



Preferred Contractors Insurance Company, RRG  
27 North 27<sup>th</sup> Street, Suite 1900  
Billings, Montana 59101

**COMMERCIAL GENERAL LIABILITY POLICY**  
**COMMON POLICY DECLARATIONS**

**Policy No.**

**New Policy**

**TERM**

**Member:**

**Named Insured: Member**

**Risk Retention Group:** Preferred Contractors Insurance Company, RRG

**Policy Period:** From \_\_\_\_\_ to \_\_\_\_\_ at 12:01 A.M. Standard Time at your mailing address shown above.

The **Inception Date** for the **Policy** is 12:01 a.m. on \_\_\_\_\_

SAMPLE

**NOTICE**

**THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.**

**PLEASE READ ALL PORTIONS OF THIS POLICY CAREFULLY. THERE ARE A NUMBER OF EXCLUSIONS, CONDITIONS, ENDORSEMENTS AND TERMS CONTAINED IN THIS POLICY THAT MAY DELETE, MODIFY OR EXPAND THE COVERAGE PROVISIONS STATED ELSEWHERE IN THE POLICY. ALL PORTIONS OF THIS POLICY ARE TO BE READ TOGETHER. BY ACCEPTING THIS POLICY, THE INSURED HAS AGREED TO READ THE POLICY IN ITS ENTIRETY WITHIN SEVEN (7) DAYS OF ITS ISSUANCE.**

**DEFENSE WITHIN LIMITS: The limits of liability available to pay settlements or judgments will be reduced, and may be exhausted, by defense and “claim expenses.”**

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



Preferred Contractors Insurance Company, RRG

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART FOR WHICH A MINIMUM AND DEPOSIT PREMIUM IS INDICATED. MINIMUM AND DEPOSIT PREMIUM SHALL BE DEFINED AS THE PREMIUM AMOUNT DUE AT THE INCEPTION OF THE POLICY. EVEN THOUGH THE POLICY IS "RATABLE (SUBJECT TO ADJUSTMENT BASED ON RATE PER SALES)", UNDER NO CIRCUMSTANCES WILL THE ANNUAL EARNED PREMIUM BE LESS THAN THE MINIMUM PREMIUM, AND WILL NOT GENERATE A RETURN PREMIUM. THIS POLICY IS SUBJECT TO AUDIT.

**DESCRIPTION OF OPERATIONS / CLASSIFICATION - Per Application**

DAMAGES RESULTING FROM WORK OR OPERATIONS WHICH ARE NOT SPECIFIC AND CUSTOMARY TO THE DESCRIPTION OF OPERATIONS LISTED ON THE APPLICATION OR CLASSIFICATION SHOWN, OR OTHERWISE LISTED IN THE APPLICATION USED TO BIND, ARE NOT COVERED ON THIS POLICY.

GENERAL LIABILITY COVERAGES	LIMITS OF INSURANCE
AGGREGATE	\$
OCCURRENCE	\$
PRODUCTS/COMPLETED OPERATIONS	\$
PERSONAL/ADVERTISING INJURY	\$
PROPERTY DAMAGE	\$
BODILY INJURY	\$
FIRE LEGAL	\$
MED PAY	\$
DEDUCTIBLE	\$

COVERAGE PART	MINIMUM & DEPOSIT PREMIUM
PREMIUM	\$
SUBSCRIPTION FEE	\$
STATE TAX	\$
OTHER TAX	\$
INSPECTION FEE	\$
PROGRAM FEE	\$
ADDITIONAL INSURED ENDORSEMENTS (on request only)	\$
	\$
	\$
<b>TOTAL PREMIUM</b>	\$

**POLICY FORMS**

**COMMON POLICY DECLARATIONS**  
**MANUSCRIPT POLICY PROVISIONS PCIC 05 TC 10 14**  
**ENDORSEMENTS listed below**  
**NOTE THE FOREGOING POLICY FORMS ARE SUBJECT TO EXCLUSIONS, CONDITIONS, ENDORSEMENTS AND TERMS THAT MAY DELETE, MODIFY OR EXPAND THE COVERAGE PROVISIONS STATED ELSEWHERE IN THE POLICY.**



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<b>THERE MAY BE ADDITIONAL ENDORSEMENTS TO YOUR POLICY; PLEASE REVIEW THE ENDORSEMENT LIST ON THE POLICY DECLARATIONS. IF THERE ARE ADDITIONAL ENDORSEMENTS, THEY REMAIN IN EFFECT AND ARE APPLICABLE</b>		



Preferred Contractors Insurance Company, RRG

## **ENDORSEMENTS**

**THIS POLICY IS SUBJECT TO THE FOLLOWING ENDORSEMENTS THAT MAY DELETE, LIMIT, MODIFY OR EXPAND THE COVERAGE PROVISIONS STATED ELSEWHERE IN THE POLICY.**

### **LIST OF MANUSCRIPT ENDORSEMENTS:**

**TERRORISM, ENDORSEMENT NO. 05**

**POOL POP UP / OVERFLOW, ENDORSEMENT NO. 07**

**SUBCONTRACTOR CONDITIONS, ENDORSEMENT NO. 18**

**AFB PREMIUM SHORT RATE CANCELLATION TABLE, ENDORSEMENT NO. 27**

**PROJECT SHARED AGGREGATE, ENDORSEMENT NO. 35**

**OIL BASED PAINT AND FLAMMABLE PRODUCTS LIMITATION, ENDORSEMENT NO. 41**

**UNLICENSED CONTRACTORS, ENDORSEMENT NO. 51**

**LOUISIANA OPERATIONS EXCLUDED, ENDORSEMENT NO. 89**

**INSURING AGREEMENT AMENDMENT – USE OF EXTRINSIC EVIDENCE – RIGHT TO DEFEND, ENDORSEMENT NO. 92**

**LIMITATION – DUTY TO DEFEND, ENDORSEMENT NO. 93**

**MECHANIC'S LIEN – CONDITION PRECEDENT TO COVERAGE, ENDORSEMENT NO. 94**

### **LIST OF ADDITIONAL MANUSCRIPT ENDORSEMENTS:**

**SAMPLE**



## I. TERM

Coverage under this **Policy** shall commence at 12:01 a.m., Standard Time at your address, the Inception **Date**, as defined the Declarations. Except as otherwise set forth in this **Policy** or the **Contract**, the **Policy** shall expire at 12:01 a.m., Standard Time at your address, on the date of expiration, which shall be one calendar year from the **Inception Date**.

## II. COVERAGE AFFORDED

In accordance with the terms of this **Policy** and subject to the terms of the **Contract**, including the limits of insurance stated on the Declaration Page and all endorsements, exclusions, terms and conditions which are a part of this **Policy**, the **Policy** will provide the coverages for any claim properly made for a **Covered Loss** as set forth in the Manuscript Commercial General Liability Coverage Form No. PCIC 05 TC 10 14.

Notwithstanding any other provisions contained in this **Policy**, the coverages set forth are limited to:

- (A) A claim made for a **Covered Loss** not covered by other insurance;
- (B) A claim asserted by a third party (i.e. a party who is neither an insured, nor related by ownership or management to the **Member**) where such claim directly substantially relates to an insured's project.
- (C) A claim for a **Covered Loss** which is timely and properly reported in accordance with the terms of this **Policy**.

Subject to these provisions as well as the other provisions of this **Policy**, including exclusions, endorsements, conditions, and terms, which may limit coverage, the **Policy** includes the coverages set forth in the following Manuscript Commercial General Liability Coverage

Form No. PCIC 05 TC 10 14.



## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy, the words “you” and “your” refer to the Named Insured shown in the declarations, and any other person or organization qualifying as a Named Insured under this policy. The words “we”, “us” and “our” refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI-Definitions.

We, the Company named in the Declarations, in consideration of the payment of the premium, the undertaking of the Named Insured to pay the deductible as described herein and in the amount stated in the Declarations, in reliance upon the statements in the application attached hereto and made a part hereof, and subject to the limits of liability shown in the Declarations, and subject to all of the terms of this insurance, agree with the Named Insured as follows:

### SECTION I – COVERAGES COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as “damages” because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking “damages” to which this insurance applies. However, we will have no duty to defend any insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for “damages” is limited as described in Section IV - Limits of Liability; and

- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of “damages,” under Coverage A or B or medical expenses under Coverage C, “claim expenses,” or both.

- (3) It is expressly understood and agreed that “claim expenses” are included within and are not in addition to the Limits of Liability set forth in the Declarations.

b. This insurance applies to “bodily injury” and “property damage” only if:

- (1) The “bodily injury” or “property damage” is caused by an “occurrence” that first takes place or begins during the “policy period”. “You” and “we” agree that the determination of when an occurrence first occurs or begins during the policy period shall be made based on the date that the conduct, act or omission, process, condition or circumstance alleged to be the cause of the “bodily injury” or “property damage” first began, was first committed, or was first set in motion;

- (2) The “bodily injury” or “property damage” first occurs or begins during the “policy period.” “Bodily injury” or “property damage” first occurs or begins on the date when the “bodily injury” or “property damage” appears and is identified;

- (3) Prior to the “policy period,” no insured listed under Paragraph 1. Of Section III-Who Is an Insured and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “occurrence,” “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the “policy period,” that the “occurrence,” “bodily injury” or “property damage” occurred,



then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the “policy period” will be deemed to have been known prior to the “policy period”; and

- (4) All other insurance available to the insured(s) has been exhausted, regardless of any other insurance condition or clause in such insurance and regardless of whether such other insurance is stated to be primary, excess or contingent, unless such other insurance specifically is written to apply in excess of this particular policy.

**2. Exclusions**

This insurance does not apply to:

**a. Expected Or Intended Injury**

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

**b. Employer’s Liability**

Notwithstanding the provisions of Section V Commercial General Liability Conditions, Paragraph 7, Separation of Insureds, “bodily injury” to:

- (1) Any “employee” of any insured or any contractor or subcontractor working directly or indirectly on any insured’s behalf arising out of and in the course of:
  - (i) employment by the insured; or
  - (ii) performing duties related to the conduct of the insured’s business or the business of any contractor or subcontractor working directly or indirectly on the insured’s behalf.
- (2) The spouse, child, parent or sibling of that “employee” as a consequence of Paragraph (1) above.

