

# Contract of Insurance

**Insured:** STATE OF MISSISSIPPI

**Policy Number:**

**Period:** 1st May 2025 to 1st May 2026

**Type:** All Risks of Direct Physical Loss or Damage but excluding Boiler Explosion and Machinery Breakdown

**Limit:** USD 500,000,000



**Aon UK Limited**

Registered Office | The Aon Centre | The Leadenhall Building | 122 Leadenhall Street | London | EC3V 4AN

Registered in England & Wales No. 210725 | VAT Registration No. 480 8401 48

Aon UK Limited is authorised and regulated by the Financial Conduct Authority

# Information for Aon Clients

This document is your Contract of (Re)Insurance which provides evidence of your cover in accordance with the heading “(Re)Insurer Contract Documentation” in the Risk Details section.

**To ensure that the (re)insurance coverage we have placed for you meets your needs, please review this document carefully (including but not limited to applicable limits, sub-limits, deductibles, terms and conditions). In the event that this document contains errors or otherwise does not meet your needs, please advise us immediately as this will reduce the chance that you later sustain uninsured losses. This also applies to any queries you may have about the document. Unless we hear from you to the contrary within 30 (thirty) days, we will deem the document provided to you fully conforms with your needs and instructions.**

The Contract Administration and Advisory sections of the Contract of (Re)Insurance record how the (Re)Insurer and Aon, as your Broker, facilitate the administration of the placement.

## **Remuneration**

Aon operates several market facilities where additional functions that (re)insurers would normally perform are transferred to Aon, and (re)insurers pay us Management Service Fees (MSFs) or Work Transfer Fees (WTFs) for carrying out these functions on their behalf. A number of these facilities include binding authorities or other delegated authorities that give Aon Underwriting Managers (“AUM”) and/or One Underwriting B.V. (UK Branch) (“One Underwriting”) underwriting authority to act as a Managing General Agent (“MGA”) on behalf of (re)insurers. In addition to any commission earned by Aon, the AUM and/or One Underwriting are remunerated for the work undertaken on behalf of the (Re)Insurer and this may include profit or contingent commission. Any participation placed via such an arrangement can be clearly identified as AUM, Maven Underwriters or One Underwriting on behalf of the applicable (re)insurer within the Security Details section.

Aon acts as your agent for the sourcing and/or placing of your (re)insurance programme and for the administration of any claims.

In addition to the remuneration for work we do for you; we may also earn other remuneration from (re)insurers relating to your (re)insurance programme in respect of administration, management or other intermediary functions that it undertakes at the time of placement, or during the period of the (re)insurance which are for the benefit of (re)insurers or facilitate the (re)insurers’ own activities.

**Aon is committed to transparent dealings with its clients. Further details regarding any remuneration we receive in connection with the placement of your (re)insurance programme will be provided on request.**

## **Taxes**

Over the course of the placement of your (re)insurance programme, Aon collects information relating to the underlying risks and the location of such risks. This information can assist in identifying premium allocations by country/territory and to produce tax schedules for inclusion in contract documentation. It is your obligation to ensure the accuracy of such information.

Where applicable, Aon will collect the tax amounts due and pass them to the (re)insurer(s) to settle with the relevant tax authorities. In certain circumstances, taxes may be payable by you. Whilst we endeavour to identify such taxes, please note that Aon is not a tax adviser and it is your responsibility to ensure that such taxes are correctly identified and remitted. If you require independent advice on your tax liabilities, you should consult with your tax adviser.

It is important to note that where a tax schedule is completed this merely represents a proposed apportionment of premium calculated on a pro rata basis and utilises rates that Aon has taken from tax calculation systems, as at the date of issue of the tax schedule. The purpose of tax schedules is to provide information to (re)insurers which they may, if they wish, use in establishing an apportionment of premium for taxation and legislative reporting purposes.

## RISK DETAILS

### UNIQUE MARKET REFERENCE

### ATTACHING TO DELEGATED UNDERWRITING CONTRACT REFERENCE

<b>TYPE</b>	<b>Contract Classification:</b>	Insurance	
	<b>Description:</b>	All Risks of Direct Physical Loss or Damage but excluding Boiler Explosion and Machinery Breakdown.	
<b>INSURED</b>	<b>Name:</b>	State of Mississippi	
		As fully defined in the Contract Wording and Endorsements as contained herein.	
	<b>Address:</b>	Department of Finance and Administration Office of State Property Insurance. 501 N West Street, Suite 901-B Jackson Mississippi 39201 United States of America	
<b>PERIOD</b>	<b>From:</b>	1st May 2025	at 12.01 am Local Standard time at the property of the Insured
	<b>To:</b>	1st May 2026	at 12.01 am Local Standard time at the property of the Insured
<b>INTEREST</b>		As fully defined in the Contract Wording and Endorsements as contained herein.	
<b>SUM INSURED</b>		USD 500,000,000 Per Occurrence	

**PROGRAMME  
SUBLIMITS AND  
DEDUCTIBLES** As fully defined in the Contract Wording and Endorsements as contained herein.

**TERRITORY** As fully defined in the Contract Wording and Endorsements as contained herein.  
  
Excluding: Belarus, Cuba; Iran; North Korea; Syria; Russia and the Ukraine – which further excludes Donetsk, Luhansk, Crimea, Kherson and Zaporizhzhia.

**CLAIMS BASIS** **Claims Basis:** Losses Occurring Basis

**LOSS ADJUSTER** **Name:** Sedgwick  
**Address:** 438 Katherine Drive, Suite A  
Flowood  
MS 39232  
United States of America

**Contact Name:** Chris Mokry

**CONDITIONS** As per the Original Contract Wording and Endorsements all as agreed by Lloyd's Syndicate HIS 0033 on Policy Number PTNAM2512204, including any amendments within the Policy Year.

Endorsements contained within the Contract Wording:

- Endorsement 1 - Seepage and/or Pollution and/or Contamination Exclusion
- Endorsement 2 – Contingent Coverage for Scheduled Real Property
- Endorsement 3 – Capitol Complex
- Endorsement 4 – Mold Endorsement
- Endorsement 5 – Value/Premium Adjustment Clause
- Endorsement 6 – Attachment Clause

Non-concurrencies:

- 1) It is deemed reference to “loss or damage” is amended to “physical loss or physical damage”.
- 2) **3. PROGRAM LIMITS OF LIABILITY**, B is amended as follows;

B. Program limits of liability in an occurrence apply to the total direct **physical** loss or physical damage at all locations and for all coverages involved, including **any resultant** insured Time Element loss, subject to the following provisions:

- i. When a program limit of liability applies in the aggregate during any policy year, the Company's maximum amount payable will not exceed such program limit of liability during any policy year.

3) **9. PERILS INSURED AGAINST** is amended as follows;

This policy insures against:

- A. All risks of direct physical loss of or damage to property described herein occurring during the term of insurance including general average, salvage, and all other charges on shipments covered hereunder, except as hereinafter excluded.

**Supplemental Clauses:**

Property Cyber and Data Endorsement - LMA5400  
Sanctions Limitation Clause - LMA3100A  
Biological or Chemical Materials Exclusion - NMA2962  
Radioactive Contamination Exclusion Clause - Physical Damage - Direct - NMA1191  
Communicable Disease Endorsement - LMA5393  
U.S. Terrorism Risk Insurance Act of 2002 as amended (TRIA) Not Purchased Clause - LMA5390  
War and Terrorism Exclusion Endorsement - NMA2918  
Territorial Exclusion: Belarus, Russia & Ukraine - LMA5583B  
Application of Sublimits Endorsement - LMA5130  
Change of Claims Lead Endorsement - LMA5326A

**LOSS PAYEE** As fully defined in the Contract Wording and Endorsements as contained herein.

**SUBJECTIVITIES** Individual (Re)insurers may have applied subjectivities to their line under their participation in the Security Details.

**NOTICES** Please refer to the below link for information on how personal data is processed by (re)insurer(s) who are members of the London Market Group.

[LMG Data Protection Insurance Market Core Uses Information Notice](#)

**CHOICE OF LAW AND JURISDICTION** **Choice Of Law:** This (re)insurance shall be governed by and construed in accordance with the laws of any Court of Competent Jurisdiction in the United States of America whose Law shall govern any dispute.

**Jurisdiction:** The parties shall submit to the jurisdiction of any Court of Competent Jurisdiction in the United States of America.

**Service Of Suit:** Service of Suit Clause (U.S.A.) - NMA1998 (LAI)

**PREMIUM**

**Gross Premium:** All (re)insurers except ACT  
 USD 2,900,000 (100%) Annual  
ACT participation(s) only  
 USD 2,856,500 (100%) Annual

**PREMIUM PAYMENT TERMS**

Premium payment to underwriters to be effected by the Broker on behalf of the (Re)Insured in line with terms of trade as defined herein in respect of Lloyd's or XIS Underwriters or as per accounting procedures in operation with underwriters hereon.

**TAXES PAYABLE AND ADMINISTERED BY (RE)INSURED OR THEIR AGENT**

US Surplus Lines taxes as per allocation advised Aon Risk Service as applicable.

**TAX(ES) PAYABLE BY THE (RE)INSURED AND ADMINISTERED BY THE (RE)INSURERS**

None

**TAX(ES) PAYABLE BY THE (RE)INSURERS AND ADMINISTERED BY (RE)INSURED OR THEIR AGENT**

None

**NOTICE OF CLAIM**

Notice of all claims and/or circumstances should be made to Insurers via the "Overseas Broker" as defined in the "Fiscal and Regulatory" Section of this contract. Notifications may be copied in writing to:

Head of claims, North American Property Department.  
 The Aon Centre,  
 The Leadenhall Building,  
 122 Leadenhall Street,  
 London,  
 EC3V 4AN,  
 England.

**(RE)INSURER CONTRACT DOCUMENTATION**

This Market Reform Contract details the contract terms entered into by the (Re)Insured(s) and (Re)Insurer(s) and constitutes the contract document.

The endorsement(s) or e-endorsement(s) signed by (Re)Insurers shall form the evidence of changes agreed.

This contract may be subject to US state surplus lines requirements. If applicable it is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

**COMPLAINTS  
PROCESS**

If you wish to make a complaint, you can do so at any time by referring the matter to your contact office being as per "Overseas Broker" as defined in the "Fiscal and Regulatory" Section of this contract.

Where Underwriters at Lloyd's, London are your (re)insurer If you are Dissatisfied with the response, you are entitled to refer the matter to Lloyd's Complaints team, Lloyd's Complaints Team contact details are:

The Complaints Department  
Lloyd's Market Services  
Fidentia House  
Walter Burke Way  
Chatham Maritime  
Chatham  
Kent  
ME4 4RN

## RISK DETAILS - WORDING

### NAMED INSURED AND MAILING ADDRESS

#### 1. STATE OF MISSISSIPPI

including all its agencies, departments, boards, commissions and any other entity or interest that now exists or may hereafter be constituted or acquired and any part an interest which the Insured is legally responsible to insure. Hereafter referred to as the "Insured."

Mailing Address: Department of Finance and Administration  
Office of State Property Insurance  
501 N West Street,  
Suite 901-B  
Jackson, MS, 39201

#### 2. TERM OF INSURANCE

In consideration of the annual premium, this policy attaches and covers for a period of twelve months, from May 1st, 2025, to May 1st, 2026, beginning and ending at 12:01 A.M., standard time, at the location of the property involved.

The actual effective time of attachment of this insurance on the above date shall be the same time as the actual effective time of cancellation or expiration of policy(ies) replaced or renewed by this policy.

