



# GENERAL LIABILITY COVERAGE MANUFACTURERS' AND CONTRACTORS LIABILITY INSURANCE

Coverage for Premises and for Operations in Progress including  
Operations of Independent Contractors

## AGREEMENT

We provide Manufacturers' and Contractors Liability Insurance and those added coverages described in this Policy during the policy period in return for payment of the premium. This agreement is subject to all the *terms* of this policy. The complete Manufacturers' and Contractors Liability Insurance coverage consists of the Declarations page, this Agreement, and other endorsements which may be added, including required state endorsements. It is important that *you* read each part of this policy carefully to understand the coverages provided; *your* policy obligations and *our* policy obligations. Each coverage is subject to all *terms* relating to that coverage. The Table of Contents that follows shows how each coverage part is organized and it will help *you* locate the various policy sections.

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### A. DEFINITIONS-these definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. *Automobile* means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached to the *automobile*. *Automobile* DOES NOT INCLUDE *mobile equipment*.
3. *Bodily injury* means *bodily injury*, bodily sickness and/or bodily disease sustained by any person occurring during the policy period, including death resulting from the *bodily injury*, bodily sickness and/or bodily disease.
4. *Business* means a trade, profession, or other occupation including farming, and/or the rental of property.
5. *Coverage Territory* means:
  - a. The United States of America, including its territories and possessions, Puerto Rico and Canada;
  - b. international waters or airspace, provided the *bodily injury* or *property damage* occurs in the course of travel or transportation to or from anyplace included in a. above;
  - c. the world, with respect to products manufactured or sold within the territory described in a. above; and
  - d. the world, with respect to activities of a person temporarily away from the *coverage territory* described in a. above, while he/she is conducting *your business*.
6. *Covered Policy* means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
7. *Elevator* means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances pertaining to the *elevator*, including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; THIS DOES NOT INCLUDE:
  - a. an *automobile* servicing hoist;

- b. a hoist without a platform outside a building if without mechanical power or if it is not attached to the building walls;
  - c. a hod or material hoist used in alteration, construction or demolition operations;
  - d. an inclined conveyor used exclusively for carrying property; or
  - e. a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.
8. **Employee** includes leased *employees* but does not include temporary *employees*.
9. **Impaired Property** means tangible property other than *your product* or *your work*:
- a. whose value has been decreased:
    - 1) because it includes *your product* or *your work* that is, or is thought to be, defective, deficient or dangerous; or
    - 2) because *you* failed to comply with the *terms* of a contract or agreement; and
  - b. whose usefulness can be restored:
    - 1) by the repair, replacement, adjustment or removal of *your product* or *your work*; or
    - 2) by *your* compliance with the *terms* of the contract.
10. **Insured** means that each of the following is an *insured* under the conditions and limitations set forth below:
- a. if the *named insured* is an individual, both the individual and his/her spouse are *insureds* but only with respect to the conduct of a *business* of which he/she is the sole proprietor.
  - b. if the *named insured* is a partnership or joint venture, any partner or member and their spouses is an *insured* but only with respect to the conduct of the *business*.
  - c. if the *named insured* is an organization, the executive officers, members of the board of trustees, directors, and governors are *insureds* while acting within the scope of their duties as officers and directors. Stockholders are also *insureds* but only with respect to their liability as stockholders.
  - d. if the *named insured* is a limited liability company, the members and managers are *insureds* while acting within the scope of their duties as members and managers.
  - e. any person (other than an *employee* of the *named insured*) or organization while acting as real estate manager for the *named insured*.
  - f. with respect to the operation, for the purpose of locomotion upon a public highway, of *mobile equipment* registered under any motor vehicle registration law:
    - 1) an *employee* of the *named insured* while operating any such equipment in the course of his/her employment; and
    - 2) any other person while operating with the permission of the *named insured* any such equipment registered in the name of the *named insured* and any other person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;
 provided that no person or organization shall be an *insured* under this paragraph f. with respect to:
    - a) *bodily injury* to any co-*employee* of the person driving the equipment; or
    - b) *property damage* to property owned by, rented to, in charge of or occupied by the *named insured* or the employer of any person described in subparagraph 2).
  - g. each of the following is also an *insured*:
    - 1) any person or organization having proper temporary custody of *your* property if *you* die, but only:
      - a) with respect to liability arising out of the maintenance or use of that property; and
      - b) until *your* legal representative has been appointed.
    - 2) *your* legal representative if *you* die, but only with respect to duties as such. That representative will have all *your* rights and duties under this General Liability coverage.

This insurance DOES NOT APPLY to liability arising out of the conduct of any partnership, joint venture, or limited liability company of which the *insured* is a partner or member and which is not designated in this policy as a *named insured*.