This exclusion applies:

- (i) Whether the insured may be liable as an employer or in any other capacity; and

- (ii) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**c. Action Over**

Any claim or “suit” arising out of or related to any “bodily injury” or “property damage” sustained by any general contractor(s), subcontractor(s), independent contractor(s), their employees, volunteer workers, temporary workers, day laborers, leased workers, or any persons or companies who are affiliated with such persons or entities who provide work or products on job sites where the insured provides work, products or services as a contractor or subcontractor. This exclusion applies whether or not the persons or entities making such claims are hired, or retained by the insured on the site where the claim(s) or suit(s) arise from. This exclusion applies whether or not the insured has agreed orally or in writing to defend or indemnify, or to assume the liability, of any person or entity for any such claim(s) or suit(s) under a contract. This exclusion shall apply whether claim or “suit” is brought directly against the insured, or the insured is made party to such claim or “suit” by impleader, joinder, third-party action or otherwise.

This exclusion applies whether or not:

- (1) the “bodily injury” constitutes a “grave injury” as defined by Section 11 of the New York State Workers’ Compensation law;
- (2) you are required by contract, regulation or law to be insured under a workers’ compensation policy providing coverage for claims arising from injuries to employees. This exclusion applies to “bodily injury” or “property damage” sustained or allegedly sustained by the spouse, child, parent, brother or sister, of any employee of any insured or of any employee of any contractor or subcontractor working for or on behalf of any insured.

**d. Worker’s Compensation And Similar Laws**

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



**e. Aircraft, Auto or Watercraft**

“Bodily injury” or “property damage” arising out of the ownership, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft owned or operated by or rented or loaned to any insured. Use includes operation, storage or placement, temporary storage or placement at a job location (including on the side of a roadway, highway, or other path traveled by autos), and “loading or unloading.”

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage” involved the ownership, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while at shore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (i) Less than 26 feet long; and
  - (ii) Not being used to carry persons or property for a charge;
- (3) Parking an “auto” on, or on the ways next to, premises you own or rent, provided the “auto” is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any “insured contract” for the ownership, maintenance or use of aircraft or watercraft; or
- (5) “Bodily injury” or “property damage” arising out of:
  - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (ii) The operation of any of the machinery or equipment listed in Paragraph F(2) or F(3) of the definition of “mobile equipment”.

**f. Mobile Equipment**

“Bodily injury” or “property damage” arising out of:

- (1) The transportation of “mobile equipment” by an “auto” owned or operated by or rented or loaned to any insured; or
- (2) The use of “mobile equipment” in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.
- (3) The storage or placement of “mobile equipment” (regardless of ownership status) at any job location, including on the side of a roadway, highway, or other path traveled by “autos” or other vehicles.

**g. Damage to Property**

“Property damage” to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another’s property;
- (2) Premises you sell, give away or abandon, if the “property damage” arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the “property damage” arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because “your work” was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to “property damage” (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. Paragraph (2) of this exclusion does not apply if





the premises are “your work” and were never occupied, rented or held for rental by you. Paragraph (6) of this exclusion does not apply to “property damage” included in the “products-completed operations hazard”.

**h. Damage To Your Product**

“Property damage” to “your product” arising out of it or any part of it.

**i. Damage To Your Work**

“Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**j. Damage To Impaired Property Or Property Not Physically Injured**

“Property damage” to “impaired property” or property that has not been physically injured, arising out of:

- (1) A defect, inadequacy or dangerous condition in “your product” or “your work”; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of the property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.

**k. Recall of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) “Your product”;
- (2) “Your work”;
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**l. Personal and Advertising Injury**

“Bodily injury” or “property damage” arising out of “personal and advertising injury.”

**m. Subsidence of Land**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related, in whole or in part, the subsidence of land or soil, including, but not limited to, earthquake, landslide, mine subsidence, mud flow, or sinking, rising, settling, cracking, shifting, expansion or contraction of the earth or soil, or any other movement of earth. Any such subsidence of land or soil is excluded regardless of any other cause or event (natural or man-caused) contributing or concurring, in any sequence causing loss.

**n. School or Recreational Facility**

“Bodily injury” or “property damage” arising directly or indirectly out of “your work” that is performed on or in connection with any school, any building(s) utilized as a school, playground, playground equipment, sports field, park, or recreational facility. This exclusion applies to any “bodily injury” or “property damage” arising directly or indirectly out of “your product” that is incorporated on or into or connected in any way with any school, any building(s) utilized as a school, playground, playground equipment, sports field, park, or recreational facility.

For purposes of this exclusion, the word “school” shall include all types and levels of schools, including, but not limited to daycare, pre-school, grade school, junior high, high school, college, and trade schools.

**o. Deleterious Substances**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related to, in whole or in part, the discharge, dispersal, release, escape, disposal, existence, presence, handling, ingestion, inhalation, installation, sale, distribution, encapsulation, storage, transportation, use or removal of, or exposure to any “deleterious substance.”

(1) For purposes of this exclusion, “deleterious substance” shall be defined to include:

- (i) Mold. Mold means any permanent or transient fungus, mold, mildew or

- mycotoxin, or any of the spores, scents or by-products resulting therefrom that exist, emanate from or move anywhere indoors or outdoors, regardless of whether they are proved to cause disease, injury or damage;
- (ii) Chromated Copper Arsenate (“CCA”) whether or not the CCA is in its pure form or combined with other products, chemical or materials, whether or not the CCA is alleged to have caused damage in any sequence or combination with, or contributed to by any other causes or causes;
  - (iii) Lead, lead dust, lead particles, lead pipes, lead based paint or any material containing lead;
  - (iv) Formaldehyde or urea formaldehyde or any material containing formaldehyde or urea formaldehyde or derivative or similar substance;
  - (v) Silica, silicates, sand, or any material containing silica, silicates, or sand;
  - (vi) Asbestos or any material, product or substance containing asbestos;
  - (vii) Concrete, concrete dust or concrete compounds, cement, cement dust, or cement compounds;
  - (viii) Sulfates, sulfides, acids or any similar acidic and/or alkaline chemical formulation or compound;
  - (ix) Electromagnetic radiation or electromagnetic pulse or electromagnetic waves or any other type of radiation from any source;
  - (x) Granite Countertop Radon Emissions;
  - (xi) Chinese-manufactured drywall. Chinese-manufactured drywall means drywall manufactured in, and imported by anyone from, China for use in construction projects within the coverage territory;
  - (xii) Exterior insulation and finish system (“EIFS”). EIFS means a non-load bearing exterior cladding or finish system and all component parts therein, used on any part of any structure, and consisting of: (1) a rigid or semi-rigid installation board made of expanded polystyrene and other materials; (2) the adhesive and/or mechanical fasteners used to attach the insulation board to the substrate; (3) a reinforced or unreinforced base coat; (4) a finish coat providing surface texture to which color may be added; and (5) any flashing, caulking or sealant used with the system for any purpose;
  - (xiii) Carbon monoxide poisoning or any similar compound in any form.
  - (xiv) Any poisonous or toxic material, substance or pathogen, whether organic or inorganic, in any form under any theory of liability whatsoever.
- (2) This exclusion applies:
- (i) Equally to any “bodily injury” or “property damage” arising out of exposure to any “deleterious substance,” regardless of the name by which it is manufactured, sold, distributed or known;
  - (ii) Equally to any “bodily injury” or “property damage” involving air, land, structure, building, outdoors, indoors, confined or enclosed space, or the air within any of them, watercourse or water, including surface and underground water;
  - (iii) Regardless of whether any alleged defects or claimed negligence in design, construction or materials, or any other conduct or misconduct, may have or is claimed to have precipitated, caused in whole or in part, or acted jointly, concurrently or in any sequence with any “deleterious substance” in any form whatsoever in causing or contributing to “bodily injury” or “property damage”;
- (3) To any loss, cost or expense arising out of any:

(i) Request, demand, order or requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of any “deleterious substances” in any form whatsoever; or

(ii) Claim or “suit” seeking, involving or arising from any testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any “deleterious substances” in any form whatsoever.

(4) Regardless of whether coverage is also excluded under Section II Common Policy Exclusions, Paragraph (b) Pollution, or any other provision or exclusion of the policy.

**p. Professional Services**

Any claim for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, the performance of or failure to perform professional services of an architect, engineer, surveyor or other similar professional whether employed, hired or contracted to perform work by any insured or performed by any insured or anyone acting on any insured’s behalf.

**q. Open Structure “water” Damage**

Any claim for “bodily injury” or “property damage” to any building or structure or to any property within such building or structure that arises out of, results from, is caused by, contributed to, or in any way related to, in whole or in part “water”, any liquid, rain, hail, sleet or snow entering such building or structure where the exterior or interior waterproof protective covering has been removed, in whole or in part, regardless of the manner of removal or has not been installed or has been installed incompletely or installed improperly. This exclusion applies even where a temporary covering has been utilized, whether the installation of such temporary covering was, or was not, done properly.

**r. Heating Devices**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or

in any way related to, in whole or in part, any insured’s use of any “fire or heating devices” as part of “your work” or “your product.” The term “fire or heating devices” includes but is not limited to a heat wand, welding equipment, open flame devices, torches, heaters, or any type of heat application.

**s. Multi-Unit Residential Structures**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related to work, development, construction, renovation or reconstruction on, or performed about the premises of:

- (1) any residential or commercial condominiums, townhouses, timeshares, cooperative housing, multifamily homes or homeowners association project(s), or
- (2) any building or location which has been or is planned to be converted into a residential or commercial condominium, townhouse, cooperative housing, or timeshare, whether or not the insured knew of the planned conversion.

This exclusion does not apply to:

- (1) Non-structural work performed on behalf of an individual unit owner of any residential or commercial condominium, townhouse, cooperative housing, or timeshare;
- (2) Non-structural maintenance, repair, or service to common area buildings, facilities, utilities or equipment of any residential or commercial condominium, townhouse, cooperative housing, or timeshare, not including siding, stucco, and/or roofing work.
- (3) any detached single family home(s), or
- (4) commercial apartments

Where your work is limited to interior or non-structural work.

For purposes of this exclusion, “multi-unit residential structures” shall include, but not be limited to residential or commercial condominiums, townhouses, timeshares, cooperative housing, multifamily homes, and homeowners association projects.

**t. Explosives**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to the



existence, handling, storage, transportation, sales, distribution, or use of “explosives” or explosive devices. For purposes of this exclusion, “explosives” shall mean benzene, benzol, dynamite, ether, fireworks, gasoline, grease fire, gunpowder exceeding twenty-five pounds in quantity, naphtha, nitroglycerine, or other explosives, phosphorus, or petroleum or any of its products.

u. **Communicable Disease**

(1) “Bodily injury” or “property damage” arising directly or indirectly out of any “communicable disease”.