#### 3. PROGRAM LIMITS OF LIABILITY

The Company's maximum program limit of liability in an occurrence, including any insured Time Element loss, will not exceed USD500,000,000 for any one occurrence, subject to the following provisions:

- A. Program limits of liability and time limits stated below or elsewhere in this Policy are part of, and not in addition to, the Policy program limit of liability.
- B. Program limits of liability in an occurrence apply to the total direct physical loss or physical damage at all locations and for all coverages involved, including any insured Time Element loss, subject to the following provisions:
  - I. When a program limit of liability applies in the aggregate during any policy year, the Company's maximum amount payable will not exceed such program limit of liability during any policy year.
  - II. When a program limit of liability applies to a location or other specified property, such program limit of liability will be the maximum amount payable for all direct physical loss or physical damage arising from direct physical loss or physical damage at such location or to such other specified property.
- C. With respect to the peril of Earthquake (as referred to in Section 13), this Company shall not be liable, per occurrence and in any one policy year, for more than its proportion of USD200,000,000. Where the peril of Earthquake is the predominant cause of direct physical loss or physical damage any ensuing physical loss or damage arising from a peril not otherwise excluded herein, other than Fire, shall be subject to the sublimits and aggregates specified in this policy.
- D. With respect to the peril of Flood (as referred to in Section 13), this Company shall not be liable, per occurrence and in any one policy year, for more than its proportion of

USD200,000,000. Where the peril of Flood is the predominant cause of direct physical loss or physical damage any ensuing physical loss or damage arising from a peril not otherwise excluded here, other than Fire, shall be subject to the sublimits and aggregates specified in this Policy.

- E.** With respect to the peril of Flood (as referred to in Section 13) for locations wholly located within Flood Zones A or V as defined by the Federal Emergency Management Agency, this Company shall not be liable, per occurrence and in any one policy year, for more than its proportion of USD100,000,000. Where the peril of Flood is the predominant cause of direct physical loss or physical damage any ensuing physical loss or damage arising from a peril not otherwise excluded herein, other than Fire, shall be subject to the sublimits or aggregates specified in this Policy.
- F.** With respect to the peril of Named Windstorm (as referred to in Section 13) this Company shall be liable, per occurrence for its proportion of USD300,000,000. Where the peril of Named Windstorm is the predominant cause of direct physical loss or physical damage any ensuing physical loss or damage arising from a peril not otherwise excluded herein, other than Fire, shall be subject to the sublimits and aggregates specified in this Policy.
- |           |   |   |
|-----------|---|---|
| <b>G.</b> | Accounts Receivable   | USD25,000,000 per occurrence                                  |
| <b>H.</b> | Auto Physical Damage (excludes over the road)   | USD75,000,000 per occurrence                                  |
| <b>I.</b> | Business Interruption   | USD10,000,000 per occurrence                                  |
| <b>J.</b> | Civil or Military Authority (90 days)   | USD 5,000,000 per occurrence                                  |
| <b>K.</b> | Contingent Time Element   | USD 5,000,000 per occurrence                                  |
| <b>L.</b> | Decontamination Costs   | USD 2,500,000 per occurrence                                  |
| <b>M.</b> | Debris Removal  | Greater of 25% or<br>USD50,000,000 per occurrence             |
| <b>N.</b> | Demolition and Increased Cost of Construction   | USD500,000,000 per occurrence                                 |
| <b>O.</b> | Expediting Expense  | USD50,000,000 per occurrence                                  |
| <b>P.</b> | Extra Expense   | USD50,000,000 per occurrence                                  |
| <b>Q.</b> | Fine Arts, excluding outdoor monuments  | USD20,000,000 per occurrence                                  |
| <b>R.</b> | Ingress/Egress (90 days)  | USD 5,000,000 per occurrence                                  |
| <b>S.</b> | Plants, Trees, Outdoor Lighting   | USD 1,000,000 per occurrence                                  |
| <b>T.</b> | Leasehold Interest  | USD10,000,000 per occurrence                                  |
| <b>U.</b> | LEED Coverage   | USD10,000,000 per occurrence                                  |
| <b>V.</b> | Loss Adjustment Expenses  | USD 2,500,000 per occurrence                                  |
| <b>W.</b> | Miscellaneous Unnamed Locations<br>(Tier 1 & 2 – Hancock, Harrison, Jackson, Pearl River, Stone, and George counties) | USD25,000,000 per occurrence;<br>USD10,000,000 Tiers I and II |
| <b>X.</b> | Mold Fungus & Mildew<br>– resulting from a covered cause of loss  | USD10,000,000 per occurrence                                  |
| <b>Y.</b> | Newly Acquired Property   | USD50,000,000 per occurrence                                  |

- Tier 1 & 2 Named Windstorm USD25,000,000 per occurrence  
(Tier 1 & 2 – Hancock, Harrison, Jackson, Pearl River, Stone, and George counties)
- Z. Property in Course of Construction USD20,000,000 per occurrence
- AA. Rental Value USD10,000,000 per occurrence
- BB. Royalties USD 1,000,000 per occurrence
- CC. Service Interruption (including off-premises) USD25,000,000 per occurrence
- DD. Transit USD10,000,000 per occurrence
- EE. Valuable Papers USD50,000,000 per occurrence
- FF. The Company shall have no liability for any Time Element Loss when the Period of Recovery applicable to all Time Element loss is equal to or less than 24 hours. If the 24-hour time period is exceeded the company's liability for the Time Element loss shall apply and the Period of Recovery shall be measured from the inception of the occurrence for which loss is being claimed. The applicable deductible shall then apply. If more than one location is involved in any occurrence for which the 24 hours is applicable, only those locations where the Period of Recovery exceeds the Time Period shall be considered in the loss payment.
- GG. This Policy shall apply to the Insured's interest in the Dry Dock located 1000 Jerry St., PE Hwy, Pascagoula, MS 39567 but responds only for the difference in conditions and/or excess of the underlying coverage, provided by a third party. This policy excludes any liability which is covered and payable by the third-party coverage, whose insurance is considered primary and non- contributory.

#### 4. DEDUCTIBLES

All losses, damages or expenses arising out of any one occurrence shall be adjusted as one loss, and from the amount of such adjusted loss shall be deducted USD500,000 except:

- A. With respect to Flood:
  - I. With respect to locations wholly located within Flood Zones A or V, the deductible shall be USD500,000 per building, USD500,000 contents per building and USD250,000 business interruption/time element, subject to a minimum of USD500,000 per occurrence. However, this deductible shall not apply to ensuing direct physical loss or physical damage arising from a peril not otherwise excluded herein.
  - II. With respect to any other Flood loss, the deductible shall be USD500,000 per occurrence. However, this deductible shall not apply to ensuing direct physical loss or physical damage arising from a peril not otherwise excluded herein.
- B. In the event that the Insured maintains underlying insurance through the National Flood Insurance Program, it is agreed that this policy excludes the peril of flood to the extent of recovery under such National Flood Insurance Policy(s). Should the amount of loss payable under such National Flood Insurance Policy(s) exceed the applicable flood deductible under this policy, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(s) is less than the applicable flood deductible under this policy, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the Insured's National Flood Insurance Policy(s) and the applicable flood deductible under this policy. Insurance maintained through the National Flood Insurance Program shall be considered Underlying Insurance.
- C. With respect to Named Windstorm at locations wholly located within Hancock, Harrison, Jackson, Pearl River, Stone, and George counties, the deductible shall be 2% of the Total Insured value at the time when such loss occurs, per separate unit of insurance, subject to a minimum of USD1,000,000 per occurrence. This deductible shall apply only to those

units of insurance suffering a loss in the occurrence and for which a claim is being made. However, this deductible shall not apply to ensuing direct physical loss or physical damage not otherwise excluded herein.

- D. With respect to all other Wind/Hail, the deductible shall be USD1,000,000 per occurrence.
- E. With respect to any Service Interruption, "the duration of such interruption" referred to in the policy must be in excess of 24 hours.
- F. With respect to Ingress / Egress or Civil or Military Authority, "the duration of such interruption" referred to in the policy must be in excess of 24 hours.

The following shall be considered a separate unit of insurance:

- A. each separate building or structure;
- B. the contents of each separate building or structure;
- C. property in each yard;
- D. business interruption as defined in Clause 7.B. for the twelve-month period immediately following the loss.

If two or more deductible amounts in this policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible.

As respects theft, the term Occurrence as referred to elsewhere within the policy means the sum total of all losses of covered property resulting from one or more concealed acts committed by one person or more than one person acting in unison to the extent such loss is not otherwise excluded under this policy.

The deductible amounts specified above shall not apply to general average contributions and salvage charges.

## 5. LOSS PAYABLE

Loss, if any, shall be adjusted with and payable to the Insured or order, whose receipt shall constitute a release in full of all liability under this policy with respect to such loss.

## 6. TERRITORY

This policy covers loss occurring anywhere in the world excluding those countries, individuals, or entities as to which coverage would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), unless the Insured has been granted a U.S. Treasury Department Office of Foreign Assets Control License or other expressed or constructive authorization by the U.S. Government to do business with that country, individual or entity, and then coverage is provided only to the extent legally permitted as a result of the issuance of the license or other expressed or constructive authorization, subject to all of the terms, conditions and limitations found in this policy.

## 7. COVERAGE

Except as hereinafter excluded, this policy covers:

### A. Real and Personal Property

- I. The interest of the Insured in all real and personal property owned, used, leased by the Insured, or intended for use by the Insured, or hereafter constructed, erected, installed,

or acquired, including while in course of construction, erection, installation, and assembly. In the event of direct physical loss or physical damage, this Company agrees to accept and consider the Insured as sole and unconditional owner of improvements and betterments, notwithstanding any contract or leases to the contrary.

- II. The interest of the Insured in real and personal property of others in the Insured's care, custody, or control.
- III. Real and Personal Property which the Insured is legally responsible to insure prior to direct physical loss or physical damage.
- IV. At the option of the Insured, personal property of the Insured's officials, employees and representatives while on the premises of the Insured. This insurance shall then act as primary insurance.
- V. Contractors' and vendors' interest in property covered to the extent of the Insured's liability imposed by law or assumed by contract entered into prior to direct physical loss or physical damage, whether written or oral.
- VI. Mobile Equipment.
- VII. Vehicles licensed for highway use.

#### **B. Time Element**

Definition: Wherever used in this policy, the term "Time Element" means any one or all of the following coverages: Business Interruption, Extra Expense, Rental Value, Leasehold interest, Royalties and Time Element Extensions described herein.

- I. Business Interruption — Gross Earnings
  - a. Loss resulting from necessary interruption of business conducted by the Insured, whether total or partial, and caused by direct physical loss, damage, or destruction insured herein.
  - b. If such loss occurs during the term of this policy, it shall be adjusted on the basis of ACTUAL LOSS SUSTAINED by the Insured, consisting of the net profit which is thereby prevented from being earned and of all charges and expenses only to the extent that these must necessarily continue during the interruption of business including Ordinary Payroll and only to the extent such charges and expenses would have been earned had no loss occurred.

"Ordinary Payroll" is defined to be the entire payroll expense for all employees of the Insured except officers, executives, department managers, employees under contract, and other important employees as determined by the Insured.
  - c. In the event of loss, damage, or destruction covered herein to property as described in Clause 7.A, which results in an interruption of research and development activities which in themselves would not have produced income during the Period of Recovery, this policy shall cover the actual loss sustained of the continuing fixed charges and expenses, including Ordinary Payroll directly attributable to such research and development activities.
  - d. However, this Company shall not be liable under this Clause B. for any loss resulting from direct physical loss damage, damage to or destruction of finished stock nor for the time required to reproduce said finished stock. Finished stock shall mean stock manufactured by the Insured which in the ordinary course of the Insured's business is ready for packing, shipment, or sale.
  - e. Resumption of Operations: If the Insured, by reasonable means within its control, could reduce the loss resulting from the interruption of business:

- (1) by a complete or partial resumption of operation of the property insured, whether damaged or not; or
- (2) by making use of available stock, merchandise, or other property;

such reduction shall be taken into account in arriving at the amount of loss hereunder.

f. Experience of the Business:

- (1) In determining the amount of net profit, charges and expenses covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the business before the date of direct physical loss or physical damage or destruction and to the probable experience thereafter had no loss occurred to real or personal property as described in Clause 7.A.
- (2) With respect to alterations, additions, and property while in the incidental course of construction, erection, installation, or assembly, due consideration shall be given to the available experience of the business after completion of the construction, erection, installation, or assembly.

C. Extra Expense

- I. Extra Expense incurred resulting from direct physical loss, damage, or destruction covered herein during the term of this policy to real or personal property as described in Clause 7.A.
- II. "Extra Expense" means the excess of the total cost reasonably and necessarily chargeable to the operation of the Insured's business/operations over and above the total cost that would normally have been incurred to conduct the business had no direct physical loss or physical damage occurred.