11. **Insured Contract** means any written:
- a. leases of premises;
  - b. easement agreements, except those concerning construction or demolition operations abutting railroad property;
  - c. obligation to insure a municipality as required by law or ordinance, except in connection with *work* for the municipality;
  - d. sidetrack agreements; or
  - e. *elevator* maintenance agreements.
12. **Insured Premises** means:
- a. the premises designated in the Declarations including the ways immediately adjoining it on land;

- b. premises transferred by the *named insured*, including the ways immediately adjoining it on land; (EXCEPT premises constructed for sale by the *named insured*);
  - c. premises and the ways immediately adjoining it on land in which the *named insured* acquires ownership or control and insures the premises under this policy within thirty days after the acquisition.
13. **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 treads;
  - 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., d., or e. 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 *automobiles*:

- 1) equipment designed primarily for:
    - a) snow removal;
    - b) road maintenance, but not construction or resurfacing; or
    - c) 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.
14. **Named Insured** means the person or entity named in the Declarations.
15. **Named Insured's Products** means *business* personal property or products manufactured, sold, handled, distributed or disposed of by the *named insured* or by others trading under his/her name, or a person or organization whose *business* or assets *you* have acquired.

Products includes:

- a. warranties or representations made at any time with respect to the fitness, quality, durability or performance of the *named insured's products*;
- b. provision of or failure to provide warnings, instructions or other sales support information; and
- c. containers (other than vehicles), materials, parts or equipment furnished in connection with such *business* personal property or products.

Products does not include:

- a. vending machines;
  - b. property that is rented to or placed for the use of others, but not sold; or
  - c. real property.
16. **Nonpayment of Premium** means the failure of the *named insured* to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent, or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment, shall be timely if made within fifteen days after the mailing to the *insured* of a notice of cancellation for *nonpayment of premium*.
17. **Occurrence** means an accident including continuous or repeated exposure to substantially similar conditions,
18. **Pollution** means *bodily injury* and/or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
- a. at or from premises owned, rented, loaned or occupied by the *named insured*;
  - b. at or from any site or location used by or for the *named insured* or others for the handling, storage, disposal, processing or treatment of *waste*;
  - c. which are at any time transported, handled, stored, treated, disposed of, or processed as *waste* by or for the *named insured* or any person or organization for whom the *named insured* may be legally responsible; or

- d. at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
  - 1) if the pollutants are brought on or to **your** site or location in connection with such operations; or
  - 2) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

For the purpose of this provision, pollutant means any solid, liquid, gaseous, thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

19. **Products/Completed Operations Hazard.**

- a. **Products hazard** means **bodily injury** and/or **property damage** occurring away from premises **you** own or rent and arising out of **your product** after physical possession of it has been relinquished to others.
- b. **Completed operations hazard** means **bodily injury** and/or **property damage** arising out of **your work**. **Your work** does not include incomplete or abandoned **work**.

**Your work** is completed at the earliest of the following times:

- 1) when all **work** specified in **your** contract has been done;
- 2) when all **work** to be done at a job site has been completed if **your** contract includes **work** at more than one site; or
- 3) when **your work** at a job site has been put to its intended use by someone other than another contractor or subcontractor working on the same job site.

**Work** which requires further service, maintenance, correction, repair or replacement because of a defect or deficiency, but which is otherwise complete, shall be considered completed.

- c. Neither the **products hazard** nor **completed operations hazard** includes **bodily injury** and/or **property damage** arising out of:

- 1) the transport of property aboard a vehicle not owned or operated by **you**, unless injury or damage occurs from a condition that was created by **your** loading or unloading of the vehicle;
- 2) the presence of tools, uninstalled equipment, abandoned or unused materials; or
- 3) products or **work** for which the classification on the Declarations/schedule states "including **Products/Completed Operations**".

20. **Professional Service** means:

- a. the rendering or failure to render:
  - 1) any **professional service** including but not limited to any cosmetic, body piercing, tonsorial, massage, physical therapy, podiatry, hearing aid, optical or optometrical services or treatments; or
  - 2) any service or treatment conducive to health or of a professional nature including but not limited to the furnishing or dispensing of drugs, medical, dental, veterinarian or surgical supplies and services or the handling or performing of autopsies or necropsies.

21. **Property Damage** means:

- a. physical injury to tangible property occurring during the policy period, including the loss of use from such physical injury;
- b. loss of use of tangible property which has not been physically injured provided such loss of use is caused by an **occurrence** during the policy period; or
- c. **property damage**, but it does not include loss or damage to intangible electronic data stored or used in an electronic format in the random access memory (RAM) of a computer or computer system including storage media such as floppy discs, hard drives, CD-Rom discs and similar electronic storage devices.

22. **Suit** means a civil proceeding in which damages because of **bodily injury** and/or **property damage** to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which **you** must submit or submit with **our** consent. However, **suit** does not mean that **we** shall have the duty to respond to any process designating **you** as a potentially responsible party (PRP) in connection with any **pollution** matter.

23. **Terms** as used in this policy means provisions, limitations, exclusions, definitions and conditions of **your** policy.

