

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

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

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

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has

rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

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

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

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

SAMPLE

**BEST CHOICE CONTRACTOR PROGRAM****Commercial Inland Marine Coverage Part Declarations**

Policy No. _____ Effective Date: _____ 12:01 A.M. Standard Time

Named

Insured:

- 1. Coverage Forms.** The Commercial Inland Marine Coverage Part of this policy consists of the following coverage forms:

Small Tools Floater Coverage Form

2. Schedule of Coverages:**Small Tools Floater Schedule of Coverages**

- I. LIMITS OF INSURANCE** (Coverage applies only to tools for which a Limit is shown in **A.** or **B.** below.)

A. Your "Tools":

1. Owned: \$ _____ any one "tool"

2. Leased or rented from others: \$ _____ any one "tool"

B. Employee "Tools": \$ _____ any one "tool"**C. All "tools" in any one occurrence:** \$ _____**II. DEDUCTIBLE:** \$ _____**III. VALUATION:** Actual Cash Value unless otherwise specified below:

3. Premium: _____ Rate _____ Advance Premium _____

Total Advance Premium

4. Surcharges, Taxes and Fees, if any, and the Total Amount Due:

Name of Tax, Fee or Surcharge _____ Amount _____

Total Amount Due

Your premium includes the following amount for Certified Acts of Terrorism

5. Forms and endorsements attached to this Coverage Part at issuance:



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Commercial Inland Marine Coverage Part Declarations

Please see Schedule of Applicable Forms

SAMPLE



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS section.

I. COVERAGE

We will pay for direct physical loss of or damage to **"covered property"** directly caused by a **"covered cause of loss"**.

II. COVERAGE LIMITATIONS

If a limit for **"employee" "tools"** is shown in the Schedule Of Coverages, coverage for **"employee" "tools"** applies only to **"tools"** owned by the **"employee"** and while such **"tools"** are at, or in transit to or from, a premises you own or operate out of or a jobsite at which your **"operations"** are being performed.

III. EXCLUSIONS

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

1. Biological or Chemical Materials

The actual or threatened discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials.

2. Electronic Vandalism

"Electronic vandalism".

3. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this coverage form.

4. Nuclear Hazard

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

But, if nuclear reaction or radiation, or radioactive contamination results in a fire, we will pay for the loss or damage caused by that fire.

5. War and Military Action

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a **"covered cause of loss"** results, we will pay for the loss or damage caused by that **"covered cause of loss"**.

1. Environmental, Atmospheric and Related Perils

- a. Dampness or dryness of atmosphere; changes in or extremes of temperature, whether or not property is inside or outside of buildings, structures or vehicles;



- b. (1) Nesting or infestation; or
(2) Discharge or release of waste products or secretions
by insects, birds, rodents or other animals.
- c. The presence, growth, proliferation, spread or any activity of “fungi”, wet rot, dry rot or “microbes”.

2. Equipment Breakdown

“Equipment breakdown”.

3. Maintenance or Modification

Malfunction or failure of property to operate due to adjustment, alignment, calibration, cleaning or modification.

4. Programming Errors or Defects

- a. Programming errors or faulty instructions to a machine; or
- b. Other errors or omissions in processing or copying.

5. Wear and Tear and Related Perils

Wear and tear, rust, corrosion, depreciation, deterioration, hidden or latent defect, or any quality in the property that causes it to damage or destroy itself unless such loss or damage is caused directly by physical damage not otherwise excluded.

C. We will not pay for loss or damage caused by or resulting from any of the following:**1. Consequential Loss**

Delay, loss of use, loss of market, loss of market value or consequential loss or damage of any nature.

2. Contaminants or Pollutants

Discharge, dispersal, seepage, migration, release or escape of “**contaminants or pollutants**” unless such discharge, dispersal, seepage, migration, release or escape of “**contaminants or pollutants**” is itself caused by any **specified peril**.

However, if loss or damage caused by a “**specified peril**” results from the discharge, dispersal, seepage, migration, release or escape of “**contaminants or pollutants**”, we will pay the resulting loss or damage caused by the “**specified peril**”.