D. Rental Value

- I. Rental Value loss sustained by the Insured resulting from direct physical loss, damage, or destruction covered insured herein during the term of this policy to real and personal property as described in Clause 7.A. but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue.
- II. "Rental Value" is defined as the sum of:
  - a. the total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the Insured; and
  - b. the amount of all charges which are the legal obligation of the tenant(s) in force at the time of loss and which would otherwise be obligations of the Insured; and
  - c. the fair rental value of any portion of said property which is occupied by the Insured.
- III. Experience of the Business:

- a. In determining the amount of rental value insured hereunder for the purposes of ascertaining the actual loss sustained, due consideration shall be given to the rental experience before the date of direct physical loss, damage or destruction and to the probable experience thereafter had no loss occurred to real and personal property as described in Clause 7.A.
- b. With respect to alterations, additions, and property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the available rental experience of the business after completion of the construction, erection, installation, or assembly.

IV. Rental Income Insurance for the Benefit of the Landlord:

- a. This policy will serve as rental income insurance in those situations where the insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

**E. Royalties**

- I. Loss of income to the Insured under royalty, licensing fees, or commission agreements between the Insured and another party which is not realizable due to direct physical loss, damage, or destruction by any of the perils covered herein during the term of this policy to property of the other party of the type insured under this policy.
- II. If such loss occurs during the term of this policy, it shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph 1 above, which would have been earned had no loss occurred.
- III. Resumption of Operations: The Insured shall influence, to the extent reasonably possible, the party with whom the agreement described in paragraph 1 above has been made to use any other machinery, supplies or locations in order to resume business so as to reduce the amount of loss hereunder, and the Insured shall cooperate with that party in every reasonable way to effect this, but not financially unless such expenditures shall be authorized and paid by this Company.
- IV. Experience of the Business: In determining the amount of income derived from the agreement(s) described in paragraph 1 above for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to the amount of income derived from such agreement(s) before the date of damage or destruction and to the probable amount of income thereafter had no loss occurred to real and personal property of the type insured under this policy of such other party.

**F. Soft Costs**

- I. Those costs over and above the costs which normally would have been incurred with respect to property while in the incidental course of construction, erection, installation and assembly caused by direct physical loss, damage or destruction covered herein during the term of this policy to property covered hereunder, including such property while in transit.

- II. Recovery in the event of loss hereunder shall be the actual loss sustained by the Insured consisting of:
  - a. the amount of actual interim or construction financing interest including loan fees and other one-time charges, which exceedsthe interest that would have been incurred had no delay resulted;
  - b. realty taxes and ground rent if any;
  - c. advertising and promotional expenses;
  - d. cost of additional commissions incurred upon renegotiating leases;
  - e. architects', surveyors', legal', accounting', and consulting engineers' fees not otherwise covered elsewhere in this policy;
  - f. project administration expense;
  - g. insurance premiums.

**G. Time Element Extensions**

- I. This policy, subject to all provisions and without increasing the limits of this policy, also insures against direct physical loss, damage, or destruction resulting from:
  - a. Contingent Time Element: property that wholly or partially prevents any direct or indirect supplier of goods and/or services to the Insured from rendering their goods and/or services, or property that wholly or partially prevents any direct or indirect receiver of goods and/or services from the Insured from accepting the Insured's goods and/or services, such supplier or receiver to be located within the territorial limits;
  - b. Impounded Water: dams, reservoirs, or equipment connected therewith when water, used as a raw material or used for power or for other purposes, stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of water supply from such sources;
  - c. Leader Property: property not owned or operated by the Insured, located within five miles of the Insured, which attracts business to the Insured.
  - d. Interruption by Civil or Military Authority: This policy is extended to cover the actual loss sustained during the period of time when access to real or personal property is prevented by order or action of civil or military authority issued in connection with direct physical loss or physical damage from a peril insured against.
  - e. Ingress/Egress: This policy is extended to cover the actual loss sustained during the period of time when, in connection with or following direct physical loss or physical damage from a peril insured against, access to or egress from real or personal property of the Insured is prevented.

**H. Provisions Applicable to Business Interruption, Extra Expense, Rental Value, Royalties and Soft Costs Coverages**

- I. Period of Recovery: shall commence with the date of such direct physical loss or physical damage and shall not be limited by the date of expiration or cancellation of this policy. The length of time for which loss may be claimed:
- a. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace the property that has been destroyed or damaged:
    - (1) with the exercise of due diligence and dispatch to rebuild, repair, or replace such part of the property as has been destroyed or damaged;
    - (2) to restore the interrupted services to the premises and the premises made ready for normal operations when such interruption is caused by an accidental occurrence:
  - b. and such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
    - (1) the date on which the liability of the Company for direct physical loss or physical damage would otherwise terminate; or
    - (2) the date on which repair, replacement, or rebuilding of the property that has been damaged is actually completed; but in no event for more than one year from said later commencement date unless written approval is received from the Company.
  - c. with respect to alterations, additions and property while in the course of construction, erection, installation, or assembly shall be determined as provided in subparagraph (a) above, but such determined length of time shall be applied to the experience of the business after the business has reached its planned level of production or level of business operations; shall commence with the date of such direct physical loss or physical damage and shall not be limited by the date of expiration of this policy or cancellation date.

For buildings that have been certified as Leadership in Energy and Environmental Design (LEED) properties, the period of liability as provided for in subparagraphs a, b, c and d above shall include the (additional) time necessary to recertify the building following an insured loss to the LEED certification level that existed prior to said loss. Such (additional) time period shall include the time necessary to flush out the reconstructed space with 100% outside air and to add new filtration media to conform to the said existing LEED level.

- II. Special Exclusions: This section of the policy does not insure against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, contract, or order; nor for any increase of loss due to interference at the Insured's premises by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the re-occupancy of the premises.
- III. Expense to Reduce Loss: This policy also covers such expenses incurred for the purpose of reducing any loss under this policy, but such expenses may not exceed the amount by which the loss under this policy is thereby reduced.
- IV. Downzoning: In the event of physical direct physical loss or physical damage insured under this policy that causes the enforcement of any law, ordinance, governmental directive or standard regulating the construction, repair, use, or occupancy of property, this Company shall be liable for (additional) business interruption and/or rental value loss resulting from the inability to rebuild existing property to like kind and quality, height, area, and/or occupancy, and with such loss measured for the length of time as would have been required with the exercise of due diligence and dispatch to rebuild or replace such existing property and not otherwise recoverable elsewhere under the policy.

## I. Transit

- I. Property in transit within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted into place of final destination.
- II. This insurance is extended to cover direct physical loss or physical damage to property:
  - a. sold and shipped by the Insured under terms of Free On Board point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
  - b. arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
  - c. occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;
  - d. at the Insured's option, which is incoming to the Insured.
- III.
  - a. The Insured may waive right(s) of recovery against private, contract, and common carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting their liability, but this transit insurance shall not inure to the benefit of any carrier, bailee, warehouseman, or processor.
  - b. With respect to shipments made under subparagraphs 2(a) and 2(d) above, this Company agrees to waive its rights of subrogation against consignees at the option of the Insured.
- IV. The Insured is not to be prejudiced by any agreements exempting lightermen from liability.
- V. Seaworthiness of any vessel or watercraft and airworthiness of any aircraft are admitted between this Company and the Insured.

**J. Accounts Receivable**

In the event of physical direct physical loss or physical damage to records of accounts receivable caused by direct physical loss or physical damage insured herein, this Company shall be liable for:

- I. All sums due the Insured from customers, provided the Insured is unable to effect collection thereof as the direct result of loss of or damage to records of accounts receivable;
- II. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such direct physical loss or physical damage;
- III. Collection expense in excess of normal collection cost and made necessary by such direct physical loss or physical damage;
- IV. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such direct physical loss or physical damage.

For the purpose of this insurance, credit card company charge media shall be deemed to represent sums due the Insured from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred, but the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- I. The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.
- II. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

**K. Leasehold Interest**

- I. Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the Insured's interest in:
  - a. the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
  - b. improvements and betterments to real property which are not covered under any other section of this policy;
  - c. the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;
  - d. when property of the type insured is rendered wholly or partially untenable by any insured loss during the term of this policy and the lease is canceled by the party not the Named Insured under this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located; and
- II. The Interest of the Insured as Lessee or Lessor
  - a. "The Interest of the Insured as Lessee or Lessor" when property is rendered wholly or partially un-tenantable by any insured loss during the term of this policy and the lease is canceled by the party not the Named Insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged or destroyed property is located.
  - b. "The Interest of the Insured as Lessee or Lessor" as referred to herein shall be paid for the first three months succeeding the date of the loss and the "Net Lease Interest" shall be paid for the remaining months of the unexpired lease.

**III. Definitions**

The following terms, wherever used in this section shall mean:

- a. "The Interest of the Insured as Lessee" is defined as:
  - (1) the excess of the rental value of similar premises over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease; and
  - (2) the rental income earned by the Insured from sublease agreements to the extent not covered under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.
- b. "The Interest of the Insured as Lessor" is defined as the difference between the rents

payable to the lessor under the terms of the lease in effect at the time of loss and the actual rent collectible by the lessor during the unexpired term of the lease provided the lease is canceled by the lessee, to the extent not covered under any other section of this policy.

- c. "Net Lease Interest" is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the "The Interest of the Insured as Lessee or Lessor."
- IV. This Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or by the Named Insured exercising any option to cancel the lease. Furthermore, the Named Insured shall use due diligence including all things reasonably practicable to diminish loss under this clause.

#### L. Service Interruption

##### I. Property Damage

Physical loss or damage at an insured location resulting from the interruption of electricity, steam, gas, water, sewer, telecommunications, or any other utility or service to that location which results from physical loss or damage of the type insured by this policy at a facility (including transmission and distribution lines) of the utility or service supplier which immediately prevents in whole or in part the delivery of such utility or service.

##### II. Time Element

Time Element loss at an insured location resulting from the interruption of electricity, steam, gas, water, sewer, or telecommunications or any other utility or service to that location which results from physical loss or damage of the type insured by this policy not otherwise excluded herein at a facility (including transmission and distribution lines) of the utility or service supplier that immediately prevents in whole or in part the delivery of such utility or service.

The length of time for which such loss may be claimed shall not exceed the length of time, beginning when the interruption occurs and ending when with due diligence and dispatch the service could be wholly restored and the location receiving the utility or service made ready for normal operations, which is in excess of any time indicated as the waiting period qualifier in Section 4, Deductible.

The Company(ies) will not be liable if the interruption of such utility or service is caused directly or indirectly by the failure of the Insured to comply with the terms and conditions of any contracts the Insured has for the supply of such specified utilities or services.

The Insured will immediately notify the suppliers of utilities or services of any interruption of such services.

There is no liability for any loss resulting from the interruption of the business that is insured under subparagraph identified as Contingent Time Element.

### 8. COVERAGE EXTENSIONS

#### A. Demolition and Increased Cost of Construction

In the event of direct physical loss or physical damage under this policy that causes the enforcement of any law, ordinance, governmental directive or standard in place at the time and place of loss regulating the construction, repair, use, or occupancy of property, this Company shall be liable for:

- I. the cost of demolishing the undamaged property including the cost of clearing the site;
- II. the proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss;

- III. increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site. However, this Company shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced;
- IV. any increase in the business interruption, extra expense, rental value or royalties' loss arising out of the additional time required to comply with said law or ordinance.

**B. Debris Removal**

In the event of direct physical loss or physical damage to property, this policy insures reasonable expenses incurred to remove debris from an insurance location.

- I. the cost of removal of debris of property covered hereunder;
- II. the cost of removal of debris of property not covered hereunder from the premises of the Insured;

**C. LEED Properties**

With respects to a building or property contained within such building that has been certified as Leadership in Energy and Environmental Design (LEED) properties, coverage provided hereunder is extended to cover the reasonable and necessary costs of recycling such debris including separating materials and diverting such debris to recycling centers.

**D. Expediting Expense**

This policy covers the extra cost of temporary repair and/or replacement and of expediting the repair and/or replacement of damaged property insured hereunder, including, but not limited to, overtime and express freight or other rapid means of transportation.

**E. Loss Adjustment Expenses**

This policy is extended to include reasonable expenses incurred by the Insured, or by the Insured's representatives for preparing and certifying details of a claim resulting from a loss which would be payable under this policy. However, this Company shall not be liable under this clause for expenses incurred by the insured in utilizing the services of a public adjuster.