24. **Your Work** means:

- a. **work** or operations performed by **you** or on **your** behalf; and
- b. materials, parts and equipment **you** supply for such **work** or operations; and
- c. written warranties or representations made at any time regarding quality, fitness, durability or performance of any of the foregoing; and
- d. the provision of or failure to provide instructions and/or warnings.

25. **"X" Explosion** means damage to covered property resulting from detonation or blasting EXCEPT **property damage**:

- a. arising out of the **explosion** of air or steam vessels, piping under pressure, prime movers, machinery or power transmission equipment;

- b. arising out of operations performed for the *named insured* by independent contractors;
  - c. included within the *completed operations hazard* or the *underground property damage hazard*; or
  - d. for which liability is assumed by the *insured* under an *insured contract*.
26. "**C**" *Collapse* means the *collapse* of or structural injury to any building or structure due to:
- a. grading of land, excavating, burrowing, filling, back-filling, tunneling, pile driving, cofferdam *work* or caisson *work*; or
  - b. moving, shoring, under-pinning, razing or demolition of any building or structure, or removal or rebuilding of any structural support.

The *collapse* hazard DOES NOT INCLUDE *property damage*:

- a. arising out of operations performed for the *named insured* by independent contractors;
  - b. included within the *completed operations hazard* or the *underground property damage hazard*; or
  - c. for which liability is assumed by the *insured* under an *insured contract*.
27. "**U**" *Underground Property Damage* means *property damage* to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and an apparatus in connection with them, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling, pile driving or any similar operations. The *underground property damage hazard* DOES NOT INCLUDE *property damage*:
- a. arising out of operations performed for the *named insured* by independent contractors;
  - b. included within the *completed operations hazard*; or
  - c. for which liability is assumed by the *insured* under an *insured contract*.

## B. PRINCIPAL COVERAGES

### Coverage L-Bodily Injury and/or Property Damage

We provide *bodily injury* and/or *property damage* coverage if a limit of liability is shown on the Declarations page, the Supplemental Declaration page or on any endorsement attached to this policy. The *bodily injury* and/or *property damage* must be caused by an *occurrence*. The *occurrence* must take place in the *coverage territory* during the policy period.

### WHAT WE PAY FOR

We pay, up to the limit of liability, all sums when the *insured* is legally obligated to pay damages because of *bodily injury* and/or *property damage* caused by an *occurrence* to which this coverage applies. We will not accept any obligations or liability to pay sums to or perform acts or services unless the coverage is specifically provided for in the Supplementary Payments. The *bodily injury* and/or *property damage* must result from the ownership, maintenance or use of the *insured premises*; and from the covered operations in progress, including operations of independent contractors. We shall have the right and duty to defend the *insured* against any *suit* seeking covered damages, even if any of the allegations of the *suit* are groundless, false or fraudulent, provided the *suit* seeking covered damages originates from *bodily injury* and/or *property damage* not otherwise excluded. We may make any investigation and settle any claim or *suit* that we decide is appropriate. We are not obligated to provide a defense after we have paid, either by judgment or settlement, an amount equal to our limit of liability.

Coverage L applies to:

1. *Bodily injury* including covered damages claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.
2. *Property damage* including loss of use of tangible property that is not physically injured and which shall be deemed to occur at the time of the *occurrence* that caused it.

### ORDERLY TRANSFER OF DUTIES

1. When we have paid an amount equal to the limits of liability shown, we will notify the first *named insured* in writing, as soon as practicable, that the applicable limit of liability has been exhausted. The notice will confirm that our duty to defend *suits* has terminated.
2. We will initiate and cooperate in the orderly transfer of control to any appropriate *insured*. We will take such steps as we deem appropriate to avoid a default in or to continue the defense of such *suits* until the transfer to a cooperating *insured* is complete. We will not defend any other *suits* subject to those limits of liability which have been exhausted.
3. The *insured* must take control of the *suit*, at their expense, within the agreed upon time or as soon as practicable in the absence of any agreement.
4. The first *named insured* is obliged to reimburse our expenses incurred in continuing the defense during the transition period referred to in 2. above. Reimbursement will be payable for all expenses we incur after providing the written notice referred to in 1. above.

5. The exhaustion of *our* limit of liability by payment of judgments or settlements, and the resulting termination of *our* duty to defend, will not be waived by *our* failure to comply with any of the provisions of 1. through 4. above.

### C. SUPPLEMENTARY PAYMENTS

These Supplementary Payments are subject to the *terms* of the Principal Coverages and they do not increase the limit of liability stated for the principal coverages except: Claims and Defense Expense Coverage.