3. Dishonest or Criminal Acts

Dishonest, fraudulent or criminal acts committed alone or in collusion with others by you, “**executive officers**”, “**employees**”, or authorized representatives or anyone to whom you entrust the property for any purpose, regardless of when such activity takes place.

This exclusion does not apply to:

- a. acts of destruction by an “**employee**”; or
- b. acts committed by a carrier or other bailee for hire.

4. Fraud And Deceit

Voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

5. Missing Property

Missing property where the only proof of loss or damage is:

- a. unexplained or mysterious disappearance;
- b. shortage found upon taking inventory; or



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

- c. any other instance where there is no physical evidence to show what happened to the property.

IV. LIMITS OF INSURANCE/ DEDUCTIBLE

A. Limits of Insurance

The most we will pay for loss, damage, cost or expense in any one occurrence is the applicable Limit of Insurance shown in the Schedule of Coverages or endorsement schedule.

B. Deductible

We will not pay any amounts due under the terms and conditions of this coverage form until the amount of covered loss, damage, cost or expense for any one occurrence exceeds the applicable deductible shown in the Schedule of Coverages or endorsement schedule. We will then pay the amount of the loss, damage, cost or expense in excess of the deductible up to the applicable limits of insurance.

V. AMENDED CONDITIONS

The following changes apply to the Commercial Inland Marine Conditions:

Valuation

The Valuation Condition is replaced by the following:

1. Except as specifically set forth in 2. below, and subject to all applicable limits of insurance, the value of property will be determined as follows, as indicated in the Schedule of Coverages. If no valuation from this section 1. is indicated, Actual Cash Value applies.

a. Actual Cash Value

When Actual Cash Value is indicated, we will not pay more than the lesser of the following:

- (1) the “**actual cash value**”;
- (2) the actual cost to repair or replace the property; or
- (3) if the property is leased or rented from others, the liability imposed on you by law or assumed by you by contract.

However, with respect to property leased or rented from others, if the written lease or rental agreement requires that you insure such property on a replacement cost basis, the valuation is changed to Replacement Cost.

b. Replacement Cost

When Replacement Cost is indicated, we will not pay more than the lesser of the following:

- (1) the “**replacement cost**”;
- (2) the actual cost to repair or replace the property; or
- (3) if the property is leased or rented from others, the liability imposed on you by law or assumed by you by contract.

Replacement Cost valuation does not apply until the damaged or destroyed property is repaired or replaced. You may make a claim on an Actual Cash Value basis before repair or replacement takes place, and later on a Replacement Cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

2. With respect to the following property, subject to the applicable limits of insurance, we will not pay more than the following amounts:

For property in transit:

- (1) Property under invoice, at the actual invoice cost, including prepaid freight, together with such cost and charges since shipment as may have accrued and become legally due thereon.



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

- (2) Property not under invoice, in accordance with the valuation provision otherwise applicable under section 1. of this Valuation condition, less any charges saved which would have become due and payable upon delivery at destination.

The value of property will be determined as of the time of loss or damage.

VI. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

- **Coverage Territory**

The Coverage Territory includes:

1. The United States of America, its territories or possessions;
2. Puerto Rico; and
3. Canada.

However, Coverage Territory does not include any waterborne shipments to or from Alaska, Puerto Rico, Hawaii or territories or possessions of the United States of America.

- **Headings**

The descriptions in the headings of this coverage form are solely for convenience, and form no part of the terms and conditions of coverage.

VII. DEFINITIONS

Solely with respect to this coverage form, the following definitions apply.