**F. Fire Brigade Charges and Extinguishing Expenses**

This policy covers the following expenses resulting from an insured loss:

- I. fire brigade charges and any extinguishing expenses which the insured incurs.
- II. loss and disposal of fire extinguishing materials expended.

**G. Defense Costs**

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the Insured and/or its directors, officers and/or employees alleging physical direct physical loss or physical damage as insured against to property of others in the care, custody or control of the Insured to the extent of the Insured's liability therefore, even if such claim or suit is groundless, false or fraudulent; but the Company may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

**H. Consequential Loss**

- I. In the event of direct physical loss or physical damage not otherwise excluded to property, and such damage, without the intervention of any other independent excluded cause, results in a sequence of events which causes physical damage to insured property, then there shall be liability under the policy for the resulting loss.
- II. This policy also insures against consequential loss to the property insured caused by but not limited to change of temperature or humidity or by interruption of power, heat, air conditioning, or refrigeration resulting from direct physical loss or physical damage not otherwise excluded. It is agreed that exclusions C, D, and E contained in Section 10, "Perils Excluded" shall not apply to this extension when such direct physical loss or physical damage occurs at a location which is not owned or operated by the Insured.
- III. This policy also insures the reduction in value to the remaining part or parts of any lot of merchandise usually sold by lots or sizes, color ranges, or other classifications due to damage to or destruction of a part of such lots or other classifications due to a cause of loss not otherwise excluded.

**I. Control of Damaged Merchandise**

The Insured, exercising a reasonable discretion, shall be the sole judge as to whether the goods involved in any loss under this policy are fit for normal intended use or consumption. No goods so deemed by the Insured to be unfit for consumption shall be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this Company any salvage obtained by the Insured on any sale or other disposition of such goods. The Insured shall have full right to the possession of and retain control of all goods involved in any loss under this policy.

**J. Brands or Trademarks**

In case of damage insured against to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or Insured, the salvage value of such damaged property shall be determined after removal at the Company's expense in the customary manner of all such brands or trademarks or other identifying characteristics.

**9. PERILS INSURED AGAINST**

This policy insures against:

- A. All risks of direct physical loss of or damage to property described herein occurring during the term of insurance including general average, salvage, and all other charges on shipments covered hereunder, except as hereinafter excluded.

Physical direct physical loss or physical damage shall include any damage to computer hardware by a covered peril.

**10. PERILS EXCLUDED**

This policy does not insure:

- A. against any fraudulent or dishonest act or acts committed by the Insured or any of the Insured's employees meaning only dishonest or fraudulent acts committed by the Insured or the Insured's employees with the manifest intent to:
  - I. cause the Insured **to** sustain such loss, and
  - II. obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit. This exclusion does not apply to acts of damage or destruction by employees, but theft by employees is not covered.

- B. against the cost of making good, defective design or specifications, faulty material, or faulty workmanship; however, this exclusion shall not apply to direct physical loss or physical damage resulting from such defective design or specifications, faulty material, or faulty workmanship;
- C. against electrical injury or disturbance to electrical appliances, devices, or wiring caused by electrical currents artificially generated unless loss or damage not otherwise excluded ensues and then this policy shall cover for such ensuing direct physical loss or physical damage;
- D. against mechanical breakdown unless direct physical loss or physical damage not otherwise excluded ensues and then this policy shall cover for such ensuing direct physical loss or physical damage;
- E. against explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines, or steam engines owned or operated by the Insured unless direct physical loss or physical damage not otherwise excluded ensues and then this policy shall cover for such ensuing direct physical loss or physical damage; it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder;
- F. against errors in processing or manufacture of the Insured's product unless direct physical loss or physical damage not otherwise excluded ensues and then this policy shall cover for such ensuing direct physical loss or physical damage;
- G. against wear and tear, inherent vice, rust, corrosion, or gradual deterioration unless direct physical loss or physical damage not otherwise excluded ensues and then this policy shall cover for such ensuing physical loss or physical damage;
- H. against latent defect, normal settling or normal shrinkage of walls, floors, or ceilings unless direct physical loss or physical damage not otherwise excluded ensues and then this policy shall cover for such ensuing direct physical loss or physical damage;
- I. against nuclear reaction, or nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote; except:
  - I. if fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination;
- J. I. against warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
  - a. by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
  - b. or by military, naval, or air forces;
  - c. or by an agent of any such government, power, authority, or forces;
- II. against any weapon employing atomic fission or fusion;
- III. against insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such occurrence;
- IV. against seizure or destruction by order of public authority, except destruction by order of public authority to prevent the spread of, or to otherwise contain, control or minimize loss, damage or destruction not otherwise excluded under this policy;

V. against risks of contraband or illegal trade.

Notwithstanding the above provisions, J. (1), (3), (4), and (5), this insurance shall cover direct physical loss or physical damage directly caused by acts committed by an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent is acting secretly and not in connection with any operation of armed forces (whether military, naval, or air forces) in the country where the property is situated. Nothing in the foregoing shall be construed to include any loss, damage or expense caused by or resulting from any of the risks or perils excluded above, excepting only the acts of certain agents expressly covered herein, but in no event shall this insurance include any loss, damage, or expense caused by or resulting from any weapon of war employing atomic fission or fusion whether in time of peace or war;

K. against mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss.

L. against vermin and insects unless direct physical loss or damage not otherwise excluded ensues and then this policy shall cover for such ensuing physical loss or physical damage.

Exclusions B, C, D, E, F, and H do not apply to property in transit.

Exclusions C, D, E and F do not apply to alterations, additions, and property while in the course of construction, erection, installation, or assembly.

Exclusions C, D, and E do not apply to electronic data processing systems and valuable papers and records.

Exclusion E does not apply to locomotives, rolling stock or other conveyance insured herein.

## 11. PROPERTY EXCLUDED

This policy does not cover direct physical loss or physical damage to:

A. Land: however, this exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements are defined as any alteration to the natural condition of the land by grading, landscaping, earthen dikes or dams, and additions to land such as pavements, roadways, or similar works;

B. Water, except water which is normally contained within any type of tank, piping system or other process equipment;

C. Growing crops, standing timber and animals except for research;

D. Watercraft in excess of 26 feet and more than 50 horsepower, aircraft, motor vehicles licensed for highway use when not on the Insured's premises, but this exclusion shall not apply to contractor's equipment;

E. Waterborne shipments via the Panama Canal, and to and from Puerto Rico, the Virgin Islands, Hawaii, and Alaska;

F. Export shipments after loading on board an overseas vessel or watercraft or after ocean marine insurance attaches, whichever occurs first; and import shipments prior to discharge from the overseas vessel or watercraft or until the ocean marine insurance terminates, whichever occurs last.

G. Satellite, spacecraft and launch vehicle

H. Off premises transmission and distribution lines more than 1000ft from an insured premises

- I. Offshore drilling rigs and platforms, drilling barges and power barges and all other offshore risk.
- J. Property situated in the State of California for the peril of Earthquake.
- K. Accounts, bills, currency, money, notes securities, evidence of debt, jewelry, watches, furs, jewels, precious stones, bullion, gold, silver and other precious metals that are not the property of the Insured, except as insured as Fine Arts.
- L. Underground Mines

## 12. VALUATION

In case of loss, the basis of adjustment shall be as follows:

### A. Stock

- I. Raw Stock (materials and supplies in the state in which the Insured received them for conversion by the Insured into finished stock, including supplies consumed in such conversion or in the service rendered by the Insured) shall be valued at replacement cost at the time and place of loss.
- II. Stock in process (raw stock which has undergone any aging, seasoning, or other processing by the Insured but which has not become finished stock) shall be valued at the Insured's selling price of finished stock at the time of loss, less any manufacturing expense not incurred by the Insured and less any discounts, rebates, and un-incurred expenses to which the sales price would have been subject.
- III. Finished stock (stock which in the ordinary course of the Insured's business is ready for packing, shipment or sale) and merchandise shall be valued at the Insured's selling price at the time of loss, less all discounts, rebates, and un-incurred expenses to which such sales price would have been subject.

### B. Real and Personal Property

- I. Buildings, structures, furniture and fixtures, machinery, equipment, improvements and betterments, shall be valued at the replacement cost new on the same premises, as of the date of replacement.
- II. Electronic Data Processing or control equipment and production machinery and equipment or any part thereof shall be valued at the cost to repair or replace new on the same premises as of the time of replacement except, that with respect to items for which replacement with identical property is impossible, the replacement cost shall be the cost of items similar to the destroyed property and intended to perform the same function but which may include technological advances.
- III. Valuable papers and records shall be valued at the cost to reproduce the property as of the date of reproduction including the cost of gathering and/or assembling information;

"Valuable papers and records" are defined as written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, micro-inscribed documents, manuscripts, and media and the data recorded thereon, but not including money and/or securities.

"Media" is defined as materials upon which data is recorded including, but not limited to, paper tapes, cards, electronic memory circuits, and magnetic or optical storage devices. "Data" is defined as facts, concepts, or instructions in a form usable for communications, interpretation, or processing by automatic means. It includes computer programs.

The term "securities" shall mean all negotiable and non-negotiable instruments or contracts

representing either money or other property, and includes revenue and other stamps in current use, tokens and tickets but does not include money.

- IV. Property of others which the Insured is required to insure to a stipulated value shall be valued at the replacement cost new as of the date of replacement, if replaced at the Insured's option; otherwise at the stipulated value.
- V. Fine Arts shall be valued at the appraised value; or, if there is no appraisal, at the greater of the original acquisition cost or the market value at the time of the loss.
- VI. Other property not otherwise provided for, the amount you actually spend to repair or if replaced, at replacement cost new on the same premises as of the date of replacement of like kind and quality.
- VII. Permission is granted for the Insured to replace the damaged property with any property at the same site or at another site within the territorial limits of this policy, but recovery is limited to what it would cost to replace on the same site. If property damaged or destroyed is not repaired, rebuilt or replaced within a reasonable period after the direct physical loss or physical damage, this Company shall not be liable for more than the actual cash value at the time of loss (ascertained with proper deduction for depreciation) of the property damaged or destroyed. However, limitations imposed by federal, state, municipal or other governmental laws, ordinances, governmental directives or standards shall not result in actual cash valuation but in a replacement cost new valuation. Nevertheless, the Insured may elect initially to make a claim on an actual cash value basis subject to the terms and conditions of this policy, and subsequently submit a claim for the difference between the actual cash value settlement and replacement cost new as stipulated within this Valuation clause, provided the Company is notified of this intent within a reasonable period after the direct physical loss or physical damage and provided the property which is damaged or destroyed is repaired, rebuilt or replaced.
- VIII. For property that qualifies as Historic Landmark status, the Insured shall have sole discretion as to the means by which said property shall be repaired, rebuilt, or replaced and shall include the cost to repair or replace with material of like kind and quality compatible to those originally used including the cost of skilled labor and/or authentic materials necessary to restore the property as nearly as possible to its original condition, but not to exceed the actual costs that would have been incurred in order to comply with Historical Landmark status requirements.
- IX. For buildings insured under this policy that have been certified as Leadership in Energy and Environmental Design (LEED) properties, this Company shall also be liable for:
  - a. the costs to recertify the building following an insured loss to the LEED certification level that existed prior to said loss; such costs shall include the cost to flush out the reconstructed space with 100% outside air and to add new filtration media to conform with the said existing LEED level.
  - b. the necessary and reasonable costs to hire LEED Accredited professional engineers to provide building commissioning or retro-commissioning services and to oversee post loss repair or reconstruction in order to verify and document that the repaired or replaced property, as well as other property including but not limited to life safety systems, health safety systems, HVAC, plumbing and electrical systems and their related controls whether damaged or not in the loss occurrence have been installed and calibrated properly and perform to documented design criteria and manufacturers' specifications;

### 13. EARTHQUAKE, FLOOD AND NAMED WINDSTORM

- A. Each loss by earthquake, flood or named windstorm shall constitute a single occurrence hereunder if:
  - I. more than one earthquake shock occurs within any period of 168 hours during the term of

- this policy, the beginning of which 168- hour period may be determined by the Insured; or
- II. any flood occurs within a period of 168 hours of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s); or
  - III. any flood results from any tsunami, tidal wave, seismic sea wave, or series thereof caused by any one disturbance; or
  - IV. any direct physical loss, damage or destruction is caused by or results from a Named Windstorm within a 72- hour period. Other ensuing physical loss, damage or destruction not contained in the Named Windstorm definition and not otherwise excluded herein shall not be considered Named Windstorm for the purposes of this description.
  - V. any direct physical loss, damage or destruction from the perils of tornado, cyclone, hurricane, windstorm, named storm, hail, ice storm, snowstorm, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours.