1. **Claims and Defense Expense Coverage-**We pay these expenses incurred in connection with a *suit* defended by *us* under the *bodily injury* and/or *property damage* liability coverage:
  - a. costs charged to the *insured*;
  - b. expenses incurred by *us*;
  - c. proven loss of earnings by an *insured*, up to \$100 per day, for time away from *work* at *our* request;
  - d. other necessary expenses incurred at *our* request;
  - e. prejudgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any pre-judgment interest based on that period of time after the offer but prejudgment interest may not be included with the limit of liability and shall be paid in accordance with Supreme Court of Pennsylvania, Rule of Civil Procedure 238;
  - f. interest accruing after entry of a judgment but ending when *we* tender or pay up to the applicable limit of liability;
  - g. premiums on appeal bonds or release of attachments bonds up to *our* limit of liability; and
  - h. premiums up to \$500 per bail bond required of any *insured* because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies.This policy does not cover punitive damages, exemplary damages or damages other than compensatory damages and related defense costs. This applies without regard to any provision of this policy or any endorsement attached to it.
2. **First Aid Coverage-**We pay the expenses incurred for first aid to others at the time of an accident and for *bodily injury* to which this insurance applies.

### D. EXCLUSIONS

Exclusions that apply to *Bodily injury* and /or *Property damage*:

*We* do not pay for loss resulting directly or indirectly from the following exclusions, unless specific coverage is added to *your* policy.

#### **WE DO NOT PAY FOR:**

1. *Bodily injury* and/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;
2. Liability assumed by the *insured* under any contract or agreement except an *Insured Contract*;
3. *Bodily injury* and/or *property damage* arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
  - a. any *automobile*, aircraft or watercraft owned or operated by or rented or loaned to any *insured*; or
  - b. any other *automobile* aircraft or watercraft operated by any person in the course of his/her employment by any *insured*.

This exclusion DOES NOT APPLY:

- 1) to the parking of an *automobile* on the *insured premises*, if such *automobile* is not owned by, rented to or loaned to any *insured*;
- 2) to *bodily injury* and/or *property damage* arising out of the operations of *mobile equipment* which includes cherry pickers and devices mounted on *automobile* or truck chassis and used to raise or lower workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment;
- 3) to liability assumed under an *insured contract* with respect to ownership of *automobiles*, aircraft or watercraft; and
- 4) to watercraft while ashore on the *insured premises*.
4. *Bodily injury* and/or *property damage* arising out of and in the course of:
  - a. transportation of *mobile equipment* by an *automobile* owned, operated by, rented or loaned to any *insured*;
  - b. the ownership, maintenance, operation, use, entrusting, loading or unloading of any *mobile equipment* while being used in any prearranged or organized racing, speed, demolition contest, in any stunting activity, or in practice or preparation for any such contest or activity; or
  - c. the operation or use of any snowmobile or trailer designed for use with a snowmobile.

5. **Bodily injury** and/or **property damage** included within the **pollution** definition. **We** do not pay for any loss, cost or expense resulting from any request or demand that a **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants or any defense and/or indemnity of any **suit** or other action resulting from such **pollution**.

This exclusion does not apply:

- a. to **bodily injury** and/or **property damage** caused by heat, smoke or fumes from a hostile fire. For the purpose of this exclusion, hostile fire means a fire which becomes uncontrollable or breaks out from its intended confines;
  - b. to **bodily injury** sustained within a covered building caused by the release or escape of smoke, soot, vapor or fumes from faulty operation of heating equipment in such building; and
  - c. to **bodily injury** and/or **property damage** resulting from the accidental escape of fuels, lubricants or other operating fluids from their intended confines within vehicles or **mobile equipment** operated on the covered premises.
6. **Bodily injury** and/or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution;
7. **Bodily injury** and/or **property damage** for which the **named insured** or others for whom coverage is included in this policy may be held liable:
- a. as a person or organization engaged in the manufacture, distribution, sale or serving of alcoholic beverages; and
    - 1) when an **insured** serves or provides alcoholic beverages at a fee; whether for profit or otherwise and whether a license is required or not; or
    - 2) when an **insured** serves or provides alcoholic beverages free; if a license is required for such activities.
  - b. if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
    - 1) by, or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage; or
    - 2) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;But, part b.2) of this exclusion does not apply with respect to liability of an **insured** as owner or lessor described in b. above;
8. Any obligation of the **insured** under a workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
9. **Bodily injury**:
- a. to any **employee** of the **insured** arising out of and in the course of his/her employment by the **insured** for which the **insured** may be liable as an employer or in any other capacity;
  - b. sustained by a spouse, child, parent, or sibling of an **employee** of the **insured** as a consequence of **bodily injury** to such **employee** arising out of and in the course of his/her employment by the **insured**; or
  - c. to any obligation of the **insured** to indemnify or contribute with another because of damages arising out of such injury.

This exclusion applies to all claims and **suits** by any person or organization for damages because of such **bodily injury** including damages for care and loss of services.

This exclusion DOES NOT APPLY to liability assumed by the **insured** under an **insured contract**;

10. **Property damage** to:
- a. Property **you** own, rent or occupy including cost **you** incur to remediate, replace or restore such property. This includes expenses **you** incur in efforts to avoid injury or to mitigate damage to the property of others;
  - b. premises **you** sell, give away or abandon, if the **property damage** arises out of any part of those premises. However, this exclusion does not apply if the premises are **your work** and were never occupied, rented or held for rental by **you**;
  - c. property loaned to **you** and property in **your** care, custody or control;
  - d. the part(s) of real property on which **you**, or contractors working on **your** behalf, are conducting on-going operations and such **property damage** results from those operations; and
  - e. the part(s) of any property requiring repair or restoration because of the improper performance of **your work** on that property. However, this exclusion does not apply to **property damage** included in the **products/completed operations hazard**.