(2) This exclusion applies regardless of whether such actual or alleged damages are caused by any:

- (i) insured;
- (ii) “employee”; or
- (iii) any other person; whether or not such

actual or alleged damages occurred at any premises owned or occupied by any insured regardless of culpability or intent including, but not limited to:

- (a) Allegations of negligent hiring, placement, training, or supervision; or
- (b) Any act, error or omission relating to negligent maintenance of premises where the insured allegedly knew or should have known that exposure to any “communicable disease” could occur including, but not limited to, the alleged failure to provide adequate protection against such “communicable disease.”

(3) This exclusion also applies to any:

- (i) Claim or “suit” brought by any other person, firm or organization asserting rights derived from, contingent upon, or arising out of a “communicable disease” and specifically excludes from coverage, claims or “suits” for:
  - (a) Emotional distress;
  - (b) Loss of society, service, consortium or income,
  - (c) Reimbursement for expenses including, but not limited to, medical expenses, hospital expenses, or wages, paid or

incurred, by such other person, firm or organization; or

(d) Legal expenses, costs or fees associated with any claim or “suit”.

(ii) Obligation to share damages with or repay someone who must pay damages because of the injury.

(iii) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, treat, or in any way respond to, or assess the effects of any “communicable disease”; or

(b) Claim or “suit” by or on behalf of any authority, governmental or otherwise, for damages because of testing for, monitoring, treating, or in any way responding to, or assessing the effects of any “communicable disease.”

(4) We will have no duty to defend or indemnify any insured in any action or proceeding alleging damages arising out of any “communicable disease.”

(5) This exclusion applies regardless of whether coverage is also excluded under any other provision or exclusion of the policy.

v. **Abuse or Molestation**

“Bodily injury” or “property damage” arising out of:

- (1) the actual, alleged or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (2) the negligent
  - (i) employment;
  - (ii) investigation;
  - (iii) supervision;
  - (iv) reporting to the proper authorities, or failure to so report; or
  - (v) retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.



w. **Assault and Battery**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to an “assault” and/or “battery.” No coverage is provided if the underlying operative facts constitute an “assault” and/or “battery” irrespective of whether the claim also alleges negligent hiring, employment, training, instruction, supervision, retention, maintenance, security or any other negligent action(s), error(s) or omission(s) against any insured.

This exclusion shall apply whether or not any such “assault” and/or “battery” is alleged to be intentional, willful, reckless, negligent, or on any other basis.

x. **Prior Completed Work**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to “your work” that was completed by the insured prior to the inception date of the policy set forth in the Declarations.

“Your work” shall be deemed completed at the earliest of the following times:

- (1) When all of the work on that particular part of “your work” where “bodily injury” or “property damage” arises has been completed;
- (2) When all of the work called for in your contract, invoice or proposal has been completed;
- (3) When all of the work to be done at the site has been completed if your contract, invoice or proposal calls for work at more than one job site.
- (4) When that part of “your work” done at a job site has been put to its intended use by any person or organization including another contractor or subcontractor working on the same project.
- (5) When “your work” at a job site or project ends because your contract was terminated or you were directed to cease “your work” by anyone for whom “your work” was being performed.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be deemed complete.

y. **Wrap Up**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to any work, service, ongoing operations or operations within the “products-completed operations hazard” insured under a consolidated (Wrap Up) insurance program. This exclusion applies whether or not such wrap up remains in effect, the limits of such wrap up insurance are exhausted, the wrap up insurer is unwilling or unable to pay, or for any other reason.

A consolidated (Wrap Up) insurance program as referred to herein includes any prime contractor, project manager, or owner controlled insurance policy (OCIP), contractor controlled insurance policy (CCIP), consolidated insurance program (CIP) or similar insurance policy or loss control program which insures some or all contractors and subcontractors involved in a project.

z. **Common Policy Exclusions**

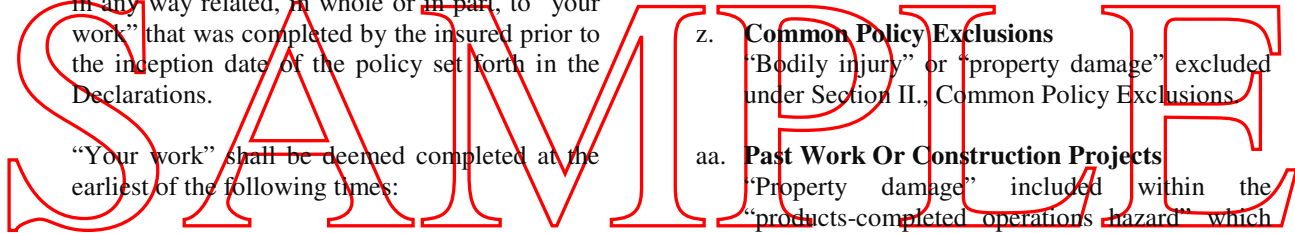
“Bodily injury” or “property damage” excluded under Section II., Common Policy Exclusions

aa. **Past Work Or Construction Projects**

“Property damage” included within the “products-completed operations hazard” which arises out of “your work” or “your product” that was performed on or in connection with, or was incorporated into or upon, any improvement to real property or any construction project, together with any associated common areas, before the inception date of this policy or, if this policy is a renewal policy, the inception date of the first policy of continuous coverage provided by us.

ab. **Buildings and Structures Exceeding Three Stories**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related to work, development, construction, renovation or reconstruction on any building, house, apartment, condominium or any other structure that exceeds three stories in height when measured from ground level to the highest point. This exclusion applies to exclude coverage for work on buildings higher than three stories whether as planned, while any insured is working thereon, as completed, or when the injury or damage occurs or is caused. For the purposes of this exclusion, any below ground





parking facility or other below ground level part of the structure shall not be considered in determining the number of stories. However, the limitation of three stories includes any building, house, apartment, condominium or other structure that has any section that exceeds three stories in height, including any towers or sections connected by a walkway, even though the majority of the building, house, apartment, condominium or other structure does not exceed three stories in height.

1. "This exclusion applies to exclude coverage for any and all exterior work performed above three stories on any building, house, apartment, condominium, or any other structure that exceeds three stories in height, when measured from the ground level to the highest point."
2. "This exclusion does not apply to any and all exterior work performed at or below three stories on any building, house, apartment, condominium, or any other structure that exceeds three stories in height, when measured from the ground level to the highest point."
3. For purposes of this exclusion, "story" shall be defined as not to exceed twelve (12) feet in height.

**ac. Hospital or Medical Facility**

This Policy does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of "your work" or "your product" where "your work" was performed at a hospital, medical office, pharmaceutical building or warehouse, medical supply building or warehouse, urgent or immediate care facility, surgery outpatient facility, doctor office, dental office, or any medical facility, regardless of type of medical practice.

This exclusion applies to any person or organization that qualifies as an insured, or that may be an additional insured of the Policy. This exclusion also applies to exclude coverage to any insured with respect to a claim against any insured by a person or organization that claims to be an indemnitee of any insured pursuant to a written contract, the provisions of which may include an "insured contract".

**ad. Intentionally Left Blank**

**ae. Material Misrepresentation**

This policy does not apply to any claim reported under this policy that would not otherwise be covered, but for a "material misrepresentation" in the application for insurance by the insured. This exclusion shall apply if the concealed or misrepresented information would have had an effect on the terms, conditions, exclusions, endorsements, premium, overall risk, or issuance of the policy, had it been known to the Risk Retention Group at the time the insured initially applied for or renewed this policy.

Materiality is to be determined not by the event, but solely by the probable and reasonable influence of the facts upon the party to whom the communication is due, in forming his estimate of the disadvantages of the proposed contract, or in making his inquiries.

**af. Overspray**

This policy does not apply to "bodily injury" or "property damage" arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to the overspray of any material or substance in the performance of or related to the insured's work.

This exclusion shall apply to any and all work performed by the insured, on the insured's behalf, or at the direction of the insured, that involves the use of a spraying mechanism for the application of any related substance.

For purposes of this exclusion, the following definition shall apply:

1. "Overspray" includes, but is not limited to, any foreign substance such as, paint, enamel or latex based paints, epoxies, chemical stains, cement stains, tar, polyurethane foam, pesticides/fertilizer materials, stucco, urethane roofing, etc. that are blown onto a surface directly or indirectly caused by the insured's use of a spraying mechanism or device or weather related occurrence.

This exclusion shall apply whether or not the alleged "bodily injury" or "property damage" is caused in whole or in part by any spraying mechanism, wind, or any other weather related occurrence.





ag. **House/Structure Raising**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related, in whole or in part, by any insured or on behalf of any insured, while engaged in the raising, leveling, and/or shoring of any house, building, or other structure.

ah. **Fall from Heights**

“Bodily injury” sustained by any person at the location of the incident, whether working or not, arising out of, resulting from, caused by, contributed to by, or in any way related to, in whole or in part, from a fall from heights. For purposes of this exclusion, a “fall from heights” shall be defined as a fall from any elevation where there is a height differential between surfaces.

ai. **Animals**

“Bodily injury”, “personal injury”, or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, the direct or indirect physical contact with any animal, or actions of any animal. This exclusion applies regardless of the ownership status of the animal.

aj. **Independent Contractors/Subcontractors**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to or in any way related, in whole or in part, to the acts or omissions of any independent contractor(s) or subcontractor(s) whether or not hired by the insured.

This exclusion includes but it not limited to any acts or omissions of any insured in the hiring, employment, retention, training, instruction, supervision, oversight, or monitoring of any independent contractor(s) or subcontractor(s), working by, for, with, or under any insured.

It is a condition of this exclusion, that any claim for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to or in any way related, in whole or in part, by work or operations performed by the Named Insured or any insured, to fix, repair, or correct work initially performed by an independent contractor or subcontractor, shall have a maximum occurrence limit of \$25,000.

ak. **Airports**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to by, or in any way related, in whole or in part, to work performed at any airport or facility operating as an airport.

For purposes of this exclusion, the term “airport” shall be defined as including, but not being limited to, any facility where airplanes, helicopters, gliders, or any other aircraft operates (including take-off and landing maneuvers), is stored, repaired, built, or maintained.

al. **Residential Size Restriction**

Any claim or “suit” for “bodily injury”, “property damage”, or “personal and advertising injury”, arising out of, resulting from, caused by, contributed to by, or in any way related, in whole or in part, from any work or operations performed by you or any contractors, subcontractors, leased workers, independent contractors, or individuals regardless of employment status, working directly or indirectly on your behalf in connection with any residential project in which the residential dwelling equals or exceeds five thousand square feet (5,000 sq. ft.).