- A. **“Actual cash value”** means the **“replacement cost”** with deduction for depreciation, deterioration and obsolescence, the amount of which is computed as of the time and at the place of loss or damage.
- B. **“Contaminants or pollutants”** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke and soot (other than smoke and soot emanating from a fire involving **“covered property”**), vapor, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- C. **“Covered causes of loss”** means all causes of direct physical loss of or damage to property, unless such causes of direct physical loss of or damage to property are otherwise excluded.
- D. **“Covered property”** means **“tools”** of the type for which a limit is shown in the Schedule of Coverages or endorsement schedule.
- However, **“covered property”** does not include **“property not covered”**.
- E. **“Denial of service attack”** means an attack executed over one or more networks or the internet, the design and intention of which is to disrupt the operation of one or more networks and render the networks inaccessible to authorized users.
- F. **“Electronic data”** means information (including programs) stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, or data processing devices.
- G. **“Electronic infection”** means the transmission of a computer virus.
- H. **“Electronic vandalism”** means the willful or malicious alteration, manipulation or destruction of **“covered property”** due to **“system penetration”**, **“electronic infection”** or a **“denial of service attack”**.
- I. **“Employee”**
1. Means
 - a. any natural person:



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

- (1) while in your service;
 - (2) whom you compensate directly by salary, wages, or commissions; and
 - (3) whom you have the right to direct and control while performing services for you;
 - b. any natural person who is furnished to you:
 - (1) to substitute for a permanent employee on leave; or
 - (2) to meet seasonal or short-term workload conditions, while that person is subject to your direction and control and performing services for you;
 - c. any natural person leased to you, under an agreement between you and a labor leasing firm, while that person is subject to your direction and control and performing services for you; or
 - d. any non-compensated natural person while performing services for you that are usual to the duties of an employee or officer.
2. Does not mean:
- a. any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - b. any “**manager**”, “**member**”, partner, proprietor, director or trustee, but solely to the extent he or she is acting in his or her capacity as such.
- J. “**Equipment breakdown**” means:
- 1. Artificially generated electrical current, including electrical arcing, that injures or disturbs electrical devices wiring or equipment;
 - 2. Mechanical or machinery breakdown or failure, including rupture or bursting caused by centrifugal force; or
 - 3. Failure of pressure or vacuum equipment.
- K. “**Fungi**” means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. “**Fungi**” does not include any fungi intended by you for consumption.
- L. “**Manager**” means any natural person manager or “**member**”.
- M. “**Market value**” means the price that property might be expected to realize if offered for sale in a fair market.
- N. “**Member**” means any person serving on the Board of Managers or equivalent executive of yours that is a limited liability company.
- O. “**Microbes**” mean any non-fungal microorganism or non-fungal, colony-form organism. “**Microbe**” includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of “**microbes**”.
- P. “**Operations**” means your construction, installation, fabrication, erection, disconnection, dismantling, rigging, hoisting, loading, unloading, moving, servicing, repair, maintenance, renovation, or rehabilitation business operations or projects.
- Q. “**Property not covered**” means:
- 1. **Autos**
Automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use.
 - 2. **Component Equipment**
Equipment assigned or held in inventory to become a permanent part of a building, structure, machinery or other object associated with your “**operations**”.
 - 3. **Contraband**



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

Contraband, or property in the course of illegal transportation or trade.

4. Electronic Data

“Electronic data” other than computer operating programs and computer applications that are pre-installed on **“covered property”** by the manufacturer, wholesaler or retailer.

5. Heavy Equipment

Cranes, backhoes, loaders, excavators, dozers, tractors, power shovels, scrapers/graders, sheepsfoot rollers, steel drum compactors, wheel and ladder trenchers, pavers, pavement planers and finishers, forklifts, scissor lifts, hydraulic lifts, vehicles and mobile equipment on crawler treads, pile boring and driving machines, feller bunchers, and similar heavy equipment.

6. Loaned, Leased Or Rented Property

Property, loaned, leased or rented to others after such property has left your custody or the custody of carriers for hire when you are responsible for delivery.

7. Sold Property

Property that has been sold, including property sold under an installment sales contract or other deferred payment agreement, once the property has been turned over or delivered to the customer.

8. Property In The Course Of Manufacture

Property while in the course of manufacture. This exclusion does not apply to manufactured property:

- a. you are assembling after delivery; or
- b. to which you are attaching optional gear or otherwise modifying.

9. Underground Mining Operations

Property while stored or operated underground in connection with any mining operations.