Paragraphs c., d. and e of this exclusion do not apply to liability assumed under a written sidetrack agreement.

Paragraphs c., d. and e. of this exclusion do not apply with respect to **property damage** (other than to **elevators**) arising out of the use of an **elevator** at the **insured premises**;

11. **Property damage** to **impaired property** or tangible property that has not been physically injured or destroyed resulting from:

- a. a delay in or lack of performance by or on behalf of the **named insured**, of any contract or agreement; or
- b. the failure of the **named insured's products** or **work** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**; and
- c. a production deficiency resulting in inadequacies or defects in **your** product or **your work**.

This exclusion DOES NOT APPLY to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or **work** performed by or on behalf of the **named insured**, after such products or **work** have been put to use by any person or organization other than an **insured**;

- 12. **Property damage** to the **named insured's products** arising out of such products or any part of such products including packaging, instructions and warnings;
- 13. **Property damage** to **work** performed by or on behalf of the **named insured** arising out of the **work**, any portion of the **work**, out of materials, parts or equipment furnished in connection with the **work**;
- 14. **Bodily injury** and/or **property damage** included within the **products/completed operations hazard** definition;
- 15. **Bodily injury** and/or **property damage** arising out of operations on or from premises (other than the **insured premises**) owned by, rented to or controlled by the **named insured**, or to liability assumed by the **insured** under any contract or agreement relating to such premises;
- 16. **Bodily injury** and/or **property damage** due to the rendering of or failure to render any **professional service**;
- 17. **Property damage** included within:
  - a. the **explosion** definition;
  - b. the **collapse** definition; or
  - c. the **underground property damage** definition;
- 18. **Bodily injury** and/or **property damage** arising out of structural alterations which involve changing the size of or moving buildings or other structures, new construction or demolition operations performed by or on behalf of the **named insured**;
- 19. **Bodily injury** and/or **property damage**:
  - a. resulting directly or indirectly from the transmission of a communicable disease by an **insured** or **employees** of an **insured**;
  - b. arising directly or indirectly out of instances, **occurrences** or allegations of sexual abuse or sexual harassment of any person by an **insured** or **employees** of an **insured**;
  - c. arising directly or indirectly out of instances, **occurrences** or allegations of criminal activity by an **insured** or by **employees** of an **insured**;
- 20. 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:
  - a. **your** product;
  - b. **your work**; or
  - c. **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;
- 21. **Bodily injury** and/or **property damage** resulting from an **occurrence** of loss or damage discovered prior to the inception of this policy; or
- 22. Punitive damages, exemplary damages or damages other than compensatory damages.

## E. WHAT YOU MUST DO IN CASE OF LOSS

- 1. **Notice.**
  - a. In case of an **occurrence** or if **you** become aware of anything that indicates there might be a claim under this policy, **you** must give **us** or **our** agent notice (in writing if requested) as soon as practicable;
  - b. The notice to **us** must state:
    - 1) **your** name, policy number and the time, place and circumstances of the **occurrence**; and
    - 2) names and addresses of any potential claimants and witnesses.
- 2. **Cooperation-You** must cooperate with **us** in performing all acts required by this policy.
- 3. **Volunteer Payments-You** must not, except at **your** own cost, voluntarily make any payments, assume any obligations, or incur any other expenses except first aid to others at the time of **bodily injury**.
- 4. **Additional Duties-Bodily Injury** and/or **Property Damage Coverages**-In the event of an **occurrence** which might result in a claim for **bodily injury** and/or **property damage** liability under this policy, **you** must also do the following:
  - a. promptly forward to **us** copies of all notices, demands, or legal papers received in connection with the **occurrence**; and
  - b. at **our** request, assist in:



- 1) making settlements;
- 2) the conduct of *suits* including attending trials and hearings;
- 3) enforcing any right of contribution or indemnification against any party who may be liable to any *insured* for the injury or damage;
- 4) securing and giving evidence; and
- 5) obtaining the attendance of witnesses;

## F. HOW MUCH WE PAY FOR LOSS OR CLAIM

For the purpose of determining *our* limit of liability, all *bodily injury* and/or *property damage* arising out of continuous or repeated exposure to substantially the same general condition(s) shall be considered as arising out of one *occurrence*.