For purposes of this exclusion, “residential project” shall include any and all work performed at the residence or on the property in which the dwelling is located.

For purposes of this exclusion, the 5,000 square foot residential dwelling restriction shall include any additional dwellings or living areas on the property, including, but not limited to guest house(s), or any structure used as a residence.

am. **Underground Utility Location**

Any claim or “suit” for “bodily injury”, “personal injury”, or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from any work or operations performed by you or on your behalf, at or near underground utilities, if the following conditions are not met:

- (1) Prior to commencing any digging, excavation, boring or similar underground work, a local locator service must come to the job site and mark all underground lines, pipes, cables, and underground utilities. The

insured must obtain a written response from the locator service;

- (2) All utility lines are disconnected or turned off (rendering the lines inoperable) prior to commencement of the work or operations and remain disconnected or turned off until completion of your work or operations.

For purposes of this exclusion, the term “utilities” shall include, but not be limited to, sewer, gas, water, telephone, fiber optic, and electric lines.

an. **Fire Suppression Systems**

Any claim or “suit” for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from the accidental discharge of any fire suppression system (including fire sprinklers) as a result of the work or operations performed by any insured or on behalf any insured. This exclusion does not apply to the installation of fire suppression systems.

ao. **Collapse**

Any claim or “suit” for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from the collapse of a building or any part of a building.

For purposes of this exclusion, the term “collapse” shall be defined as an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

ap. **Injury to Day Laborers**

Any claim or “suit” for “bodily injury” or “property damage” sustained by day laborers or other individuals who are not specifically identified on the insured’s employment records and are not compensated as employees of the insured through a payroll/staffing or PEO service under contract with the insured.

aq. **Undisclosed Waterproofing Operations**

“Bodily Injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to any and all undisclosed waterproofing operations performed by or on behalf of the Named Insured or any insured. For purposes of this exclusion,

the term “undisclosed waterproofing operations” shall be defined as waterproofing work not identified in the application for insurance in obtaining this policy.

ar. **Abandoned Work**

Any claim or “suit” for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from “your work” on any project that has been abandoned by any “insured”. A project is deemed abandoned by any “insured” when no work has been performed on a job site by any “insured” for more fourteen (14) consecutive calendar days.

as. **Urethane or Spray Roofing**

Any claim or “suit” for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from the installation, inspection, or maintenance of a urethane or spray applied roofing system.

at. **Mental Injury**

Any claim or “suit” arising out of emotional distress, mental anguish, humiliation, mental distress, mental injury, mental suffering, worry, annoyance, anxiety, inconvenience, depression, dissatisfaction, or shock to the nervous system or any physical manifestation of any of the foregoing, or any similar injury.

au. **Historic Buildings and Museums**

Any claim or “suit” for “bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, by work performed by an insured or on behalf of an insured at any historic building or museum.

For purposes of this exclusion, the following definitions shall apply:

1. “Historic Building” shall be defined as any building, structure, or property, collection of structures, and their associated sites deemed of importance to the history, architecture, or culture of any area by any local, state, or federal government entity.
2. “Museum” shall be defined as any building or structure, in which objects of historical, scientific, artistic, or cultural interest are stored or exhibited.



Preferred Contractors Insurance Company, RRG

**COVERAGE B – PERSONAL AND ADVERTISING INJURY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as “damages” because of “personal and advertising injury” resulting from an “occurrence” to which this insurance applies. We will have the right and duty to defend the Insured against any “suit” seeking those “damages.” However, we will have no duty to defend the Insured against any “suit” seeking damages for “personal and advertising injury” to which this insurance does not apply. We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:

(1) The amount we will pay for “damages” is limited as described in Section IV - Limits of Liability; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of “damages,” under Coverage A or B or medical expenses under Coverage C, “claim expenses,” or both.

(3) It is expressly understood and agreed that “claim expenses” are included within and are not in addition to the Limits of Liability set forth in the Declarations.

b. This insurance applies to “personal and advertising injury” only if:

(1) The “personal and advertising injury” is caused by an “occurrence” arising out of your business.

(2) The “personal and advertising injury” is caused by an “occurrence” committed during the policy period.

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section III– Who Is An Insured and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “occurrence” or “personal and advertising injury” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “occurrence” or “personal and advertising injury” occurred, then any continuation, change or resumption of

such “personal and advertising injury” during or after the policy period will be deemed to have been known prior to the policy period.

(4) All other insurance available to the insured has been exhausted, regardless of any other insurance condition or clause in such insurance and regardless of whether such other insurance is stated to be primary, excess or contingent, unless such other insurance specifically is written to apply in excess of this particular policy.

**2. Exclusions**

This insurance does not apply to:

**a. Knowing Violation of Rights of Another**

“Personal and advertising injury” caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury.”

**b. Material Published With Knowledge Of Falsity**

“Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

**c. Material Published Prior To Policy Period**

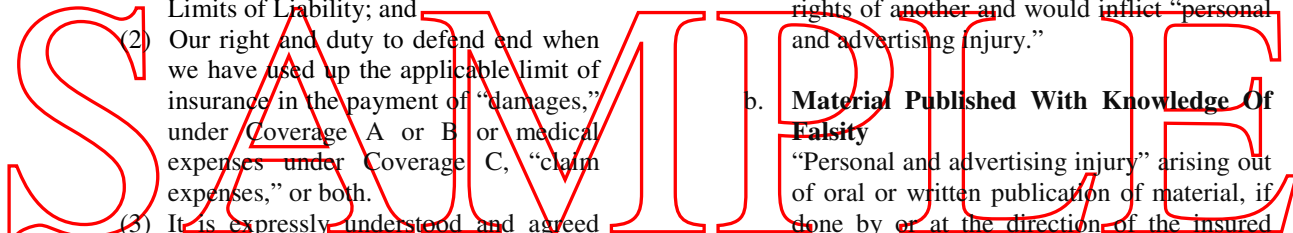
“Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the “policy period.”

**d. Insureds In Media And Internet Type Businesses**

“Personal and advertising injury” committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

For the purpose of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the





business of advertising, broadcasting, publishing or telecasting.

e. **Electronic Chat rooms Or Bulletin Boards**

“Personal and advertising injury” arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control.

f. **Unauthorized Use Of Another’s Name Or Product**

“Personal and advertising injury” arising out of the unauthorized use of another’s name or product in your e-mail address, domain name or metatag, or any other similar tactics designed to mislead another’s potential customers.

g. **“Bodily Injury” and “Property Damage”**  
“Bodily injury” or “property damage” regardless of the cause of same.

h. **Breach Of Contract**

“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”

i. **Quality Or Performance Of Goods – Failure To Conform To Statements**

“Personal and advertising injury” arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your “advertisement”.

j. **Wrong Description Of Prices**

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.

k. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

l. **Common Policy Exclusions**

“Personal and advertising injury” excluded under Section II., Common Policy Exclusions.

## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

a. We will pay medical expenses as described below for “bodily injury” caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations; provided that:
  - (i) The accident takes place in the “coverage territory” and during the policy period;
  - (ii) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (iii) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for “bodily injury”:

- a. **Any Insured**  
To any insured, except “volunteer workers”.
- b. **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured. This includes any person hired by a contractor or subcontractor who is doing work for or on behalf of any insured.
- c. **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.



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d. **Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. **Athletics Activities**

To a person injured while practicing, instructing or participating in physical exercises or games, sports or athletic contests.

f. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Coverage A Exclusions**

To any insured, "bodily injury," "property damage," claim, "suit" or matter for which coverage is excluded under Coverage A.

**II. COMMON POLICY EXCLUSIONS**

The following exclusions apply equally to Coverage A and Coverage B:

This insurance does not apply to:

a. **Expected Or Intended Injury**

"Bodily injury," "property damage" or "personal and advertising injury" expected or intended from the standpoint of any insured. This exclusion does not apply to Coverage C.

b. **Pollution**

(1) "Bodily injury," "property damage" or "personal and advertising injury" which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, presence, discovery or escape of "pollutants" at any time.

This exclusion shall apply to "bodily injury" and "property damage" regardless of whether:

(i) the actual, alleged or threatened discharge, dispersal, seepage, migration, release, presence, discovery or escape of "pollutants" occurs outside, indoors, or within a structure, building, or confined or enclosed space;

(ii) such "bodily injury" or "property damage" is sustained within a building and arises out of the release of gases, fumes, chemicals or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor;

(iii) such "bodily injury" or "property damage" is sustained within a building and arises out of smoke, fumes, vapors or soot produced or originating from equipment that is used to heat, cool, ventilate, humidify or dehumidify the building or structure, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

(iv) at or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste.

(v) which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for" any insured; or any person or organization for whom you may be legally responsible.

(2) To any loss, cost or expense arising out of any:

(i) Request, demand, order or requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of any "pollutants" in any form whatsoever; or

(ii) Claim or "suit" seeking, involving or arising from any testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of any "pollutants" in any form whatsoever.

This exclusion applies regardless of whether coverage is also excluded under Section I, Coverage A, Part 2 – Exclusions, Exclusion

(o) –Deleterious Substances, or any other provision or exclusion of the policy.



**c. War**

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to war, including “bodily injury,” “property damage” or “personal and advertising injury,” however caused, arising, directly or indirectly, out of:

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

**d. Employment Practices**

“Bodily injury,” “property damage” or “personal and advertising injury” to a person(s) arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to the insured’s:

- (1) refusal to employ that person;
- (2) termination of that person’s employment;
- (3) employment related practices, including, but not limited to, policies, acts, omissions, demotion, evaluation, reassignment, discipline, defamation, libel, slander, harassment, humiliation, and/or discrimination; and/or
- (4) any derivative claim asserted by a spouse, parent, sibling, child of the person claiming injury or damages related to any of the foregoing practices listed in this exclusion.

**e. Cross Suits**

Any claim or “suit” for “bodily injury,” “property damage” or “personal and advertising injury” initiated, alleged or caused to be brought about by any insured against any other insured under this policy.

**f. Fraudulent, Intentional or Criminal Acts**

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to any of the following:

- (1) any dishonest, deliberately fraudulent, malicious, willful, intentional or knowingly wrongful act or omission committed by or at the direction of any insured, whether or not

the insured or anyone acting at the insured’s direction expects or intends any resulting “bodily injury” or “property damage”;

- (2) a criminal act committed by or at the direction of any insured.
- (3) A fraudulent, intentional, or criminal act committed by any employee (including, but not limited to temporary employees, leased workers, etc.) of any insured.