Earthquake is defined as a shaking or trembling of the earth that is tectonic in origin. Further, ensuing physical loss, damage or destruction arising from a peril not otherwise excluded herein caused by such earthquake shall not be considered earthquake within the terms and conditions of this policy.

Flood is defined as a rising and overflowing of a body of water onto normally dry land. Such definition does not include Storm Surge. Further, ensuing physical loss, damage or destruction arising from a peril not otherwise excluded herein caused by such flood shall not be considered flood within the terms and conditions of this policy.

Named Windstorm means a hurricane or typhoon which is named by Natural Oceanic and Atmospheric Administration's (NOAA) National Hurricane Center or similar meteorological authority. For purposes of this definition Named Windstorm shall include direct physical loss, damage or destruction caused by:

- 1) direct action of wind including ensuing Storm Surge;
- 2) any material, object or debris that is carried, propelled or in any manner moved by such windstorm;
- 3) any tornado(es) that is the result of actions or effects of such windstorm;
- 4) hail that is the result of actions or effects of such windstorm;
- 5) lightning that is the result of actions or effects of such windstorm;
- 6) rain or water (not constituting a Flood), whether the rain or water is driven by wind or not, that enters a building or structure insured under this policy through an opening(s) created by the direct action of such windstorm.

If the wind speed drops below the parameter for naming storms as described above then any direct physical loss, damage or destruction resulting from such reduced wind speed shall not be considered direct physical loss, damage or destruction from a Named Windstorm. However, any direct physical loss, damage or destruction resulting from wind speeds that do meet the criteria of a hurricane or typhoon shall be considered direct physical loss, damage or destruction from a Named Windstorm.

Storm Surge means water driven inland from coastal waters by high winds and low atmospheric pressure associated with a Named Windstorm. Such definition shall not be considered Flood.

- B.** Should any time period referred to in Clause A. above commence prior to expiration or cancellation date of this policy, this Company shall pay all such earthquake, flood, or named windstorm losses occurring during such period if such period fell entirely within the term of this policy.

- C. This Company shall not be liable, however, for any loss caused by any earthquake, flood, or named windstorm commencing before the effective date and time or commencing after the expiration date and time of this policy.

#### 14. CONTRIBUTING INSURANCE

Contributing insurance is insurance written upon the same plan, terms, conditions, and provisions as those contained in this policy. This insurance shall contribute in accordance with the conditions of this policy only with other contributing insurance as defined.

#### 15. EXCESS INSURANCE / DROP DOWN / PRIORITY OF PAYMENTS

- A. Coverage hereunder shall not apply until the amount of loss, damage or expense arising out of any one occurrence exceeds.

See Participation Page (Endorsement 6)

plus, the applicable portion of the primary policy deductible and any waiting period attributable to the perils and/or property and/or coverages insured hereunder.

The amount of the applicable portion of the primary policy deductible referred to above shall be determined by the proportion that the amount of loss attributable to the perils and/or property and/or coverages insured against under this policy (without application of the excess provision) bears to the total amount of loss multiplied by the amount of the applicable primary deductibles.

In the event that the total amount of loss, damage, or expense attributable to the perils and/or property and/or coverage insured under the underlying insurance exceeds that amount at which this policy would normally attach, but due to the application of sublimits in the underlying policy(ies), the total loss, damage and expense payable by the underlying policy(ies) does not fully exhaust the underlying policy(ies) limit, then this policy shall drop down and be liable for the loss as covered under this policy in excess of the amount paid by the underlying policy(ies).

As respects theft, the term Occurrence as referred to elsewhere within the policy means the sum total of all losses of covered property resulting from one or more concealed acts committed by one person or more than one person acting in unison to the extent such loss is not otherwise excluded under this policy.

In determining the amount of any loss, damage, or expense for which this policy is excess, the total loss for all coverages caused by any combination of perils, one or more of which is insured against under the primary policy, shall be used even though all such perils or coverages are not insured against under this excess policy.

- I. Any recoveries made under the primary policy shall be considered as first applying to those perils and/or property and/or coverages not insured against by this policy. Upon exhaustion of the primary policy limits, this policy shall drop down and be liable for the loss in excess of the amount attributable to the primary policy as respects those perils and/or coverages and/or property insured hereunder subject to the limit of this policy.
- II. If there is any other excess insurance covering the perils and/or property and/or coverages insured against in the primary policy, but not covered by this policy, this insurance shall then allocate any loss recoveries made under the primary policy in the same proportion as the amount of loss involving the property and/or coverages insured against by this policy bears to the combined total loss. Upon exhaustion of the primary policy limits, this policy shall drop down and be liable for the loss in excess of the amount attributed to the primary policy as respects those perils and/or property and/or coverages covered hereunder subject to the limit of this policy.

- III. Paragraph two shall not apply, however, when the amount of loss attributed to the perils insured under the primary policy, but not covered under this policy, exceed the total amount of insurance provided by the primary and excess coverages with respect to said perils. In this situation any recoveries made under the primary policy shall first apply to those perils not insured against by this policy. Upon exhaustion of the primary policy limits, this policy shall drop down and be liable for the loss in excess of the amount attributed to the primary policy as respects those perils covered hereunder subject to the limit of this policy.
  - IV. In the event the Insured is a contributing or self-insurer with respect to the perils and/or property and/or coverages otherwise insured in any underlying insurance and no policy is issued to define the extent of this contributing or self-insurance, for the purposes of this Excess Clause, the Insured's contributing or self-insurance shall be deemed to be the same as either: (a) all other contributing insurance participating in the Insured's layer(s); or (b) all other contributing insurance participating in the layer below the Insured's layer where the Insured is entirely self-insuring the layer. If the coverage provided by the policy(s) of the other contributing insurance company(s) is non-concurrent, then the contributing or self-insurance provided by the Insured within the layer in question shall be deemed to be the same as the coverage provided by that contributing insurance company whose policy provides the least indemnity for the loss.
- B. In the event the annual aggregate limits provided for flood and/or earthquake in any underlying insurance are diminished or exhausted in any one policy year, the coverage provided under this policy shall respond as excess of the remaining limits.

In such event, the applicable amount of the deductible provision of the primary policy shall apply to the combination of all policies.

Where applicable relative to contributing insurance policy(ies) described in either subparagraphs B(4)(a) or B(4)(b) above, in the event the Insured is providing contributing or self-insurance in any of the layer(s) of insurance, and such other contributing insurance policies contain aggregate program limits of liability, the Insured's contributing or self-insurance for those coverages shall be deemed to be aggregated also.

## 16. UNDERLYING INSURANCE

Underlying insurance is insurance on all or any part of the deductible and against all or any of the causes of loss covered by this policy including declarations of value to the carrier for hire. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered other insurance, as defined in the Other Insurance clause.

## 17. OTHER INSURANCE

Except for insurance described by the contributing insurance clause, the excess insurance clause, or the underlying insurance clause, this policy shall not cover to the extent of any other collectible insurance, whether directly or indirectly covering the same property against the same causes of loss. This Company shall be liable for direct physical loss or physical damage only to the extent of that amount in excess of the amount recoverable from such other collectible insurance. As used herein, "other collectible insurance" does not include self-insurance, deductibles, self-insured retentions or fronting policies.

## 18. SUBROGATION

- A. Any release from liability entered into by the Insured prior to loss hereunder shall not affect this policy or the right of the Insured to recover hereunder. The right of subrogation against

the Insured, affiliated, subsidiary, and associated companies or corporations, the Insured's officers, directors, and employees, or any other corporations or companies associated with the Insured through ownership or management, and at the option of the Insured against a tenant, vendor, supplier or customer of the Insured, is waived.

- B. In the event of any payment under this policy, this Company shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall do anything that may be reasonably necessary at the expense of the Company to secure such right. The Company will act in concert with all other interests concerned, i.e., the Insured and any other Company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the cost of recovery shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, the expense of proceedings shall be borne by the insurers instituting the proceedings.

## 19. SALVAGE AND RECOVERIES

All salvages, recoveries and payments, excluding proceeds from subrogation and underlying insurance, recovered or received prior to a loss settlement under this policy, shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this policy, such net amounts recovered shall be divided between the interests concerned, i.e., the Insured and any other Company(ies) participating in the payment of any loss, in the proportion of their respective interests.

## 20. MACHINERY

In case of direct physical loss or physical damage insured against to any part of a machine or unit consisting of two or more parts when complete for use, the liability of the Company shall be limited to the value of the part or parts lost or damaged or, at the Insured's option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit.

## 21. ERRORS OR OMISSIONS

Any unintentional error or omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery by the Insured's home office insurance department.

## 22. NOTICE OF LOSS

As soon as practicable after any direct physical loss or physical damage occurring under this policy is known to the State of Mississippi, Department of Finance and Administration. The Insured shall report such direct physical loss or physical damage to Sedgwick attention Chris Mokry, with a copy to Mark Ahlgrim, Aon Commercial Risk Solutions, [mark.ahlgrim@aon.com](mailto:mark.ahlgrim@aon.com).

Any delay by the Insured in providing notice shall not affect the Insured's right to coverage under this policy, except if and to the extent that the Company proves that it actually and substantially was prejudiced by any unreasonable delay in notice.

## 23. PROOF OF LOSS

The Insured, at the request of the Company, will render a signed and sworn proof of loss to the Company or its appointed representative stating: the place, time, cause of the loss, damage, or expense; the interest of the Insured and of all others; the value of the property involved in the loss; and the amount of loss, damage, or expense.

## 24. PARTIAL PAYMENT OF LOSS

In the event of a loss covered by this policy, it is understood and agreed that the Company will issue partial payment(s) of claim subject to the policy provisions. Such partial payment(s) shall not be less than the undisputed estimate of physical loss or physical damage between the Insured and the Company.

## 25. ASSIGNED ADJUSTER AND DISASTER MITIGATION

It is agreed that at the Insured's option, the Company will use:

Sedgwick  
Attention: Chris Mokry  
438 Katherine Drive, Suite A  
Flowood, MS 39232

And, if a consulting engineer is needed:

Consulting Engineer:  
Young & Associates

for the adjustment of all claims made against this policy. This assignment may be changed by mutual consent of the Insured and the Company.

## 26. APPRAISAL

If the Insured and this Company fail to agree on the amount of the loss, each, upon written demand of either the Insured or this Company made within 60 days after receipt of proof of loss by the Company, shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire. If they should fail for 15 days to agree upon such umpire, then upon the request of the Insured or of this Company, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the loss, stating separately the value at the time of loss and the amount of loss. If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing by any two shall determine the amount of loss and shall be paid by the Company within 30 days thereafter. The Insured and this Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire.

However, if the award is greater than the amount offered by the Company in payment of the loss at any time before the award is rendered, then the Company shall pay 100% of the fees and expenses for each appraiser and the umpire and for the appraisal.

## 27. PAIR AND SET

Except as provided under the Machinery clause and paragraph (3) of the Consequential Loss clause, in the event of direct physical loss or physical damage insured against to any article or articles which are a part of a pair or set, the measure of direct physical loss or physical damage to such article or articles shall be, at the Insured's option:

- A. the reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such direct physical loss or physical damage be construed to mean total loss of the pair or set; or
- B. the full value of the pair or set provided that the Insured surrenders the remaining article or articles of the pair or set to the Company.

## 28. ASSISTANCE AND COOPERATION OF THE INSURED

The Insured shall reasonably cooperate with this Company, and, at this Company's reasonable request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in conducting suits.

### 29. SUE AND LABOR

Subject to no overall increase in the limits of liability as set forth herein, in case of actual or imminent physical loss or physical damage, it shall, without prejudice to this insurance, be lawful and necessary for the Insured, their factors, servants, or assigns to sue, labor and travel for, in and about the defense, the safeguard, and the recovery of property or any part of the property insured hereunder; nor, in the event of physical loss or physical damage, shall the acts of the Insured in recovering, saving, and preserving the insured property be considered a waiver or an acceptance of abandonment. This Company shall pay the reasonable and necessary expenses so incurred subject to the applicable deductibles as outlined in Section 4 Deductibles.