1. The limit of liability stated on the Declarations page, the Supplemental Declarations page or attached endorsements and the conditions set forth below fix the maximum amounts *we* will pay for loss regardless of the number of:
  - a. persons insured under this policy;
  - b. persons or organizations who sustain *bodily injury and/or property damage*; or
  - c. claims made or *suits* brought.
2. The Each *Occurrence* limit, subject to any aggregate limit of liability, is the most *we* pay for the total of damages under Coverages L for all *bodily injury* and/or *property damage* arising out of a single *occurrence*.
3. The policy period shown on the Declarations page, the Supplemental Declarations page or other endorsements added to this policy may be for a period of one year or longer. HOWEVER, for the purpose of determining any or all aggregate limits of liability described in this section, or in endorsements attached to this policy, policy period means a one year period beginning with the inception date of the policy (and for each subsequent one year period if applicable).
4. These agreements are extended to include an increase in the aggregate limit of liability in proportion to any policy extension whether required by the issuance of a late or incomplete conditional renewal notice, late non-renewal notice or other reason. The aggregate limit of liability is the most *we* will pay during a policy period for the sum of all damages under **Coverage L-Bodily injury** and/or **Property damage**.
5. The Aggregate limit of liability applies separately to each consecutive 12-month period beginning with the inception date of the General Liability coverage shown on the Declarations page, the Supplemental Declarations page or attached endorsements. It also applies separately to any remaining policy period of less than 12-months, unless the General Liability Coverage has been extended after it was written. In that case, the additional period will be considered part of the last preceding period for the purpose of determining limits.
6. If Premises Medical Payments, Fire Legal Liability, **Product/Completed Operations**, or other coverages are added to this policy by endorsement, then the limits of liability and the conditions pertaining to **HOW MUCH WE PAY FOR LOSS OR CLAIM** under these coverages will be set forth in those endorsements, on the Declarations page, or the Supplemental Declarations page.
7. Insurance Under More Than One Policy:
  - a. Insurance under this General Liability Coverage is primary except as provided under paragraph 7c. below, or unless otherwise stated in this policy. The amount of *our* liability is not reduced because of other insurance which applies to the loss on an excess basis.
  - b. If the other insurance is also primary, *we* will share in the loss as follows:
    - 1) If the other insurance provides for contribution by equal shares, *we* will pay equal amounts with other insurers until:
      - a) the lowest applicable limit under any one policy is reached; or
      - b) the full amount of the loss is paid. If part of the loss remains unpaid, *we* will pay an equal share with the other insurers until the full amount of the loss is paid, or until *we* have paid *our* limit of liability in full.
    - 2) If the other insurance does not provide for contribution by equal shares, *we* will pay that proportion of the loss to which *our* applicable limit of liability under this policy bears to the total applicable limit for all insurance covering the loss.
  - c. Insurance under this General Liability Coverage is excess over any other insurance:
    - 1) if the other insurance, whether primary, excess, contingent or on any other basis, provides:
      - a) fire, extended coverage, builders' risk, installation risk or similar coverage for *your work*; or
      - b) fire insurance for premises rented to *you*; or
    - 2) if the other insurance applies to any loss arising out of the maintenance or use of aircraft, *autos* or watercraft which may be covered by this policy.
  - d. When this insurance is excess over any other insurance:

- 1) *we* will have no duty to defend any claim or *suit* that any other insurer has a duty to defend. If no other insurer defends, *we* will do so. However, *we* will be entitled to the *insured's* rights against all those other insurers.
- 2) *we* will pay *our* share of the amount of loss, if any, that exceeds the sum of:
  - a) the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - b) the total of all deductibles and self-insured amounts required by such other insurance.

*We* will share the remaining loss with any other insurance that is not described in this excess insurance provision and that does not specifically apply in excess of the limits of insurance shown on the Declarations page, the Supplemental Declarations page or attached endorsements to this General Liability Coverage.

## G. PAYMENT OF LOSS OR CLAIM

Any person, who has secured a judgment against an *insured* for an insured loss or has liability established by a written agreement between the claimant, an *insured* and *us*, is entitled to recover under this policy to the extent of the coverage provided.

## H. POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without *our* written consent.
2. **Bankruptcy of an Insured**-Bankruptcy or insolvency of any *insured* or his or her estate does not relieve *us* of any of *our* obligations under this policy.
3. **Cancellation and Nonrenewal**
  - a. **Cancellation**

This policy may be cancelled under the following conditions:

- 1) **When You May Cancel**-*You* may cancel this policy by returning the policy to *us* or by giving *us* notice in writing and stating at what future date coverage is to end. This policy terminates automatically on the anniversary or expiration date if *you* surrender the policy to *us*, if *you* have notified *us* or *our* agent of *your* intent not to renew, or if *you* have not tendered the installment or renewal premium on or before the anniversary or expiration date.
- 2) **When We May Cancel**- *We* may cancel this policy for the reasons set forth below by notice in writing delivered to or forwarded by registered or first class mail to *you* at the address shown on the declarations. Proof of delivery or mailing is acceptable proof of notice. This notice must be delivered or mailed the required number of days prior to the effective date of the **cancellation**. For a description of the number of days of required notice, refer to: a) **Cancellation of Policies In Effect For Less Than 60 Days**, b) **Cancellation of Policies in Effect For 60 Days Or More**.