**g. Prior Litigation**

“Bodily injury,” “property damage” or “personal and advertising injury” alleged in, based upon, arising out of, or in any way related to any demand, claim, “suit,” or other proceeding against any insured which was pending on or existed prior to the inception date specified in the Declarations, or the same or substantially the same facts, circumstances or allegation which are the subject of or the basis for such demand, claim, “suit,” or other proceeding.

**h. Prior Knowledge**

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of, or in any way related to any facts, incidents or circumstances of which the insured had knowledge prior to the inception date of this policy and which might reasonably be expected to result in a claim or “suit” being made against the insured.

**i. Ongoing Operations**

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of or in any way related to:

- (1) your ongoing operations commencing before the inception date of this policy;
- (2) your ongoing operations that continue after the policy period.

**j. Unsolicited Communications**

“Bodily injury,” “property damage” or “personal and advertising injury” arising out of any form of communication, including but not limited to facsimile, electronic mail, posted mail or telephone, in which the recipient has not specifically requested the communication. This exclusion also applies to communications which are made or allegedly made in violation of the:

- (1) Telephone Consumer Protection Act (TCPA) including any amendment of or addition to such law; or





- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, which prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**k. Contractual Liability**

“Bodily injury”, “property damage”, or “personal or advertising injury” for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

**l. Attorney Fees and Expert Fees of Others**

Any claim, “suit”, demand, request, or award against any insured, comprised, in whole or in part, of any attorney fees and costs, expert fees and costs, sanctions or any other cost or expense incurred by any other party to any claim or “suit”, including any other insured under this policy. This exclusion applies regardless of whether any of the expenses or costs described above are/were awarded in a suit as damages or costs.

This exclusion does not apply to our obligations under an insured contract.

**m. Classification Limitation**

The insurance coverage provided in this policy applies only to those operations specified in the application for insurance on file with the company and described under the “description” or “classification” on the declaration schedule of the policy, and for which a premium has been paid. This exclusion applies regardless of whether coverage would have been provided had the operations been specified in the application for insurance on file with the company.

**n. Activities and Events**

Any claim for “bodily injury” or “property damage” caused by, arising out of, or resulting from, participation in or attendance at, any type of activity, entertainment, or social event, whether or not said activity, entertainment, or event is hosted by the Named Insured or any insured.

**o. Force Majeure or Acts of God**

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related to, in whole or in part, from

any naturally occurring event, including, but not limited to the following:

- (1) Weather related events, such as hurricanes, tornados, tropical storms, severe winds, hail, lightning, and floods;
- (2) Earth movement events that are not man-made, such as earthquakes, tremors, landslides, mudslides, seismic activity, volcanic activity, and tidal waves.

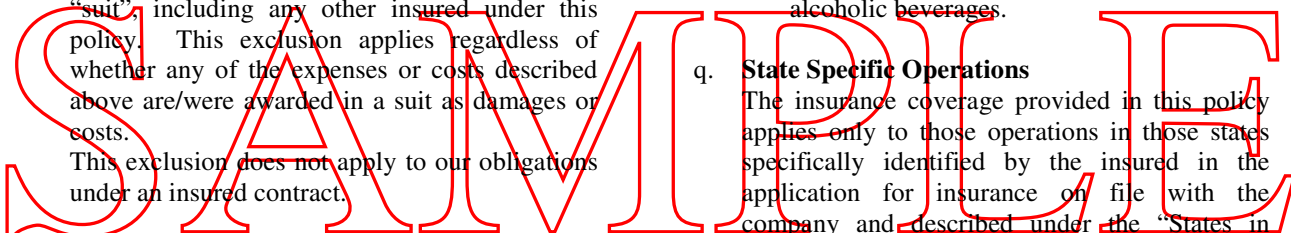
**p. Liquor Liability**

“Bodily injury”, “property damage”, “personal injury”, or “advertising injury” for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

**q. State Specific Operations**

The insurance coverage provided in this policy applies only to those operations in those states specifically identified by the insured in the application for insurance on file with the company and described under the “States in which you do business”. This exclusion applies regardless of whether coverage would have been provided had the state been specified in the application for insurance on file with the Company.



**III. WHO IS AN INSURED**

**1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees,” other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” are insureds for:
- (1) “Bodily injury” or “personal and advertising injury”:
- (i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
- (ii) To the spouse, child, parent, brother or sister of that co-“employee” or “volunteer worker” as a consequence of Paragraph (1) (a) above;
- (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) (a) or (b) above; or
- (iv) Arising out of his or her providing or failing to provide professional health care services.
- (2) “Property damage” to property:
- (i) Owned, occupied or used by you,
- (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.
- c. Any person or organization having proper ~~temporary custody~~ of your property if you die, but only:
- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to his/her duties as such.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to “personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability



company that is not shown as a Named Insured in the Declarations.

#### IV. LIMITS OF LIABILITY

1. The Limits of Liability shown in the Declarations and as set forth below fix the most we will pay regardless of the number of insureds; claims made or "suits" brought; or persons or organizations making claims or bringing "suits."

a. The General Aggregate Limit is the most we will pay for the sum of all:

- (1) "damages" and "claim expenses" under Coverage A, except "damages" and "claim expenses" because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
- (2) "damages" and "claim expenses" under Coverage B; and
- (3) medical expenses under Coverage C.

b. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for the sum of all "damages" and "claim expenses" because of "bodily injury" and "property damage" included in the "products-completed operations hazard."

c. Subject to Paragraph 1. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "damages" and "claim expenses" because of all "personal and advertising injury" sustained by any one person or organization.

d. Subject to Paragraph 1. and 2. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all:

- (1) "damages" under Coverage A;
- (2) medical expenses under Coverage C; and
- (3) "claim expenses" because of all "bodily injury" and "property damage" arising out of any one "occurrence."

#### 2. Deductible

a. The deductible amount stated in the Declarations shall be paid by the Named Insured in cash and not satisfied by any other insurance or source. The deductible

shall be applicable to each "claim", in which any investigative cost is incurred, or coverage or a defense is provided pursuant to the terms of this policy.

b. As a condition precedent to our obligations to provide or continue to provide coverage or defense hereunder, upon receipt of notice of any claim or "suit," or any "occurrence" or offense that may give rise to a claim or "suit," and at our request, you shall pay over and deposit with us all (or any part requested by us) of the deductible amount as specified in the Declarations, to be applied by us as payment toward any "damages" or "expenses" incurred in the investigation, defense or settlement of any such claim or "suit." Your failure to pay over and deposit with us the deductible amount within the time specified will result in a forfeiture of coverage for such "occurrence" and we will have no duty to defend or indemnify any insured if the deductible is not timely paid over when such a request is made.

c. If your failure to pay the deductible is due to your bankruptcy, our obligations hereunder shall not be affected; however, the applicable Limits of Liability available for each such "occurrence" shall be reduced by the amount of the unpaid deductible.

#### V. COMMERCIAL GENERAL LIABILITY CONDITIONS

##### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

##### 2. Duties in the Event of Occurrence, Offense, Claim or Suit

a. You must see to it that we are notified of an "occurrence" or an offense which may result in a claim as soon as practicable but in no event later than thirty (30) days after any insured first becomes aware of such "occurrence" or offense. To the extent possible, notice should include:

- (1) how, when and where the "occurrence" or offense took place;
- (2) the names and addresses of any injured persons and witnesses; and



- (3) the nature and location of any injury or damage arising out of the “occurrence” or offense.
- b. If a claim is made or “suit” is brought against any insured, you must:
  - (1) immediately record the specifics of the claim or “suit” and the date received; and
  - (2) notify us as soon as practicable but in no event later than thirty (30) days after your first knowledge of such claim or “suit.”
- c. You and any other involved insured must:
  - (1) immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or “suit”;
  - (2) authorize us to obtain records and other information;
  - (3) cooperate with us in the investigation or settlement of the claim or defense against the “suit”; and
  - (4) assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. Irrespective of reasons, excuse, justification, or prejudice to us:
  - (1) We will not be liable for any cost, payment, expense (including legal expense) or obligation assumed or incurred by an insured or anyone acting for or on behalf of an insured, without our express consent, other than first aid; and
  - (2) We will have no liability for any default judgment entered against any insured, nor for any judgment or settlement or determination of liability rendered or entered before notice to us giving us a reasonable time in which to protect our and the insured’s interests.
- e. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours, with particulars sufficient to identify the Insured, shall be considered to be notice to us.

### 3. Legal Action Against Us

No person or organization has a right under this policy:

- a. to join us as a party or otherwise bring us into a “suit” asking for “damages” from an insured ; or
- b. to sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for “damages” that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

### 4. Other Insurance

- a. This insurance shall be in excess of any other valid and collectible insurance available to the insured whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically to apply in excess of this particular policy. This insurance will apply only after all other insurance available to the insured has been exhausted regardless of any other insurance clause or condition of such insurance. If there is no coverage for a claim or “suit” for any insured under other insurance, there is no coverage under this policy for any insured. If there is other insurance available to any insured, “we” will have no duty to defend any insured.
- b. When any insured is added as an additional insured under any other policy, this insurance shall apply to that insured as excess insurance only above such other insurance in accordance with Paragraph 1, above.
- c. When this insurance is excess over any other insurance, we will have no duty to defend the insured against any claim or “suit.” This Policy affords a defense to an insured only when a loss or claim seeks damages to which no underlying insurance or other insurance for an insured applies.

**SAMPLE**





**5. Premium Audit**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.
- d. If any "Named Insured" refuses to allow us access to its records sufficiently to conduct such audit, then we shall have the option to pursue either one of the following:
  - (1) To initiate all available legal and/or equitable remedies available in a court of proper jurisdiction to enforce and accomplish the subject audit; or
  - (2) To invoice the first "Named Insured" for any additional premium equal to the greater of fifty percent (50%) of the original minimum and deposit premium shown on the Declarations page of this policy or nine thousand dollars (\$9,000) for each "Named Insured".
- e. Additional premiums invoiced under Subparagraph d(2) above, are due and payable on such invoicing to the first "Named Insured". Interest allowed by the first "Named Insured's" state laws, or if no such laws, then ten percent (10%) interest shall accrue thirty days after such invoicing on all amounts due from the first "Named Insured" under Subparagraph 5d. above. The first "Named Insured" further agrees to pay, upon demand, all reasonable attorneys' fees, collection costs, and court costs required by us to enforce our rights and remedies under either option (1) or option (2) set forth in Paragraph 5d. above.

If any additional premium is not paid promptly, the policy may be canceled at our discretion. If the total earned premium for the policy period is less than the advance premium, then the advance premium is the

minimum premium and not subject to further adjustment.