### 30. PAYMENT OF LOSS

All adjusted claims shall be due and payable no later than 45 days after presentation and acceptance of proofs of loss by this Company or its appointed representative.

### 31. REINSTATEMENT

With the exception of loss caused by perils which are subject to annual aggregate limits as noted in Section 3, no loss hereunder shall reduce the amount of this policy.

### 32. SUIT AGAINST THE COMPANY

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless the Insured shall have fully complied with all the requirements of this policy; however, if there is any dispute between the Insured and the Company as to whether the Insured has fully complied with all the requirements of this policy, such a dispute may be resolved in a suit or action on the policy for recovery of any claim. The Company agrees that any action or proceedings against it for recovery of any loss under this policy shall not be barred if commenced within two years and one day after the Insured provides notice to the Company in accordance with clause 24 above, which period shall be tolled from the date of notice until the date that the Insured receives the Company's final coverage decision (this two year and one day period is referred to as the "limitations period").

However, the limitations period shall not apply if by the laws of the State of the address of the Insured such a limitation is invalid or if the laws of the state in which any such action is brought permit a longer period of time within which to commence such a suit. Furthermore, any tolling of the limitations period shall not preclude the Insured from bringing a suit or any other proceeding regarding recovery for any loss or of any claim hereunder during the period of tolling or at any other time. Prosecution of a suit by the Insured shall not be barred due to the failure of the Company to timely advise and notify the Insured of the expiration of any applicable dates to file and commence said suit.

It is agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder or in the event of any other dispute relating to this policy, the Company, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all of the requirements necessary to give such court jurisdiction and all matters hereunder shall be determined in accordance with the law and practice of such court, not including the court's law regarding choice of law.

### 33. CERTIFICATES OF INSURANCE

Should there be any discrepancy between this policy and the Certificate then this policy shall prevail. Any certificate of insurance issued in connection with this policy shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate of insurance, except where any Additional Insured(s) or Loss Payee(s) are named pursuant to the Special Provisions of said certificate of insurance. In the event any Additional Insured(s) or Loss Payee(s) are so named, this policy shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and exclusions stated herein.

The Company hereby authorizes Aon Commercial Risk Solutions to issue certificates of insurance including any Mortgagee, Loss Payee and Additional Insured clauses.

### 34. MORTGAGE CLAUSE

Direct physical loss or physical damage, if any, under this policy, shall be payable to any mortgagee, (or trustee) as designated herein by endorsement or certificate of insurance, as interest may appear, under all present or future mortgages upon the property herein described in which the aforesaid may have an interest as mortgagee (or trustee), in order of precedence of said mortgages, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the within described property, by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title of ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided, also, that the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for 10 days after notice to the mortgagee (or trustee) of such cancellation and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for direct physical loss or physical damage under this policy and shall claim that, as to the mortgagor or owner, no liability therefore existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may, at its option, pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage, with interest accrued thereon to the date of such payments, and shall receive a full assignment and transfer of the mortgage and of all such other securities; but not subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of said mortgagee's (or trustee's) claim.

### 35. CANCELLATION

- A. This policy may be canceled at any time at the request of the Insured or it may be canceled by the Company by mailing via registered or certified mail to the Insured at:

Department of Finance and Administration  
C/o George Roberson  
Office of State Property Insurance  
PO Box 267  
Jackson, MS, 39205-0267

and to the additional named insureds / loss payees/ mortgagees indicated on the certificates of insurance issued during the term of this policy, written notice stating when, not less than 90 days thereafter, such cancellation shall be effective. The earned premium shall be computed on a pro-rata basis.

- B. This policy may be non-renewed by the Company for any reason permitted by law to cancel it by mailing to the Insured at the Mailing Address shown in the policy and to the additional insureds / loss payees / mortgagees indicated on certificates of insurance or endorsements hereunder issued during the term of this policy, written notice of non-renewal provided at least 90 days but not more than 120 days before the expiration date of this policy.

The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent

to mailing.

- C. Cancellation shall not affect coverage on any shipment in transit on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.
- D. In the event of non-payment of premium this policy may be canceled by the Company by mailing to the Insured at the address shown in A. above stating when, not less than 15 days thereafter, such cancellation shall be effective. Reinstatement of coverage shall be effective immediately upon receipt of premium by the Company.

### 36. VACANCY

The Insured has permission to cease operations or remain vacant or unoccupied without consent of the Company(ies) and will not limit and/or hinder any coverage and/or loss indemnification as provided within.

### 37. JOINT LOSS AGREEMENT

(AS APPLICABLE) With respect to insurance provided by this policy, it is agreed that:

- A. If at the time of loss, there is in existence a policy(ies) issued by a boiler and machinery insurance Company(ies) and/or excess Difference in Conditions (DIC) insurance Company(ies) which may cover the same property or cover the location at which the property subject to loss is situated; and
- B. if there is a disagreement between the companies under this policy and such other contract either as to:
  - I. whether such damage or destruction is insured against by this policy or by an accident insured against by such boiler and machinery insurance policy and/or excess Difference In Condition (DIC) insurance Company(ies); or
  - II.
  - III. the extent of participation of this policy and of such boiler and machinery insurance policy and/or excess DIC insurance Company(ies) in a loss which is insured against, partially or wholly, by any one or all of said policies;

the Company(ies) shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss, which is in disagreement, but in no event more than the Company(ies) would have paid if there had been no boiler and machinery insurance policy and/or excess DIC insurance policy in effect, subject to the following conditions:

- 1) the amount of the loss, which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the Insured and the companies is limited to the minimum amount remaining payable undereither the boiler and machinery and/or excess DIC or this policy(ies);
- 2) the boiler and machinery insurance Company(ies) and/or excess DIC insurance Company(ies) shall simultaneously pay to the Insured at least one half of said amount which is in disagreement;
- 3) the payments by the companies hereunder and acceptance of the same by the Insured signify the agreement of the companies to submit to and proceed with arbitration within ninety days of such payments;

The arbitrators shall be three in number, one of whom shall be appointed by the boiler and machinery insurance Company(ies) and/or excess DIC insurance Company(ies), one of whom shall be appointed by the Company(ies), and the third of whom shall be appointed by consent of the other two; the decision by the arbitrators shall be binding

on the companies and that judgment upon such award may be entered in any court of competent jurisdiction;

- 4) the Insured agrees to cooperate in connection with such arbitration but not to intervene therein;
- 5) the provisions shall not apply unless such other policy issued by the boiler and machinery insurance Company(ies) and/or excess DIC insurance Company(ies) is similarly endorsed;
- 6) acceptance by the Insured of sums paid pursuant to the provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the Insured against any of the companies.

### 38. VALUES

The values and schedule of property declared to the Company at the inception of the policy are for premium purposes only and shall not limit the coverages provided by this policy.

### 39. TITLES OF PARAGRAPHS

The titles of paragraphs of this form and of endorsements and supplemental contracts, if any, now or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

### 40. CONFORMANCE

The terms of this policy which are in conflict with the applicable statutes of the state wherein this policy is issued are hereby amended to conform to such statutes, unless the statutes narrow or limit the coverage afforded by this policy and do not bar a policy from providing broader coverage.

### 41. NEWLY ACQUIRED LOCATIONS

This policy insures direct physical loss or physical damage to property of the type insured when such property is purchased, leased, acquired or comes under the control of the Insured after the inception date of this policy. This coverage for Newly Acquired Locations applies from the date the Insured first acquires an insurable interest in such property and continues until the property is reported to the Company and the Company has agreed to insure the location, or the time limit shown in the Limits of Liability clause, whichever is earlier. The time limit begins on the date of purchase, lease or other acquisition. If the property is not reported to the Company with the designated timeframe coverage for this location shall fall under the Miscellaneous Unnamed Locations coverage.

### 42. MISCELLANEOUS UNNAMED LOCATIONS

Miscellaneous Unnamed Locations means any unreported property of the type insured situated within the policy Territory which does not fit the definition of a Newly Acquired Location under the terms of this policy. This definition does not include property in transit.

## ENDORSEMENT NO. 1

The following provisions are hereby attached to and made part of this Policy:

### (1) SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provisions in the policy to which this Endorsement is attached, this policy does not insure against loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever. Nevertheless, if a peril not excluded from this policy arises directly or indirectly from seepage and/or pollution and/or contamination any physical loss or physical damage insured under this policy arising directly from that peril shall (subject to the terms, conditions and limitations of the policy) be covered.

However, if the insured property is the subject of direct physical loss or physical damage for which this Company has paid or agreed to pay then this policy (subject to its terms and conditions and limits) insures against direct physical loss or physical damage to the property insured hereunder caused by resulting seepage and/or pollution and/or contamination.

The Insured shall give notice to the Company of intent to claim no later than 18 months after the date of original physical loss or physical damage.

### (2) DEBRIS REMOVAL AND COST OF CLEAN UP EXTENSION

(a) Notwithstanding the provision of the preceding exclusion in this Endorsement or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of cleanup in the policy to which this Endorsement is attached, in the event of direct physical loss or physical damage to the property insured hereunder, this policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible ) also insures, within the limit of liability stated in Section 3:

- (i) expenses reasonably incurred in removal of debris of the property insured hereunder destroyed or damaged from the location of the loss, and/or
- (ii) cost of clean-up, at the location of the loss, made necessary as a result of such direct physical direct physical loss or physical damage;

Provided that this policy does not insure against the costs of decontamination or removal of water, soil or any other substance not covered by this policy on or under such premises.

(b) It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or physical damage to the property insured hereunder unless such payment is precluded solely by the operation of any deductible and that the Insured shall give notice to the Company of intent to claim for cost of removal of debris or cost of clean-up no later than 12 months after the date of the original physical direct physical loss or physical damage.

### (3) AUTHORITIES EXCLUSION

Notwithstanding any of the preceding provisions of this Endorsement, except in respect of certain specific coverage(s) provided elsewhere in the policy to which this Endorsement is attached, this policy does not insure against fines, penalties and expenses directly attributable to such fines and penalties incurred or sustained by or imposed on the Insured at the order of any government agency, court or other authority arising from any cause whatsoever.

### (4) Nothing in this Endorsement shall override any radioactive contamination exclusion

**clause in the policy to which this Endorsement is attached.**

ALL OTHER TERMS AND CONDITION REMAIN UNCHANGED.

## ENDORSEMENT NO. 2

The following provisions are hereby attached to and made part of this Policy:

### Contingent Coverage for Scheduled Real Property

1. Coverage for real property at scheduled locations on file with the company (2025 State of MS SOV: Contingent — State Military) is provided where;
  - a) Physical direct physical loss or physical damage by a peril insured under the policy to which this endorsement attaches occurs; and,
  - b) The State of Mississippi is required by the Army to provide for recovery up to 25% of the physical direct physical loss or physical damage sustained.
2. The recovery under this extension of coverage shall be the lesser of.
  - a) 25% of the full replacement cost of the damaged real property
  - b) The actual cost to repair or replace the damaged real property.

No coverage is provided for damaged property that is repurposed for another use that is substantially different from that use existing at the time of loss.

**ENDORSEMENT NO. 3**

The following provisions are hereby attached to and made part of this Policy:

It is understood and agreed that this policy provides coverage excess of the underlying policy for the State-owned facilities known as the Capitol Complex as detailed below:

Company: Affiliated Factory Mutual  
Policy Number: 1130763

#### ENDORSEMENT NO. 4

The following provisions are hereby attached to and made part of this Policy:

##### **Mold Endorsement**

The Company shall not be liable for any direct physical loss or physical damage in the form of, caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- A. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- B. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungus that produce mold(s);
- C. spores mean any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any direct physical loss or physical damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which is directly caused by a covered peril, provided that such fungus, mold(s), mildew or yeast direct physical loss or physical damage is reported to the Company within twelve months from the date of the loss.

A USD10,000,000 per occurrence program limit of liability applies to coverage provided by this endorsement.

All other terms and conditions remain unchanged.

**ENDORSEMENT NO. 5**

**VALUE / PREMIUM ADJUSTMENT CLAUSE**

This endorsement modifies insurance provided by the Policy.

Any additions exceeding \$25,000,000 value per building will be formally added to the Statement of Values at the time of the time of acquisition. All additions valued at \$25,000,000 or under will be considered in effect at the time of change, for no additional premium.

