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the "Loss" caused by the fire.

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, or usurped power, or action by governmental authority in hindering or defending against any of these.

2. We will not pay for "Loss" 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. However, this does not apply to property in the custody of a carrier for hire.
- c. Shortage found upon taking inventory.
- d. Criminal, fraudulent, or dishonest acts by:
 - 1) You or any of your partners;
 - 2) Your directors or trustees;
 - 3) Your authorized representatives or employees;
 - 4) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - 5) Anyone, other than a carrier for hire, to whom you have entrusted the property, including their employees, for any purpose:
 - a) Whether acting alone or in collusion with others; and
 - b) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees, but theft by your employees is not covered.

- e. Discharge, dispersal, seepage, migration, release or escape of "Pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "Specified Causes of Loss".

But if the discharge, dispersal, seepage, migration, release or escape of "Pollutants" results in a "Specified Cause of Loss", we will pay for the damage caused by that "Specified Cause of Loss".

- f. Voluntary parting of any property by you or anyone with whom you have entrusted the property.

3. We will not pay for “Loss” caused by or resulting from any of the following. But if “Loss” by a Covered Cause of Loss results, we will pay for the “Loss” caused by that Covered Cause of Loss.
- a. Wear and tear;
 - b. Depreciation or obsolescence;
 - c. Contamination;
 - d. Rust, corrosion, decay, deterioration, hidden or latent defect, inherent vice, or any quality or fault in the property that causes it to damage or destroy itself;
 - e. Any mechanical, structural, or electrical breakdown or malfunction;

C. LIMITS OF INSURANCE

The most we pay for “Loss” in any one occurrence is the least of the following:

- 1. The applicable Limit of Insurance; or
- 2. The value shown on your “Report of Scheduled Equipment” as required by **F., Reporting Conditions and Provisions.**

D. DEDUCTIBLE

- 1. We will not pay for “Loss” in any one occurrence until the amount of the covered “Loss” exceeds the applicable deductible shown on the “Schedule of Coverages”. We will then pay the amount of the “Loss” in excess of the applicable deductible, up to the applicable Limit of Insurance.
- 2. When a percentage deductible is shown on “Schedule of Coverages”, we will calculate the amount of the deductible in the following manner. We will multiply the percentage deductible shown on the “Schedule of Coverages” by the value of lost or damaged property as determined under **E. Valuation, 1.** The result of this calculation is the amount of the deductible that is applicable to the covered “Loss”.

However, in the event that the calculated deductible is less than the minimum deductible shown on the “Schedule of Coverages”, then that minimum deductible will apply.

In the event that a covered “Loss” involves two or more covered pieces of equipment, the percentage deductible will only be calculated based on the covered piece of equipment with the highest value.

- 3. In the event that a covered “Loss” involves multiple deductibles, we will determine the deductible applicable to that “Loss” by computing the deductible applicable to each coverage in accordance with the provisions of paragraphs 1. and 2. above. The largest deductible resulting from this computation will apply.

E. VALUATION

The Provisions applicable to Valuation found in the **Inland Marine General Conditions** are replaced by the following:

- 1. The following are the valuations that are applicable to “Contractors Equipment”. The applicable valuation will be indicated on the “Schedule of Coverages”.

a. Market Value

Property will be valued at the Market Value at the time of "Loss".

As used in this Coverage Form, Market Value means the reasonable cost to replace with property of like, kind and quality of similar age and condition.

If replacement of property with like, kind, and quality and a similar age is not available, Market Value will be the actual cost to replace subject to a deduction for depreciation.

b. Replacement Cost

When Replacement Cost is shown on the "Schedule of Coverages", the value of property will be based on Replacement Cost. Replacement Cost only applies when either the model year, or the date that the property was first purchased as new, is within five (5) years of January 1st of the year of the "Loss", unless a different number of years is indicated on the "Schedule of Coverages".

As used in this Coverage Form, Replacement Cost means the reasonable cost to replace damaged property with new property of like, kind and quality, without any deduction for depreciation.

In the event of a total loss, we will not pay on a Replacement Cost basis until the damaged property is repaired or replaced. Instead, payment will be based on Market Value.

Replacement Cost coverage also applies to:

- 1) "Business Personal Property"; and
- 2) Property owned by you covered under Installation and Rigging Property.

When Replacement Cost does not apply, property will be valued at Market Value.

c. Property Of Others

- 1) Property of others will be valued at the amount for which you are legally liable, but we will not pay more than Replacement Cost.