- f. Any single waiver by us of auditing the subject policy, including but not limited to waiving the audit upon a return premium, shall not act as a continuing or permanent waiver, and we shall still have the right to audit at any time, for a three (3) year time period following the termination date of this policy.

**6. Representations and Warranties**

By accepting this policy, you agree:

- a. The statements in the application are your representations and warranties, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations and warranties and that this policy embodies all agreements existing between you and the Company, or any of its agents, relating to this insurance.
- b. The application made to us for insurance, including all statements, representations and warranties contained therein, is incorporated herein and made part of the policy.
- c. If, prior to the inception date, any insured has knowledge of any fact, circumstance or situation reasonably indicating the probability of a claim or action for which coverage may be afforded by this insurance, any claim or "suit" subsequently emanating there from shall be excluded from coverage under this policy.

**7. Separation of Insureds**

Except with respect to the Limits of Liability, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. as if each Named Insured were the only Named Insured; and
- b. separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer of Rights of Recovery Against Others to Us**

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. Changes**

This policy's terms shall not be waived or changed except by written endorsement issued by us and made a part of this policy. This policy constitutes the entire agreement between the insured and us, including any of our agents relating to this insurance. Notwithstanding this condition, a named insured may at any time buy back certain of the exclusions and/or endorsements contained in this policy. A list of the exclusions and endorsements that a named insured may buy back is available upon request.

**10. 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.

**11. Inspections and Surveys**

- a. We have the right to:
- (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. 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:
- (1) Are safe or healthful; or
  - (2) Comply with laws, regulations, codes or standards.

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.

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.

**12. Premiums**

The first Named Insured shown in the Declarations:

- a. is responsible for the payment of all premiums; and
- b. will be the payee for any return premiums we pay.

**13. Assistance and Cooperation of the Insured**

The insured shall cooperate with the Company and upon the Company's request shall submit to examination(s) and interrogation by a representative of the Company, under oath if requested, as frequently as may reasonably be required, outside the presence of any other insured, and shall sign the transcript of any of such examination(s) or interrogation, and shall attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "suits," as well as in the giving of a written statement or statements to the Company's representatives and meeting with such representatives for the purpose of investigation and/or defense, all without charge to the Company. The insured shall further cooperate with the Company and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which the insured may have.

**14. Selection of Counsel**

When we have the duty to defend any "suit" against the insured, we expressly retain the right to select defense counsel even if we reserve our rights concerning the applicability of coverage under this policy. In the event that we agree to the retention of defense counsel of the insured's choosing, our obligation to pay for such defense shall be limited to "reasonable fees" and reasonable expenses. For purposes of this provision, "reasonable fees" means fees calculated at the rate we would pay counsel selected by us.

It is a condition of this provision that any counsel selected by the insured must meet the following minimum qualifications:

- (a) Five years of civil litigation practice;
- (b) Admission to the relevant state or federal bars;
- (c) Pertinent trial experience;
- (d) Specific experience in the subject area of the lawsuit; and





(e) Reasonable levels of errors and omissions coverage.

**15. Intentionally Left Blank**

**16. Conformity with Montana Statutes**

The provisions of this policy conform to the minimum requirements of Montana Law and control over any conflicting statutes of any state in which the insured resides on or after the effective date of this policy.

**17. Service of Suit**

The Company hereby designates the Superintendent, Commissioner or Director of Insurance or other official specified for that purpose under the laws of the state or commonwealth wherein the policy is issued as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Insured or any beneficiary hereunder arising out of this contract of insurance, and such Superintendent, Commissioner or Director of Insurance or other official specified for that purpose under the laws of the state or commonwealth wherein the policy is issued is hereby authorized and directed to accept service of process on our behalf in any such claim or "suit."

**18. Headings**

The headings sub-headings and titles of this policy are for descriptive and reference purposes only and are not to be deemed in any way to limit, modify or affect the terms and conditions of this policy.

**19. Assignment of Interest**

This policy and any and all rights hereunder are not assignable without our express written consent.

**20. Anti-Stacking**

The Limits of Liability set forth in the Declarations are the most that the Company will pay for any and all claim(s) and/or "suits" to which this insurance applies, regardless of the number of insureds involved, claims made or policy(ies) issued to any insured(s) by us or any of our affiliated companies. If a claim or "suit" involves more than one Coverage Part hereunder, we will pay no more than the highest applicable Limit of Liability under one Coverage Part. In

the event that we issue more than one policy to you or any insured hereunder, the only policy that will apply is the policy in effect on the date on which the "bodily injury" or "property damage" first manifests or the date on which the offense is committed that causes the "personal or advertising injury," whichever is earlier.

In the event that more than one Coverage Part applies to a claim or "suit" and an action is commenced against the Company pursuant to Condition 17 above in connection with such claim or "suit," the action shall be limited to an adjudication of coverage under a single Coverage Part only. An action brought under one Coverage Part of this policy precludes an action from being brought by any person or entity under the other Coverage Part for the same claim or "suit."

**21. Right of Reimbursement of Defense Costs**

We have the right of reimbursement of all defense costs we incur in defending any insured in a "suit" for which there is no coverage under this policy, regardless of whether the "suit" included allegations or damages that may have been potentially covered at the time of tender to us or not. This right of reimbursement extends to all defense costs paid by us for defense of causes of action and/or damages for which there is no coverage under this policy. Our right of reimbursement of such defense costs shall include prejudgment interest incurred by us from the date the defense costs were paid by us.

**22. Right of Reimbursement of Settlement Payments**

We have the right of reimbursement of all settlement payments made by us in settlement of claims or "suits" for which there is no coverage under this policy. This right of reimbursement extends to all settlement payments paid by us as to causes of action and/or damages for which there is no coverage under this policy. Our right of reimbursement of such settlement costs shall include prejudgment interest incurred by us from the date the settlement costs were paid by us.

**VI. DEFINITIONS**

1. "Advertisement" means any commercial communication, including but not limited to commercial communication in print, broadcast, electronic or digital media or the Internet, that is disseminated to the public about the products,

services or operations of the insured for the purpose of promoting the sale of such products, services or operations. Regarding web sites, only that part of a web site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.

2. "Assault" means the apprehension of harmful or offensive contact between or among two or more persons by threat through words or deeds.
3. "Auto" means:
  - a. a land motor vehicle, trailer or semi trailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment."
4. "Battery" means the harmful or offensive contact between or among two or more persons by personal contact or by instrumentality.
5. "Bodily injury" means physical injury, sickness, disease or death sustained by a person that first occurs or begins during the policy period. "Bodily injury" does not include mental anguish, emotional distress or emotional damages or injury(ies) of any kind.
6. "Claim" means any facts that combine to give rise to a demand for something as a right or as due, a legally enforceable right or judicial action for payment of money, property, or enforcement of any right or relief provided by law, including but not limited to the following against the insured: any threat of legal action, settlement demand, service of suit, institution of arbitration proceeding, any written tender or demand for civil damages or other relief commenced by the insured's receipt of such demand or tender, or any civil proceeding commenced by the service of a complaint or similar pleading.
7. "Claim expenses" means:
  - a. fees charged by any lawyer designated by us;

- b. all other reasonable fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a claim if incurred by us;
- c. "reasonable fees" charged and reasonable expenses incurred by any lawyer designated by the insured with our prior express written consent.

However, "claim expenses" does not include salary charges of regular employees or officials of us or the insured.

8. "Communicable disease" means a disease or condition contracted through direct or indirect contact with or exposure to any form of "infectious agent" generally spread or passed through physical contact with the epidermis or bodily fluids or excretions including, but not limited to, blood, saliva, or semen of an infected host. For purposes of this definition, "infectious agent" means any one or more pathogens such as, but not limited to, bacterium, fungus, marker, microbial agent, microorganism, organism, protozoa, virus, or any other source, variant or mutation thereof, capable of transmission by any means from any source to any other source that can potentially infect, contaminate, cause, contribute or lead to the development of a "communicable disease."
9. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
10. "Damages" means the monetary portion of any judgment, award or settlement; provided, however, that "damages" shall not include:
  - a. taxes;
  - b. any fines, including but not limited to civil, administrative or criminal fines, penalties, assessments, punitive damages, exemplary damages, multiplied damages, liquidated damages or damages for delay;
  - c. sanctions;
  - d. matters which are uninsurable under the law pursuant to which this policy shall be construed;
  - e. costs to comply with any injunction or other directive or order issued by a court or any federal, state, municipal or local duly constituted governmental, quasi-governmental or administrative authority or agency; or

- f. the return of or restitution of fees, profits or charges for services rendered.
11. "Employee" includes a "leased worker", a "temporary worker", a "volunteer worker", and any person who is or may be deemed to be an employee of any insured or any person for whom an insured may be held liable as an employer.
12. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
13. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. it incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. you have failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
    - a. the repair, replacement, adjustment or removal of "your product" or "your work"; or
    - b. your fulfilling the terms of the contract or agreement.
14. "Insured Contract" means:
- a. A contract for lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire or premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the

"bodily injury" or "property damage" is caused, in whole or in part, by you or those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

15. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

16. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

17. “Material Misrepresentation” means any statement as to past or present fact, made to the insurer, by or by the authority of, the applicant for insurance or the prospective insured, at or before making of the insurance contract as an inducement to the making thereof.

18. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler tread;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” but will be considered “autos”;

- (1) Equipment designed primarily for:
  - (i) Snow removal;
  - (ii) Road maintenance, but not construction or resurfacing; or
  - (iii) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, “mobile equipment” does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered “autos.”

19. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

20. “Personal and advertising injury” means injury arising out of one or more of the following offenses resulting from an “occurrence”:

- a. oral or written publication of material in your “advertisement” that libels or slanders a person or organization or a person’s or organization’s products, services or operations or other defamatory or disparaging material;
- b. false arrest, detention or imprisonment; or
- c. oral or written publication of material that violates a person’s right of privacy.

21. “Policy period” means the period beginning with inception date and ending with the expiration date shown in the Declarations.

22. “Pollutants” mean any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to acids, alkalis, animal/bird droppings, chemicals, fumes, medical waste, refractory ceramic fibers, fiberglass, smoke, soot, vapor, waste or other hazardous or toxic substances listed as such by any state or federal agency or department, and the by-product of any chemical, mechanical or thermal process or reaction. Waste includes any regulated waste or materials to be recycled, reconditioned or reclaimed.