### a) **Cancellation of Policies In Effect For Less Than 60 Days**

If this is a new policy which has been in effect less than 60 days and is not a renewal, *we* may cancel for any reason by giving the required notice at least 30 days before cancellation is effective. A renewal of a policy issued by *us* is not a new policy.

### b) **Cancellation of Policies in Effect For 60 Days Or More**

If this policy has been in effect 60 days or more or is a renewal of a policy issued by *us*, *we* may cancel or nonrenew only on the anniversary date unless the cancellation is for the reasons set forth below and by giving the required notice at least as required by statute. The reasons are:

- (1) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy term. Notice of cancellation will be delivered or mailed at least 60 days before the effective date of cancellation.
- (2) Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease shall, at the time of cancellation, be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be delivered or mailed at least 60 days before the effective date of cancellation.
- (3) The *insured* has made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be delivered or mailed at least 15 days before the effective date of cancellation.
- (4) The policy was obtained through fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by the company. Notice of

cancellation will be delivered or mailed at least 60 days before the effective date of cancellation.

- (5) The **insured** has failed to pay a premium when due, whether the premium is payable directly to the company or its agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be delivered or mailed at least 15 days before the effective date of cancellation.
- (6) The **insured** has requested cancellation.
- (7) Material failure to comply with policy **terms**, conditions or contractual duties. Notice of cancellation will be delivered or mailed at least 60 days before the effective date of cancellation.
- (8) Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be delivered or mailed at least 60 days before the effective date of cancellation.

The policy may be cancelled from inception upon discovery by **us** that the policy was obtained through fraudulent statements, concealment of facts or omissions material to the acceptance of the risk or to the hazard assumed by **us**.

c) **Refund of Premium**

Upon cancellation of this policy, **we** refund to **you** the premium for the unexpired policy period on a pro-rata basis. If **we** cancel, the pro-rata refund will be returned within 10 **business** days after the effective date of the cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within the time frame stated. If **you** cancel the policy, the refund may be less than the pro-rata share and will be returned within 30 days after the effective date of the cancellation. The cancellation shall be effective even if a refund has not been offered or made. Any unearned premium amounts under \$5.00 will be refunded only on **your** request. Payment or tender of unearned premium is not a condition of cancellation.

- d) **Loss Notice**-The company must advise the first **named insured** that he/she is entitled to loss information upon written request.

b. **Nonrenewal**

1) **Nonrenewal**- **We** may nonrenew this policy by notice in writing delivered to or forwarded by registered or first class mail stating the specific reasons for nonrenewal to **you** at the address shown on the declarations at least 60 days before the expiration date of the policy. Proof of delivery or mailing is acceptable proof of notice. If **we** increase **your** renewal premium, **you** will receive written notice of **our** intent to increase the premium at least 30 days before the effective date of the increase. If the notice is mailed, it may be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

a) **We** refund the premium for the unexpired policy period on a pro-rata basis.

b) **Refund of Premium**-Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.

c) **Loss Notice**-The company must advise the first **named insured** that he/she is entitled to loss information upon written request.

c. **Automatic Termination**-This policy automatically terminates on its expiration or on any anniversary date:

- 1) if **you** surrender or return the policy to **us**;
- 2) if **you** notify **us** or **our** agent, in writing, of **your** intent not to renew; or
- 3) if **you** have not paid the renewal or installment premium when due.

4. **Change, Modification, or Waiver of Policy Terms**- A waiver or change of any **terms** of this policy must be issued by **us** in writing to be valid. **Our** request for an appraisal or examination under oath does not waive any of **our** rights.

5. **Conditional Reinstatement**- If **we** issue a cancellation notice because **you** didn't pay the required premium when due and **you** then tender a check, draft or other remittance which is not honored on presentation, **your** policy will terminate on the date and time shown on the cancellation notice and any notice **we** issue which waives the cancellation or reinstates the policy is void. This means that **we** will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice. **We** will give **you** notice of the dishonor of **your** remittance as soon as practicable but this shall not interrupt the cancellation of this policy.

6. **Conformity with Statute-Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

7. **Financial Responsibility Laws**-When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for **bodily injury** liability or for **property damage** liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The **insured** agrees to reimburse **us** for

any payment made by *us* which it would not have been obligated to make under the *terms* of this policy except for the agreement contained in this paragraph.