2. We will pay the least of the following amounts:

- a. The amount as determined under **E. VALUATION, 1.**, above;
- b.
 - 1) If Market Value applies: the reasonable cost to repair or restore the property to its condition immediately before "Loss" with deduction for applicable depreciation. But if the cost to repair or replace is less than 20% of the Market Value of the item at the time of "Loss", the deduction for depreciation will be waived.
 - 2) If Replacement Cost applies and the property has not been repaired or replaced: the reasonable cost to repair or restore the property to its condition immediately before "Loss" with deduction for applicable depreciation. But if the cost to repair or replace is less than 20% of the Market Value of the item at the time of "Loss", the deduction for depreciation will be waived.
- c. The necessary and reasonable amount you spend to repair or replace the property;

- d. The amount for which you are legally obligated to pay for "Loss" to property of others; or
- e. The applicable Limit of Insurance.

In the event of "Loss", the value of property will be determined as of the date of "Loss".

F. REPORTING CONDITIONS AND PROVISIONS

1. Reporting

The coverages included in this policy are subject to reporting and adjustment. Unless otherwise indicated on the "Schedule of Coverages", a deposit premium will apply to each Coverage.

a) As Respects Scheduled Contractor's Equipment

You must report to us in writing within thirty (30) days after the end of the Policy an updated "Report of Scheduled Equipment". This updated schedule must include all equipment acquired since your previous "Report of Scheduled Equipment".

b) As Respects Contractor's Equipment Leased or Rented From Others

This provision only applies if a Limit of Insurance is indicated for Equipment Leased or Rented From Others. You must report to us in writing within thirty (30) days after the end of the Policy the amount you actually spent to lease or rent "Contractor's Equipment" from others.

However, when property leased or rented from others is included in your "Report of Scheduled Equipment", your report does not need to include the amount that you spent to lease or rent that listed property.

c) As Respects Contractor's Equipment Leased or Rented to Others

This provision only applies if a Limit of Insurance is indicated for Equipment Leased or Rented to Others. You must report to us in writing within thirty (30) days after the end of the policy the sum of gross receipts that were due you, whether collected or not, for "Contractor's Equipment" that you leased and rented to others during the reporting period.

2. Premium

The premium will be calculated using the rates indicated on the "Schedule of Coverages" per each \$100 of premium base and as of each adjustment period.

a) As respects Scheduled Contractor's Equipment –

We will average the total values of your latest written "Report of Scheduled Equipment" with the total values of your previous "Report of Scheduled Equipment". The computed average is the premium base that applies.

b) As Respects Contractor's Equipment Leased and Rented From Others

The sum of the lease or rental payments that you made for leased or rented "Contractor's Equipment" leased or rented from others during the reporting period is the premium base that applies.

c) As Respects Contractor's Equipment Leased and Rented to Others

The sum of gross receipts that were due you, whether collected or not, for "Contractor's Equipment" you leased or rented to others during the reporting period is the premium base that applies.

3. Premium Adjustment and Minimum Premium

We will compare the total calculated premium to the deposit premium. If it is more than the deposit premium, you must pay us the difference. If it is less than the deposit premium, we will pay you the difference. But in no event will you pay less than the applicable minimum premium indicated on the "Schedule of Coverages".

4. Provisions Applicable to Cancellation or Non-Renewal

If you or we cancel or do not renew this Policy for any reason, any reports that you owe at time of cancellation or non-renewal are due within thirty (30) days of the date of cancellation or non-renewal. We will adjust the Policy in accordance with the Policy Provisions. You must pay any premium that is due us for the period up to and including the date of cancellation or non-renewal. We will return any unearned deposit premium in excess of the applicable minimum premium to you.

G. ADDITIONAL CONDITIONS

1. Coverage Territory

We insure Covered Property located in:

- a. The United States of America;
- b. Puerto Rico; or
- c. Canada.

We do not cover property that is in transit to or from Hawaii or Puerto Rico.

2. Blanket Loss Payee(s)

We will adjust covered "Loss" with you. We will pay any claims for "Loss" jointly to you and any Loss Payee as their interests may appear. This applies to all Property for which a Loss Payee is on file with us or your insurance broker or agent.

3. Coinsurance

The following condition applies to "Contractor's Equipment" owned by you which is specifically described on any "Report of Scheduled Equipment".