There shall be no premium adjustment during the term of the policy for additions or deletions of locations or property unless the premium adjustment for such additions and deletions (for acquisitions and divestitures) exceed \$25,000, calculated at account rate on a pro-rata basis.

All other terms and conditions of the Policy remain the same.

## ENDORSEMENT NO. 6

### 1. ATTACHMENT CLAUSE

This policy is made and accepted subject to the foregoing provisions and stipulations which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as are enclosed hereon or added hereto, as provided in this policy.

The insurance company(ies) signatory hereto (hereinbefore called the Company) each for itself severally but not jointly do(es) insure for the amount underwritten for each and every loss covered hereunder as set forth under their respective names. The collective liability of each Company shall not exceed the Program limit of liability or any appropriate Subprogram limit of liability or any Annual Aggregate limit.

The program limit of liability or amount of insurance shown on the face of this policy, or endorsed on this policy, is the total limit of the Company's liability applicable to each occurrence, as defined in this policy. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Company exceed this limit or amount irrespective of the number of locations involved.

In witness whereof, the following Company(ies) execute and attest these presents, and subscribe for the amount of participation of the insurance provided hereunder as shown:

### **PROPERTY CYBER AND DATA ENDORSEMENT**

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
  - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
  - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

#### **Definitions**

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
  - 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
  - 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
  - 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or

microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,

owned or operated by the Insured or any other party.

- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

#### **SANCTIONS LIMITATION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations' resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

LMA3100A

5 October 2023

#### **BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03

NMA2962

#### **RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE - PHYSICAL DAMAGE - DIRECT (U.S.A.)**

This Policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \* NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this Policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\* NOTE. - If Fire is not an insured peril under this Policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

7/5/59

NMA1191

**COMMUNICABLE DISEASE ENDORSEMENT**  
**(For use on property policies)**

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a Communicable Disease, or
  - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

**All other terms, conditions and exclusions of the policy remain the same.**

LMA5393  
25 March 2020

**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED**  
**NOT PURCHASED CLAUSE**

*This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.*

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5390  
09 January 2020

**WAR AND TERRORISM EXCLUSION ENDORSEMENT**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01  
NMA2918

### **TERRITORIAL EXCLUSION: RUSSIA, UKRAINE AND BELARUS**

Notwithstanding anything to the contrary in this Policy, this Policy excludes any loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:

- i entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
- ii property or asset located in an **Excluded Territory**;
- iii individual that is physically in an **Excluded Territory**;
- iv claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
- v payment in an **Excluded Territory**.

This exclusion will not apply to any coverage or benefit required to be provided by the insurer by law or regulation applicable to that insurer, however, the terms of any sanctions clause will prevail.

For purposes of this exclusion, "Excluded Territory" means:

Belarus (Republic of Belarus); and  
Russian Federation; and  
Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula)

All other terms, conditions and exclusions remain unchanged.

LMA5583B  
8 March 2023

### **APPLICATION OF SUBLIMITS ENDORSEMENT**

1. Application To Insured Interests. Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.
2. Application Within Perils. If insured under this policy, any sublimit for earthquake, earth movement, flood, windstorm, named storm, or named windstorm is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to such an occurrence. If flood occurs in conjunction with a windstorm, named storm, named windstorm, earthquake or earth movement, the flood sublimit applies within and erodes the sublimit for that windstorm, named storm, named windstorm, earthquake or earth movement.

This endorsement takes precedence over and, if in conflict with any other wording in the contract bearing on the application of sublimits, replaces that wording.

05/03/09  
LMA5130

**CHANGE OF CLAIMS LEAD ENDORSEMENT**

This provision applies to any circumstance where a Lloyd's syndicate named as a Claims Agreement Party on this contract of (re)insurance cedes control of the agreement of claims arising under this contract of (re)insurance to a third party by Reinsurance To Close or Loss Portfolio Transfer arrangements.

In the above circumstance, the (re)insured shall have the right to require the third party controlling the agreement of a claim to relinquish its role as a Claims Agreement Party in favour of the next syndicate stated in the contract of (re)insurance, or other participating syndicate as agreed by the (re)insured and the remaining participating syndicates on the contract of (re)insurance.

This provision will not apply to delegation of claims to a third-party administrator, where the (re)insurer retains ultimate control of the agreement of claims.

LMA5326A  
13 November 2023

**SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Lloyd's America, Inc.  
Attention: Legal Department,  
280 Park Avenue, East Tower, 25<sup>th</sup> Floor  
New York, NY 10017  
USA

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998 (LAI)  
24/04/1986

## INFORMATION

Total Insured Values:

USD 6,234,651,706	Property Damage
USD Not declared	Business Interruption
<hr/>	
USD 6,234,651,706	TOTAL

Split as follows:

USD 144,095,736	Military (This policy is only responsible for insuring 25% of the military values. This figure is the 25% figure.)
USD 94,247,772	Dry Dock (Contingent coverage only)
USD 5,733,195,970	All Other
USD 173,509,930	Auto
USD 6,240,699	Boats/Vessels
USD 83,361,600	Dams

Submissions provided to (Re)insurer(s) and, for those markets that use any Electronic Placing Platform, added to the Data Pack.

## CONTRACT ADMINISTRATION AND ADVISORY SECTIONS

### SUBSCRIPTION AGREEMENT

**CONTRACT LEADER** The Contract Leader is as defined in the Security Details attached herein except where shown below

**Non-EEA:** As per Security Details herein.

Wherever the term 'Slip Leader' appears throughout this contract it is amended to read and mean 'Contract Leader'.

**BUREAU(X) LEADER(S)** The Bureau(x) Leader(s) is as defined in the Security Details attached herein except where shown below:

**Non-EEA Lloyd's:** As per Security Details if applicable

**Non-EEA ILU:** As per Security Details if applicable

**Non-EEA LIRMA:** As per Security Details if applicable

**BASIS OF AGREEMENT TO CONTRACT CHANGES**

General Underwriting Agreement (February 2014) with:

Non-Marine Schedule (October 2001) except as below:

- Agree extend for up to one calendar month at pro rata additional premium as agreed by Contract Leader only. This provision does not override any provision to extend for a longer period contained within the contract wording or endorsements thereto;
- Extensions to any Premium Payment Warranty (PPW), Premium Payment Condition (PPC), Prompt Payment Discount (PPD) or Settlement Due Date (SDD) are to be agreed by the Contract Leader only;
- When details of agreed endorsements are required to be provided to following (re)insurer(s), email and/or other electronic means may be used by Aon UK Limited.

**OTHER AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR PART TWO GUA CHANGES ONLY**

Where no Other Agreement Parties for contract changes are stated herein, the Agreement Parties will be the Contract Leader only.

**AGREEMENT PARTIES FOR CONTRACT CHANGES, FOR THEIR PROPORTION ONLY**

None.

**BASIS OF CLAIMS AGREEMENT**

To be managed in accordance with

Single Claims Agreement Party (SCAP) Arrangement: The Single Claims Agreement Party Arrangements (LMA9150) for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims) or, where it is not applicable, then the following shall apply as appropriate:

Lloyd's Claims Scheme: The Lloyd's Claims Scheme (Combined) as prescribed by Lloyd's, as amended from time to time, or any successor thereto.

IUA Claims Agreement Practices: International Underwriting Association of London IUA claims agreement practices.

Individual (Re)Insurer Agreement: The practices of any (re)insurers electing to agree claims in respect of their own participation.

The applicable arrangements (scheme, agreement, or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.

Unless otherwise detailed in the Risk Details, the Contract Leader may instruct any third party expert to investigate and adjust any claim or circumstance notified to the contract.

**CLAIMS AGREEMENT PARTIES**

A. Claims falling within the scope of the LMA9150 to be agreed by Contract Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to the Single Claim Agreement Party. For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Contract Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion.

B. For all other claims:

i) For Lloyd's syndicates

The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate is as defined in Security Details

Where the leading and / or second Lloyd's syndicate is not defined within this heading or Security Details, then the leading Lloyd's syndicate shall be the Lloyd's Bureau Leader.

The second Lloyd's syndicate shall be:

- i) For physical (non-electronic) placements, the first Lloyd's syndicate stamp (excluding the Lloyd's Bureau Leader stamp)
- ii) For electronic placements, the largest Lloyd's syndicate stamp (excluding the Lloyd's Bureau Leader stamp).

In the event that two or more stamps are implicated, the second Lloyd's syndicate shall be the first stamp to appear after leading Lloyd's syndicate or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.

- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below.

The first ILU company (re)insurer and, where required by ILU practices, the second ILU company (re)insurer is as defined in Security Details herein

Where the first and / or second ILU company (re)insurer is not defined within this heading or Security Details, then the leading ILU company (re)insurer shall be the ILU Bureau Leader. The second ILU company (re)insurer shall be nominated by the first ILU claims agreement party in the event of a claim.

The first LIRMA company (re)insurer is as defined in Security Details herein:

Where the first LIRMA company (re)insurer is not defined within this heading or Security Details, then the first LIRMA company (re)insurer shall be the LIRMA Bureau Leader.

- iii) Those IUA company (re)insurer(s) that have specifically elected to agree claims in respect of their own participation.

None unless specified below

**EEA**

**Non-EEA**

- iv) All other subscribing (re)insurers, each in respect of their own participation, that are not party to the Lloyd's or IUA claims agreement practices, agree to follow the decisions of the Contract Leader and/or Lloyd's and IUA claims agreement parties, excepting those that may have opted out below.

Where Lloyd's Insurance Company S.A. participates on the contract, the leading managing agent and second managing agent, where applicable, shall agree claims on behalf of Lloyd's Insurance Company S.A. The leading managing agent and second managing agent is as defined in Security Details herein

Where the leading and / or second managing agent is not defined within this heading or Security Details, then the leading managing agent shall be the Bureau Leader acting on behalf of Lloyd's Company S.A.

The second managing agent shall be:

- i) For physical (non-electronic) placements, the first managing agent stamp acting on behalf of Lloyd's Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd's Company S.A.);
- ii) For electronic placements, the first managing agent stamp acting on behalf of Lloyd's Company S.A. (excluding the Bureau Leader stamp acting on behalf of Lloyd's Company S.A.).

In the event that two or more stamps are implicated, the second managing agent shall be the first stamp to appear after leading managing agent or, when stamps have been obtained electronically, the earliest of the corresponding lines entered.

- v) Notwithstanding anything contained in the above to the contrary, any ex-gratia payments to be agreed by each (re)insurer for their own participation.

**CLAIMS  
ADMINISTRATION**

Aon UK Limited will notify claims agreement parties, and where applicable following (re)insurer(s) that do not participate in the Lloyd's and IUA claims schemes, of claims submitted to the contract, and provide material updates. Wherever possible such notifications and updates will be given and administered via ECF or other electronic platform at Aon UK Limited election.

Where a Lloyd's syndicate or IUA company is not an agreement party to the claim or circumstance (per CLAIMS AGREEMENT PARTIES A. above), they agree to accept correct ECF sequences for administrative purposes to ensure information is circulated to all subscribing parties.

**RULES AND  
EXTENT OF ANY  
OTHER  
DELEGATED  
CLAIMS  
AUTHORITY**

None, unless otherwise specified here by any of the claim agreement parties shown above.

**EXPERT(S) FEES  
COLLECTION**

Aon UK Limited will not undertake the collection of any fee invoices rendered by third parties unless the fees form part of the (re)insured's Claim or the work is for the exclusive benefit of the (re)insured.

**SETTLEMENT  
DETAILS**

**Settlement Due Date:** 30th June 2025

In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein which is deemed to supersede the above.

**Instalment Premium Period of Credit:** Days (Not Applicable if not completed)

In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein which is deemed to supersede the above.

**ADJUSTMENT  
PREMIUM PERIOD  
OF CREDIT**

Days (Not Applicable if not completed)

In respect of electronic lines, please refer to the Settlement Information shown under Security Details herein which is deemed to supersede the above

**BUREAU(X)  
ARRANGEMENTS**

Aon UK Limited will submit de-linked accounts to Xchanging Ins-Sure Services Ltd (XIS) where possible.