8. **Inspection and Audit-***We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.  
*We* may examine and audit the *named insured's* books and records at any time during the policy period and extensions of the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.
9. **Liberalization Clause-** If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy as of the date of adoption, provided that this change occurs 60 days prior to or during the period that this policy is in force. This does not apply to forms revisions of a subsequent date that shall include changes that broaden and restrict coverage whether such revisions are a general program revision or a revision by amendatory endorsement.
10. **Misrepresentation, Concealment or Fraud-** Under this policy, there is no coverage provided for all *insureds* if whether before or after a loss:
  - a. Any *insured* willfully concealed or misrepresented any material fact or circumstance concerning this insurance;
  - b. Any *insured* engages in conduct that is fraudulent concerning this insurance; or
  - c. Any *insured* makes false statements concerning this insurance.
11. **Policy Period-**This policy applies only to *bodily injury* or *property damage* which occurs during the policy period.
12. **Premium-**All premiums for this insurance shall be computed in accordance with *our* rules, rates, rating plans, premiums and minimum premiums applicable to the insurance. Premium designated in this policy as "provisional premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each annual period (or part of the period terminating with the end of the policy period), the earned premium shall be computed for such period and, upon notice to the *named insured*, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, *we* shall return to the *named insured* the unearned portion paid by the *named insured*. The *named insured* shall maintain records of such information as is necessary for premium computation and shall send copies of such records to *us* at the end of the policy period and at such times during the policy period as *we* may direct.
13. **Recoveries-**If *we* pay an *insured* for loss under this policy and lost or damaged property is recovered or payment is made by those responsible for the loss, the following provisions apply:
  - a. The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers the property or receives payment.
  - b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
  - c. The *insured* may keep recovered property by refunding *us* the amount of the claim paid or any lesser amount to which *we* agree.
  - d. If the claim paid is less than the agreed loss due to a deductible, special limit of insurance or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.
14. **Representations-**When *you* accept this policy, *you* are agreeing that:
  - a. the statements made in the Declarations are complete and they are accurate;
  - b. said statements resulted from statements made by *you* to *us*; and
  - c. this policy has been issued by us in reliance upon the representations *you* made to *us*.
15. **Separate Insureds:** Except with regard to the limits of liability of this insurance, and any rights and duties specifically designated in this coverage to the first *named insured*, this insurance shall apply:
  - a. as if each *named insured* were the only *named insured*; and
  - b. separately against each *insured* against whom a claim is made or a *suit* is brought.
16. **Subrogation-** If *we* pay for a loss, *we* may require that *you* assign to *us* the right of recovery up to the amount *we* have paid. *We* are not liable for a loss if, after the loss, *you* impair *our* right to recover against other third parties. *You* may waive *your* right to recover, in writing, before a loss occurs, without affecting coverage. If *we* pay a loss to *you* or on *your* behalf, and *you* recover from another party for the same loss, *you* must make payment to *us* as stated under Recoveries as set forth above.
17. **Suit Against Us-** No action can be brought against *us* unless there has been full compliance with the *terms* of the policy and the amount of *your* liability has been fixed by:
  - a. a final judgment against the *insured* as a result of a trial; or

b. a written agreement with **you**, the claimant, and **us**.

No person has a right under this policy to enjoin **us** or implead **us** in actions that are brought to fix the liability of an **insured**.

18. **Transfer of Recovery Rights**- If an **insured** has a right to recover any or all of a payment **we** have made under this coverage, said rights are transferred to **us**. After a loss, an **insured** must do nothing to impair **our** rights. When requested by **us**, an **insured** shall bring **suit** or transfer such rights to **us** and help **us** to enforce them.

#### **NUCLEAR EXCLUSION:**

1. This policy does not apply:
  - a. Under any Liability Coverage, to **bodily injury** or **property damage**:
    - 1) with respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, The Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
    - 2) resulting from the **hazardous properties** of **nuclear material** and with respect to which a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amending law, or b) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any U.S. agency, under any agreement entered into by the United States of America, or any U.S. agency, with any person or organization.
  - b. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
  - c. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if
    - 1) the **nuclear material** a) is at any **nuclear facility** owned by, or operated by on behalf of an **insured**, or b) has been discharged or dispersed;
    - 2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
    - 3) the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility** but if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion 3) applies only to **property damage** to such **nuclear facility** and any property thereat.
2. Definitions Applicable to the Nuclear Energy Liability Exclusion.
  - a. **Hazardous Properties**-include radioactive, toxic or explosive properties.
  - b. **Nuclear Material**-means **source material**, **special nuclear material** or **by-product material**.
  - c. **Source Material**, **Special Nuclear Material** and **By-product Material**-have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.
  - d. **Spent Fuel**-means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.
  - e. **Waste**-means any **waste** material:
    - 1) containing **by-product material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** content; and
    - 2) resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.
  - f. **Nuclear Facility**-means:
    - (1) any **nuclear reactor**.
    - (2) any equipment or device designed or used for:
      - (a) separating the isotopes of uranium or plutonium;
      - (b) processing or utilizing **spent fuel**; or
      - (c) handling, processing or packaging **waste**.
    - (3) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium-233 or any combination thereof, or more than 250 grams of uranium-235.

- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*; and includes the site on which any of the foregoing is located, all operations conducted on such sites, and all premises used for such operations.
- g. ***Nuclear Reactor***-means any apparatus designed or used:
  - (1) to sustain nuclear fission in a self-supporting chain reaction; or
  - (2) to contain a critical mass of fissionable material.
- h. ***Property damage***-includes all forms of radioactive contamination of property.