23. “Products-completed operations hazard” includes all “bodily injury” and “property damage” occurring away from premises you own or rent and arising out of “your product” or “your work” except:

- (1) products that are still in your physical possession; or

- (2) work that has not yet been completed or abandoned. However, “your work” will be deemed completed at the earliest of the following times:
- (i) when all of the work called for in your contract has been completed;
  - (ii) when all of the work to be done at the job site has been completed if your contract calls for work at more than one job site;
  - (iii) when that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include “bodily injury” or “property damage” arising out of:
- (1) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the “loading or unloading” of that vehicle by any insured;
  - (2) the existence of tools, uninstalled equipment or abandoned or used materials; or
  - (3) products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

24. “Property damage” means:

- a. physical injury to tangible property that first occurs or begins during the “policy period”; or
- b. loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the “occurrence” that caused it.

25. “Suit” means a civil proceeding in which “damages” because of “bodily injury”, “property damage” or “personal and advertising injury” to which this insurance applies are alleged. “Suit” includes:

- a. an arbitration proceeding in which such “damages” are claimed and to which the insured must submit or does submit with our consent; or
- b. any other alternative dispute resolution proceeding in which such “damages” are claimed and to which the insured submits with our express written consent.

26. “Temporary worker” means a person who is furnished to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.

27. “Volunteer worker” means a person who is not your “employee”, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

28. “Your product”:

- a. means:
  - (1) any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (i) you;
    - (ii) others trading under your name; or
    - (iii) a person or organization whose business or assets you have acquired; and
  - (2) containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. includes:
  - (1) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and
  - (2) the providing of or failure to provide warnings or instructions
- c. does not include vending machines or other property rented to or located for the use of others but not sold.

29. “Your work”:

- a. means:
  - (1) work or operations performed by you or on your behalf; and
  - (2) materials, parts or equipment furnished in connection with such work or operations.





- b. includes:
  - (1) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work”, and
  - (2) the providing of or failure to provide warnings or instructions.
  
- 30. “Water” means water in any form, whether solid, liquid, or gaseous, or a combination of the foregoing

SAMPLE





**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
SECTION VII. CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART

- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** The following is added to the **Cancellation** Common Policy Condition (and applies except in situations where **B.**, below, applies):

**7. Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a.** Nonpayment of premium;
- b.** Your conviction of a crime arising out of acts increasing the hazard insured against;
- c.** Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this policy, in continuing this policy or in presenting a claim under this policy;
- d.** Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;
- e.** Substantial breach of contractual duties or conditions;
- f.** Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;
- g.** Determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or
- h.** Acts or omissions by you or your representative which materially increase the hazard insured against. If we cancel this policy based on one or more of the above reasons, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of cancellation stating the reasons for cancellation.

We will mail this notice to the last mailing addresses known to us, at least:

- a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- b.** 60 days before the effective date of cancellation if we cancel for any of the other reasons.

**B.** If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

- 1.** Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
- 2.** Personal property (except business or farm personal property) of a person residing in such real property; the following provisions apply (instead of those provided in Item **A.** above) with respect to cancellation of such coverage:

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- a.** Nonpayment of premium;
- b.** Your conviction of a crime arising out of acts increasing the hazard insured against;
- c.** Acts or omissions by you or your representative constituting fraud or material misrepresentation in obtaining the policy, continuing the policy, or presenting a claim under the policy;
- d.** Discovery of grossly negligent acts or omissions by you substantially increasing any of the hazards insured against;
- e.** Substantial change in the risk assumed by us, since the policy was issued, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;



Preferred Contractors Insurance Company, RRG

- f. A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state; or
- g. Your failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses. If we cancel this policy based on one or more of these reasons, we will mail written notice of cancellation, stating the reason(s) for cancellation, to the first Named Insured. We will mail this notice to the last mailing address known to us, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - (2) 45 days before the effective date of cancellation, if we cancel for any of the other reasons.

C. The following is added and supersedes any provision to the contrary (and applies except in situations where D., below, applies):

**NONRENEWAL**

- 1. If we elect not to renew this policy, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 60 days prior to the expiration of this policy.
- 2. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
  - a. We or a company within the same insurance group has offered to issue a renewal policy; or
  - b. You have obtained replacement coverage or agreed in writing to do so.

D. If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

- 1. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
- 2. Personal property (except business or farm personal property) of a person residing in such real property; the following provisions apply (instead of those provided in Item C. above) with respect to nonrenewal of such coverage:
  - a. If we elect not to renew, we will mail written notice of nonrenewal, to the first Named Insured. We will mail this notice to the last mailing address known to us, at least 45 days before the end of the policy period. Proof of mailing will be sufficient proof of notice.

- b. If either one of the following occurs, we are not required to provide notice of nonrenewal:
  - (i) You have agreed to nonrenewal; or
  - (ii) You have accepted replacement coverage.
- c. If our nonrenewal is based on the condition of the premises, you will be given 30 days' notice to remedy the identified conditions. If the identified conditions are remedied, coverage will be renewed. If the identified conditions are not remedied to our satisfaction, you will be given an additional 30 days, upon payment of premium, to correct the defective condition.

E. The following Condition is added:

**RENEWAL**

- 1. If we elect to renew this policy and the renewal is subject to any of the following:
  - a. Increase in premium;
  - b. Change in deductible;
  - c. Reduction in limits of insurance; or
  - d. Substantial reduction in coverage; we will mail or deliver written notice of the change(s) to the first Named Insured, at the last mailing address known to us, at least 60 days before the anniversary or expiration date of the policy.
- 2. If renewal is subject to any condition described in 1.a. through 1.d. above, and we fail to provide notice 60 days before the anniversary or expiration date of this policy, the following procedures apply:
  - a. The present policy will remain in effect until the earlier of the following:
    - (i) 60 days after the date of mailing or delivery of the notice; or
    - (ii) The effective date of replacement coverage obtained by the first Named Insured.
  - b. If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the following rates:
    - (i) The rates applicable to the terminated policy; or
    - (ii) The rates presently in effect.
- 3. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this policy's anniversary or expiration date.



**ENDORSEMENT TO POLICY NO. 05**

**THIS ENDORSEMENT CHANGES TILE POLICY. PLEASE READ IT CAREFULLY**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**CONDITIONAL EXCLUSION OF TERRORISM**  
**(RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK**  
**INSURANCE ACT OF 2002)**

A. Applicability of the Provisions of This Endorsement

- (1) The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs:
- (a) The federal Terrorism Risk Insurance Program (“Program”), established by the Terrorism Risk Insurance Act of 2002, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
  - (b) A renewal, extension or continuation of the program has become effective without a requirement to make terrorism coverage available to you and with that revision that:
    - (1) increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism.); or
    - (2) decrease the federal government’s statutory percentage share in potential terrorism losses above such deductible; or
    - (3) redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this Policy. The Program is scheduled to terminate at the end of December 31, 2005 unless renewed, extended or otherwise continued by the federal government.
- (2) If the provisions of this endorsement become applicable, such provisions:
- (a) supersede any terrorism endorsement already endorsed to this Policy that addresses: “certified acts of terrorism” and/or “other acts of terrorism”, but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or the date when the provisions of this endorsement become applicable (for claims made policies, such as endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable);and
  - (b) remain applicable unless we notify you of changes in these provisions, in response to federal law.
- (3) If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this Policy, that addresses “certified acts of terrorism” and/or “other acts of terrorism”, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

- (1) “Terrorism” means activities against persons, organizations or property of a nature:
- (a) that involve the following or preparation for the following:
    - 1. Use or threat of force or violence; or
    - 2. Commission or threat of a dangerous act; or
    - 3. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
  - (b) When one or both of the following applies:
    - 1. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - 2. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.



- (2) "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

- (1) The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- (2) Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- (3) The "terrorism" is carried out by means of dispersal or application of pathogenic or poisonous biological or chemical materials; or
- (4) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- (5) The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners and occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- (6) Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. physical injury that involves a substantial risk of death; or
  - b. protracted and obvious physical disfigurement; or
  - c. protracted loss of or impairment of the function of a bodily member or organ.

SAMPLE

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C.5 or C.6 are exceeded.

With respect to this Exclusion, Paragraphs C.5 and C.6 describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

Policy No.:

Preferred Contractors Insurance Company  
 Risk Retention Group, LLC  
 27 North 27th Street, Suite 1900  
 Billings, Montana 59101  
 By:

Date:

Time: 12:01 a.m.

*Phillip Salvaggio*  
 Authorized Representative



**ENDORSEMENT TO POLICY NO. 07**

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**EXCLUSION – POOL POP UP AND POOL OVERFLOW**

The following exclusion is added to Section II, Exclusions:

This insurance does not apply to:

“Bodily injury” or “property damage” arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to any actual or alleged “pool pop ups” or “pool overflows.”

For purposes of this endorsement, the following definitions shall apply:

1. “Pool pop ups” means any actual or alleged “occurrence” where a constructed or installed swimming pool rises up out of the ground.
2. “Pool overflows” means any water discharge or overflow from within any constructed or installed swimming pool.

This endorsement shall apply whether or not any such “pool pop up” or “pool overflow” as so defined is alleged to be intentional, willful, reckless, negligent, or on any other basis.

Other than as set forth above, all other terms, conditions, provisions, exclusions and endorsements of the policy remain in full force and effect.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

Date:

Time: **12:01 a.m.**

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101  
By:

*Phillip Salvagio*  
Authorized Representative





**ENDORSEMENT TO POLICY NO. 18**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**  
**SUBCONTRACTOR CONDITION**

This endorsement modifies coverage provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

Coverage only applies to liability arising out of work performed for you by your “adequately insured” contractors or subcontractors and only if the contractors or subcontractors:

- (1) Provide hold harmless agreements indemnifying against all losses for the work performed by or on behalf of the contractors or subcontractors; and
- (2) Name you as an Additional Insured on all contractors or subcontractors Commercial General Liability policies; and
- (3) Has coverage that is equal to or greater than provided by this **Policy**, with limits of at least \$1,000,000.00 (One Million Dollars) per occurrence.

You will obtain and maintain Certificates of Insurance from all contractors or subcontractors you hire providing evidence of insurance, including Commercial General Liability, Workers’ Compensation and Employer’s Liability.

The following exclusion is added to Paragraph 2. Exclusions of SECTION 1 – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY and COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

**SAMPLE**

We will not extend any defense and/or coverage under this policy for work performed by those contractors or subcontractors you hire who are not “adequately insured”.