The Limit shown for each piece of "Contractor's Equipment" on the "Report of Scheduled Equipment" must equal at least 80% of the valuation that applies under **E. Valuation, 1.** at the time of "Loss" or you will incur a penalty.

The penalty is that we will only pay the proportion of any "Loss" to each item that the Limit shown for the item bears to 80% of the valuation that applies under **E. Valuation, 1.** at the time of "Loss".

We will determine the most we will pay using the following steps. We will:

- a.** Multiply the Limit of the damaged Covered Property at the time of "Loss", as determined under **E. Valuation, 1.**, by the Coinsurance percentage;
- b.** Divide the Limit for the damaged property shown on the "Report of Scheduled Equipment" by the figure determined in Step **a.**;
- c.** Multiply the total amount of the "Loss", before the application of any deductible, by the figure determined in Step **b.**; and
- d.** Subtract the deductible from the figure determined in Step **c.**

We will pay the amount determined in Step **d.** or the Limit of Insurance applicable to the "Loss", whichever is less.

This provision does not apply to Covered Property owned by you which is subject to the Miscellaneous Unscheduled Contractor's Equipment Limit of Insurance or to any "Contractor's Equipment" acquired by you during the policy period.

4. Salvage

Any salvage on a "Loss" will accrue entirely to our benefit.

H. DEFINITIONS

- 1.** "Business Personal Property" means property that is owned by you, or is leased or rented by you from others, that you use in your business.

"Business Personal Property" does not mean and does not include any property that is listed as:

- a. Covered Property;**
 - b. Property Not Covered;** or
 - c.** Property covered under any other insurance.
- 2.** "Contractor's Equipment" means the following property that you use in your business operations: mobile machinery, equipment, and tools; construction trailers; vehicles designed to carry mounted equipment; and motor trucks, tractors, and similar vehicles.
 - 3.** "Fire suppression equipment" means equipment that manually or automatically discharges water, inert gas, or chemicals for the purpose of stopping or controlling a fire.
 - 4.** "Flood" means:
 - a.** Flood;

- b.** Surface water, rapid accumulation of run off, wave (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);
 - c.** Mudslide or mudflow;
 - d.** Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
 - e.** Water under the ground surface pressing on, or flowing or seeping through:
 - 1)** Foundations, walls, floors or paved surfaces;
 - 2)** Basements, whether paved or not, or
 - 3)** Doors, windows or other openings;
 - f.** Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **a.**, **b.**, **d.**, or **e.**, or material carried or otherwise moved by mudslide or mudflow.
- 5.** "Loss" means accidental loss or damage.
- 6.** "Named Storm" means a weather-related event that has been assigned a formal name by the National Hurricane Center, National Weather Service, World Meteorological Association, or any other generally recognized scientific or meteorological association that provides formal names for public use and reference.
- 7.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 8.** "Report of Scheduled Equipment" means the schedule of "Contractor's Equipment" on which the sum of the Limits of Insurance reported is the amount shown on the "Schedule of Coverages" for Scheduled Contractor's Equipment. Each piece of "Contractor's Equipment" must include a description and Limit of Insurance applicable to that property.
- 9.** "Schedule of Coverages" means: the Contractor's Equipment Schedule of Coverages or other declarations or schedules that apply to this Coverage.
- 10.** "Specified causes of loss" means any of the following:

Fire, lightning, explosion, windstorm or hail; smoke, aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet.

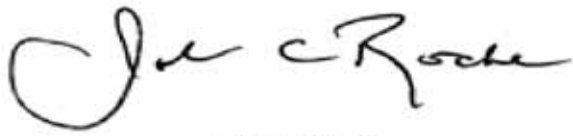
 - a.** "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite and similar rock formations. This cause of loss does not include the cost of filling sinkholes or sinking or collapse of land into manmade underground cavities.
- 11.** "Valuable Papers and Records" means the cost to research, restore or recreate blueprints, designs, records and other specifications in written, printed, electronic or magnetic media format, if duplicates do not exist.
- 12.** "Waterborne" means property, whether in use or idle, that is floated upon or physically located in or under the water, within the boundaries of any location that is normally subject to tides, river

currents or any wave wash. This also means property that is protected by cofferdams or other physical barriers against water, action of tides, currents or wave wash.

IM441-1471 12 16

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

In Witness Whereof, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with a large initial "J" and "R".

John C. Roche
President

A handwritten signature in black ink, appearing to read "Charles Frederick Cronin". The signature is cursive and somewhat compact.

Charles Frederick Cronin
Secretary