In respect of the expiry of any Premium Payment Warranty (PPW), Premium Payment Condition (PPC); Prompt Payment Discount (PPD), Settlement Due Date (SDD) or Notice of Cancellation (NOC) the following apply:

- Premium payment requirements are deemed met by presentation of premium/accounts to XIS on or before the SDD and will not be recorded as a late signing or payment;
- The SDD is deemed in all instances to be the same as the PPW, PPC, PPD, or NOC due date;
- Where the PPW, PPC, PPD or NOC has been updated then the SDD shall be deemed to be updated in parallel, unless otherwise stated to the contrary;
- The PPW, PPC, PPD, NOC or SDD shall not be deemed to be breached if the original presentation of the electronic submission to XIS is in time, but subsequently amendments to the electronic submission are notified as being required to enable the premium signing to be completed. In such event Aon UK Limited shall have an additional period of seven days from such notification to complete the amendments and resubmit the electronic submission to XIS;
- Where a PPW, PPC, PPD, NOC or SDD falls on a weekend or public holiday, presentation to XIS on the next working day in the United Kingdom will be deemed in compliance with the PPW, PPC, PPD, NOC or SDD.

Aon UK Limited may present For Declaration Only (FDO) signings as and when required.

The (re)insurer hereby agree that any premium payable in instalments under this contract will be processed as delinked Additional Premium entries other than when submitted under the

Deferred Account Scheme. However any annual instalments to be allocated to respective year of account.

Where payments are received by Aon UK Limited in convertible currencies, the (re)insurer agrees to accept/settle accounts at rate(s) of exchange obtained by Aon UK Limited.

In respect of convertible currencies, the (re)insurer instructs XIS to accept settlement in any valid settlement currency as determined by Aon UK Limited.

In the event of this contract stating multiple insurance and/or reinsurance premiums (each to be paid from a different source); and/or separate entries/sections for taxation/regulation reporting purposes, XIS are instructed to leave the premium advice notes ungrouped so that each can be released separately once paid by the respective client.

In the event of partial premium received by Aon UK Limited, the (re)insurer agrees to accept premium as paid to and endorsed by Aon UK Limited.

XIS are authorised to sign premium from individual Insureds / territories / sections separately as and when received by Aon UK Limited.

The (re)insurer agrees that Aon UK Limited may settle premiums for this contract/release de-linked premium for this contract into settlement at different times.

**NON-BUREAU  
ARRANGEMENTS**

Where Aon UK Limited accounts electronically with (re)insurers and notwithstanding anything to the contrary contained herein, premium due in respect of this contract which is available for settlement and presented to (re)insurers in a Technical Account (TA) ACORD message on, or before the PPW, PPC, PPD, NOC or SDD; shall be deemed to satisfy said Premium Payment Terms.

The Technical Account (TA) will be settled within the following, eAccounting Financial Account (FA).

Where a PPW, PPC, PPD, NOC or SDD falls on a weekend or public holiday, presentation to (re)insurer(s) hereon as applicable on the next working day will be deemed in compliance with the PPW, PPC, PPD, NOC or SDD.

Where payments are received by Aon UK Limited in convertible currencies, (re)insurer(s) agree to accept/settle accounts at rate(s) of exchange obtained by Aon UK Limited.

In respect of convertible currencies, (re)insurer(s) agree to accept settlement in any valid settlement currency as determined by Aon UK Limited.

In the event of partial premium received by Aon UK Limited, (re)insurer(s) agree to accept premium as paid to and endorsed by Aon UK Limited.

**NOTICE OF  
CANCELLATION**

Any Notice of Cancellation shall be issued to the broker by the following means:

**DELIVERY  
PROVISIONS**

By an email to [aon.gbc.noc@aon.co.uk](mailto:aon.gbc.noc@aon.co.uk)

Failure to comply with this delivery requirement will make the notice null and void. Delivery of the notice in accordance with this delivery requirement is effective immediately that it is sent unless the underwriter receives a notice of failure of delivery irrespective of whether the broker has acknowledged receipt.

**FISCAL AND REGULATORY**

<b>TAX PAYABLE AND ADMINISTERED BY (RE)INSURER(S)</b>	None	
<b>REGULATORY RISK LOCATION</b>	<b>Risk Location</b>	As below
	<b>Territory:</b>	United States of America
	<b>Premium Allocation:</b>	100%
<b>OVERSEAS BROKER</b>	<b>Name:</b>	Aon Risk Services, Inc. of Maryland
	<b>Address:</b>	Global Rail - Transit Practice 111 S Calvert Street Harborplace Tower, Suite 2010 Baltimore Maryland 21202 United States of America
<b>US CLASSIFICATION</b>	US Surplus Lines	
<b>SURPLUS LINES BROKER</b>	<b>Name:</b>	Aon Risk Services Inc Of Maryland
	<b>Address:</b>	111 S Calvert Street Harborplace Tower Suite 2010 Maryland United States of America 21202
	<b>Surplus lines Broker Licence Number:</b>	10682624
<b>STATE OF FILING</b>	Mississippi	
<b>ALLOCATION OF PREMIUM TO CODING</b>	<b>Risk Code:</b>	P6
	<b>Premium Allocation:</b>	100%
	In respect of electronic lines, underwriters agree the Risk Code(s) detailed above supersede any other reference to Risk Code(s) within this contract of Insurance, including the Settlement Information section which forms part of Security Details when this contract is bound electronically. Furthermore, underwriters agree that the Reference they provide in Security Details – Signed Underwriters applies to both Risk Code(s) detailed above unless otherwise stated.	
<b>ALLOCATION OF PREMIUM TO YEARS OF ACCOUNT</b>	<b>Year of Account:</b>	2025
	<b>Premium Allocation:</b>	100%

In respect of electronic lines, please refer to the Settlement Information if shown under Security Details herein which is deemed to supersede the above

**REGULATORY  
POLICYHOLDER  
CLASSIFICATION**

Commercial - Large Risk

## BROKER REMUNERATION AND DEDUCTIONS

**TOTAL  
BROKERAGE**

**Brokerage**

**Type:** Fixed

**Percentage:** 6% Of Gross Premium

**OTHER  
DEDUCTIONS FROM  
PREMIUM**

None

## SECURITY DETAILS

### In respect of All (Re)insurers excluding Lloyd's Insurance Company S.A

#### **(RE)INSURER'S LIABILITY:**

##### **(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

##### **Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines. Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333 (amended)

### In respect of Lloyd's Insurance Company S.A

#### **Several Liability Notice**

The subscribing insurers' obligations under contracts of (re)insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing (re)insurers are not responsible for the subscription of any co-subscribing (re)insurer who for any reason does not satisfy all or part of its obligations.

08/94

LSW1001 (Insurance/Reinsurance)

## **INFORMATION ABOUT THE (RE)INSURER (Lloyd's Insurance Company S.A.)**

Lloyd's Insurance Company S.A. is a Belgian limited liability company (societe anonyme / naamloze vennootschap) with its registered office at Bastion Tower, Marsveldplein 5, 1050 Brussels, Belgium and registered with Banque-Carrefour des Entreprises / Kruispuntbank van Ondernemingen under number 682.594.839 RLE (Brussels). It is an insurance company subject to the supervision of the National Bank of Belgium. Its Firm Reference Number(s) and other details can be found on [www.nbb.be](http://www.nbb.be). Website address: <https://lloydseurope.com/> E-mail: [lloydseurope.info@lloyds.com](mailto:lloydseurope.info@lloyds.com)

Bank details: Citibank Europe plc Belgium Branch, Boulevard General Jacques 263G, Brussels 1050, Belgium - BE46570135225536.

### **MODE OF EXECUTION CLAUSE**

This contract and any changes to it may be executed by:

- a. electronic signature technology employing computer software and a digital signature or digitiser pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated
- b. a unique authorisation provided via a secure electronic trading platform
- c. a timed and dated authorisation provided via an electronic message/system
- d. an exchange of facsimile/scanned copies showing the original written ink signature of paper documents
- e. an original written ink signature of paper documents (or a true representation of a signature, such as a rubber stamp).

The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this contract. This contract may be executed in one or more of the above counterparts, each of which, when duly executed, shall be deemed an original.

**ORDER HEREON** As per the Total Signed Lines hereon.

**BASIS OF WRITTEN LINES** Percentage of Whole

**BASIS OF SIGNED LINES** Percentage of Whole

**SIGNING PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the (re)insured may elect for the disproportionate signing of (re)insurers' lines, without further specific agreement of (re)insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those (re)insurers.

The signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**WRITTEN LINES:** As per attached

In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

Policy Number: (UMR) B1526PTNAM2515018

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## SECURITY DETAILS

### REFERENCES

UMR (Unique Market Reference): B1526PTNAM2515018

Date contract printed to PDF: 14:11 30 April 2025

## SIGNED UNDERWRITERS

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**NEW Global Property - Ark Syndicate 4020**

**Slip Leader**



3%  
**Written**

F	2	1	2	5	W	A	0	1	7	9	6			
---	---	---	---	---	---	---	---	---	---	---	---	--	--	--

100 x 50  
P6

1.9923%  
**Signed**

17:24 29 April 2025  
Lloyd's Underwriter Syndicate No 4020 ARK - Global Property, London, England  
George Shone  
**Bound**

### Subjectivities

Venezuela is excluded under Territory clause

**Deadline**

**Status**

Agreed

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### AXA XL



5%  
**Written**

N	F	9	0	0	0	8	6	0	1	9	0			
---	---	---	---	---	---	---	---	---	---	---	---	--	--	--

P6

3.3205%  
**Signed**

12:47 30 April 2025  
Lloyd's Underwriter Syndicate No. 2003 AXL, London, England  
Angus Stewart  
**Bound**

Policy Number: (UMR) B1526PTNAM2515018

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**Atrium Underwriters Limited**



2.5%  
**Written**

P	D	F	F	P	W	M	2	5	A	F	X			
---	---	---	---	---	---	---	---	---	---	---	---	--	--	--

NH per NYL  
P6

1.6603%  
**Signed**

09:59 28 April 2025  
Lloyd's Underwriter Syndicate No. 0609 AUW, London, England  
Nicola Hearn  
**Bound**

**Line Conditions**

PPC 4/86 TOR (90 days)

LMA 5019 WEH Asbestos Endorsement to apply unless an exclusion exists in the policy wording which is no less restrictive

LMA 5062 Fraudulent Claims Clause to apply unless an exclusion exists in the policy wording which is no less restrictive

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**Royal and Sun Alliance Insurance Ltd**



1.25%  
**Written**

Y	M	M	9	0	1	5	2	9						
---	---	---	---	---	---	---	---	---	--	--	--	--	--	--

0.8301%  
**Signed**

16:34 29 April 2025  
The Marine Insurance Company Limited  
Lewis Byrne  
**Bound**

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**SCOR Syndicate**



3%  
**Written**

J	0	5	9	9	4	1	N	2	5	A	A			
---	---	---	---	---	---	---	---	---	---	---	---	--	--	--

MEZZANINE  
P6

1.9923%  
**Signed**

14:01 30 April 2025  
SCOR Syndicate Lloyd's Underwriter Syndicate No. 2015 CHN, London, England  
Henry Sturge  
**Bound**

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Policy Number: (UMR) B1526PTNAM2515018

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**Aon Underwriting Managers**



3.9045%  
**Written**

A	C	T	2	5	P	6	0	0	0	0	1			
---	---	---	---	---	---	---	---	---	---	---	---	--	--	--

P6

3.9045%  
**Signed**

11:52 29 April 2025  
ACT7 4517 2025 B1526CBSPS2500009 N.A. Property - QPS5555 26.3158%, LIB4472  
12.2807%, RNR1458 3.5088%, AFB5623 11.4035%, KLN0510 7.0175%, ASL1955 7.8947%,  
AWH2232 7.0175%, CNP4444 10.5263%, AXS1686 6.1404%, AML2001 3.5088%, MKL3000  
4.3860%  
Ric Teixeira  
**Bound**

**Line Conditions**

Line to Stand

Any subjectivity applied by the slip leader applies to the ACT participation

All endorsements to be provided to Aon Underwriting Managers

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Policy Number: (UMR) B1526PTNAM2515018

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## SETTLEMENT INFORMATION

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**Terms of Settlement**

Settlement Due Date:	30 June 2025
Instalment Premium Period of Credit:	0
Adjustment Premium Period of Credit:	0

NEW Global Property - Ark Syndicate 4020

**Non-Bureau Leader**

George Shone