The following definition is added to the DEFINITIONS Section:

“Adequately insured” means that the contractors or subcontractors that perform operations for you maintain Commercial General Liability insurance in force with limits of insurance for their operations that are equal to or greater than the limits of insurance shown in the Declarations of this policy, including operations performed for them by others and that policies of such contractors and subcontractors do not exclude the work being performed for you. In the event that your contractors or subcontractors have a policy that does not cover them for the work they are doing for you, your policy will not cover them as well.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

Preferred Contractors Insurance Company  
Risk Retention Group, LLC

Date:

27 North 27th Street, Suite 1900  
Billings, Montana 59101

Time: **12:01 a.m.**

By:

*Phillip Salvaggio*  
Authorized Representative



Preferred Contractors Insurance Company, RRG

**ENDORSEMENT TO POLICY NO. 27**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**

**RISK RETENTION GROUP, LLC**

**COMMERCIAL GENERAL LIABILITY POLICY**

**AFB PREMIUM SHORT RATE CANCELLATION TABLE**

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the Assured the Earned PREMIUM shall be computed as follows:

<b>PREMIUM SHORT RATE CANCELLATION TABLE</b>			
Days Insurance in Force	Percent of One Year Premium	Days Insurance in Force	Percent of One Year Premium
1 - 73	30	206 - 209	66
74 - 76	31	210 - 214	67
77 - 80	32	215 - 218	68
81 - 83	33	219 - 223	69
84 - 87	34	224 - 228	70
88 - 91	35	229 - 232	71
92 - 94	36	233 - 237	72
95 - 98	37	238 - 241	73
99 - 102	38	242 - 246	74
103 - 105	39	247 - 250	75
106 - 109	40	251 - 255	76
110 - 113	41	256 - 260	77
114 - 116	42	261 - 264	78
117 - 120	43	265 - 269	79
121 - 124	44	270 - 273	80
125 - 127	45	274 - 278	81
128 - 131	46	279 - 282	82
132 - 135	47	283 - 287	83
136 - 138	48	288 - 291	84
139 - 142	49	292 - 296	85
143 - 146	50	297 - 301	86
147 - 149	51	302 - 305	87
150 - 153	52	306 - 310	88
154 - 156	53	311 - 314	89
157 - 160	54	315 - 319	90
161 - 164	55	320 - 323	91
165 - 167	56	324 - 328	92
168 - 171	57	329 - 332	93
172 - 175	58	333 - 337	94
176 - 178	59	338 - 342	95
179 - 182	60	343 - 346	96
183 - 187	61	347 - 351	97
188 - 191	62	352 - 355	98
192 - 196	63	356 - 360	99
197 - 200	64	361 - 365	100
201 - 205	65		

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

Date:

Time: 12:01 a.m.

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101

By: *Phillip Salvaggio*  
Authorized Representative



**ENDORSEMENT TO POLICY NO. 35**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**PROJECT SHARED AGGREGATE**

Effective at the date and time set forth herein a maximum aggregate limit will apply to each and every "Project" insured under the Policy. "Project" as used by this endorsement shall mean any construction site at which one or more "Members" of the Risk Retention Group are providing services. This limit will be effective when any claim arising from a "Project" is filed by one or more "Member" of the Risk Retention Group subject to the following conditions:

1. The Project Aggregate Limit is determined by whichever "Member" is insured for the highest aggregate limit;
2. Each claim against an individual "Named Insured" cannot exceed the Occurrence Limit of a "Named Insured";
3. Each claim for a single "Project" will reduce the Project Aggregate Limit by the amount of any claim payment;
4. Coverage for the "Project" will not be afforded when the Project Aggregate Limit is exceeded; and
5. Covered losses will be covered according to the date the Risk Retention Group is first notified of the claim.

SAMPLE

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101

Date:

Time: 12:01 a.m.

By: *Phillip Salvagio*  
Authorized Representative



**ENDORSEMENT TO POLICY NO. 41**

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**OIL BASED PAINT AND FLAMMABLE PRODUCTS LIMITATION**

Notwithstanding any other terms and conditions of this policy, \$25,000 only is the maximum amount we will pay for damages and claim expenses for any claim or "suit" for "bodily injury" or "property damage" arising out of, resulting from, caused by, contributed to, or in any way related, in whole or in part, to any actual or alleged handling of, storage of, use of or disposal of oil base paints, lacquers, flammable liquids or solids or related item, whether oil based or non-oil based that may lead to, promote, or contribute to combustion.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.: Preferred Contractors Insurance Company

Risk Retention Group, LLC

Date: 27 North 27th Street, Suite 1900

Billings, Montana 59101

Time: 12:01 a.m.

By: *Phillip Salvaggio*  
Authorized Representative

SAMUEL



**ENDORSEMENT TO POLICY NO. 51**

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**  
**EXCLUSION – UNLICENSED CONTRACTORS**

The following is added to Section II, Exclusions:

This insurance does not apply to:

1. “Bodily injury” or “property damage” arising out of or in any way related to any act or omission of any insured, or any contractor or subcontractor working for or on behalf of any insured, who is required to be licensed by any local, state or federal licensing authority but is not in compliance with any such licensing requirement;
2. “Bodily injury” or “property damage” arising out of or in any way related to any work of any insured, or any contractor or subcontractor working for or on behalf of any insured that does not meet federal, state, or local laws, rules, regulations, or standards, including but not limited to standards promulgated by the Occupational Safety and Health Administration (OSHA), and any and all similar laws, rules regulations and standards.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

**SAMPLE**

Policy No.:

Date:

Time:

**12:01 a.m.**

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101  
By:

*Phillip Salvaggio*  
Authorized Representative





**ENDORSEMENT TO POLICY NO. 89**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**EXCLUSION – LOUISIANA OPERATIONS**

In addition to the exclusions set forth in other sections and endorsements in this **Policy**, the **Risk Retention Group** will not pay, is not liable for, and the **Policy** will not provide coverage for any claim related to, arising out of, or in any way involving the following:

Any operations performed by the Named insured or on behalf of the Named insured, in or for the State of Louisiana.

Accordingly, the term "Coverage Territory", as defined in the Policy, shall be amended and defined as follows:

"Coverage territory" means the United State of America (including its territories and possessions), Puerto Rico and Canada. "Coverage territory" shall not include the State of Louisiana.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

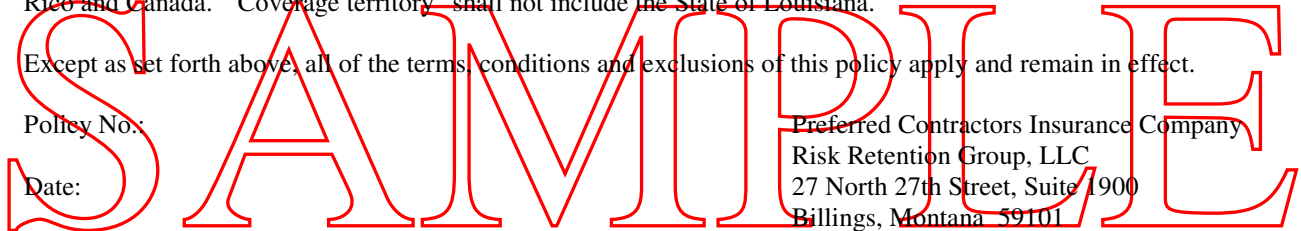
Date:

Time:

**12:01 a.m.**

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101

By: *Phillip Salvaggio*  
Authorized Representative





**ENDORSEMENT TO POLICY NO. 92**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**INSURING AGREEMENT AMENDMENT – USE OF EXTRINSIC EVIDENCE – RIGHT TO DEFEND**

This Endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Paragraph 1. a. of SECTION I – COVERAGES COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY is replaced by the following:

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as “damages” because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking “damages” to which this insurance applies. However, we will have no duty to defend any insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply.

**SAMPLE**

We may look to extrinsic evidence outside of the allegations and/or facts pleaded by any claimant to determine whether we owe a duty to defend or indemnify against a lawsuit seeking “bodily injury” or “property damage.” We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for “damages” is limited as described in Section IV - Limits of Liability; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of “damages,” under Coverage A or B or medical expenses under Coverage C, “claim expenses,” or both.
- (3) It is expressly understood and agreed that “claim expenses”, (including defense fees and costs) are included within and are not in addition to the Limits of Liability set forth in the Declarations.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101

Date:

By: *Phillip Salvaggio*  
Authorized Representative

Time: 12:01 a.m.



**ENDORSEMENT TO POLICY NO. 93**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**LIMITATION – DUTY TO DEFEND**

Where there is no coverage under this policy, there is no duty to defend any insured.

Our determination regarding a defense obligation under this policy may be made on documentation, evidence, or information extrinsic to any complaint or pleading presented to us.

For those qualifying as an additional insured by way of an additional insured endorsement, we have the right, but not the duty to defend.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

Policy No.:	<b>S A M M I T E</b>	Preferred Contractors Insurance Company
Date:		Risk Retention Group, LLC
Time:		27 North 27th Street, Suite 1900
		Billings, Montana 59101
	<u>12:01 a.m.</u>	By: <i>Phillip Salvagio</i>
		Authorized Representative



**ENDORSEMENT TO POLICY NO. 94**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREFERRED CONTRACTORS INSURANCE COMPANY**  
**RISK RETENTION GROUP, LLC**  
**COMMERCIAL GENERAL LIABILITY POLICY**

**MECHANIC’S LIEN – CONDITION PRECEDENT TO COVERAGE**

The following endorsement is a condition precedent to coverage set forth in the policy.

It is hereby agreed between the Member and the Risk Retention Group that this policy shall not apply to “bodily injury”, “property damage”, “personal injury”, or “advertising injury” arising out of work performed by the insured or on the insured’s behalf, when alleged as a response to the insured filing a mechanic’s lien against said work, unless the following conditions are fully satisfied by the insured:

1. The insured must notify the Risk Retention Group in writing, within thirty (30) calendar days of filing a Mechanic’s Lien for work performed during the policy period; and
2. The insured must notify the Risk Retention Group in writing, within thirty (30) calendar days of any correspondence it sends or receives relating to the filing, resolution, or dispute of a Mechanic’s Lien for work performed during the policy period.

For purposes of this endorsement, the phrase “alleged as a response to the insured filing a mechanic’s lien” shall refer to a subsequent lawsuit filed by the property owner against the named insured for faulty or defective work.

Except as set forth above, all of the terms, conditions and exclusions of this policy apply and remain in effect.

**SAMPLE**

Policy No.:

Date:

Time: **12:01 a.m.**

Preferred Contractors Insurance Company  
Risk Retention Group, LLC  
27 North 27th Street, Suite 1900  
Billings, Montana 59101

By: *Phillip Salvaggio*  
Authorized Representative