10. Waterborne Property

Property while waterborne, except while in transit in the custody of a carrier for hire.

- R. “Replacement cost”** means the cost to repair or replace **“covered property”** at the time of direct physical loss or damage with property of comparable material and quality and used for the same purpose, without deduction for depreciation, deterioration, and obsolescence which amount is computed as of the time and at the place of such loss or damage. If property of the same kind and quality is no longer available, we will pay to replace it with other property of similar quality and function, including property of greater processing capacity.

Replacement Cost valuation for **“covered property”** includes the cost you paid for non-refundable or non-transferable extended warranties, maintenance contracts or service contracts which are still in force at the time of loss or damage and are no longer valid as a result of loss of or damage to such **“covered property”**.

- S. “Sinkhole collapse”** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite provided such cavities were not man-made.
- T. “Specified peril”** means: fire; lightning; explosion; wind; hail; smoke; riot or civil commotion; vandalism; theft; leakage from fire extinguishing equipment; aircraft or vehicles and objects thrown up by vehicles; falling objects; weight of snow, ice or sleet; **“sinkhole collapse”**; **“water damage”**; or accident to a vehicle while carrying **“covered property”**.
- U. “System penetration”** means the intentional and malicious use of a computer to obtain unauthorized access to information and resources stored on **“covered property”**.
- V. “Tools”** means equipment, and tools of a mobile nature that you use in your **“operations”**.
- W. “Water damage”** means:
1. the discharge or leakage of domestic or process water or steam from:
 - a. water pipes and any other apparatus meant to carry or distribute water including, but not limited to, hoses and tubes and fire protection sprinkler system piping;



BEST CHOICE CONTRACTOR PROGRAM

Small Tools Floater Coverage Form

- b. appliances; or
 - c. mechanical systems; or
- 2. the overflow, discharge or leakage of water from bathroom, kitchen or laundry fixtures or faucets; within a building.

SAMPLE



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

It is understood and agreed that the coverage forms which make up the Commercial Inland Marine Coverage Part are amended by the addition of the following new exclusion:

Communicable Disease Exclusion

Notwithstanding any other provisions of these coverage forms to the contrary, we do not insure any loss, damage, cost, or expense caused directly or indirectly by, resulting from, arising out of, or attributable to a Communicable Disease. This exclusion applies to any Communicable Disease, whether occurring independently from, concurrently with, or in any sequence with, any other cause of loss or peril, whether insured or uninsured.

This exclusion includes, but is not limited to, any loss, damage, cost, or expense incurred:

1. to mitigate, remediate, repair, replace, prevent, suppress, control, clean-up, detoxify, remove, monitor, or test for any Communicable Disease;
2. due to the actual or perceived threat or fear of a Communicable Disease, including, without limitation, with respect to its incidence, spread, transmission, actual or perceived presence, or effect;
3. by the insured in response to the actions of governmental, military, or civil authority to mitigate, remediate, repair, replace, prevent, suppress, control, clean-up, detoxify, remove, monitor, or test for any Communicable Disease, including, without limitation, actions with respect to the incidence, spread, transmission, actual or perceived presence, or effect of a Communicable Disease; or
4. as a result of a suspension of or change in operations, including the operations of businesses other than the insured's, caused by, arising out of, or attributable to a Communicable Disease, including, without limitation, with respect to its incidence, spread, transmission, actual or perceived presence, or effect.

As used herein, Communicable Disease means:

- a. any disease which can be transmitted by means of any substance or agent from any organism to another organism; or
- b. any infectious agent or its byproducts, whether man-made or naturally occurring (including any viruses, bacteria, parasites, microorganisms, or any mutations thereof), whether deemed living or not;
- c. where:
 - i. the disease, substance, agent, or byproducts could result in infection, illness, or death, threaten human health or human welfare, or could result in damage, deterioration, loss of value, loss of use or marketability of property; and
 - ii. the disease occurs through the direct or indirect transmission of the infectious agent or its byproducts from an infected individual or via air, bodily fluids, an animal, vector, the inanimate environment, or any other source, to a susceptible animal or human host.

This exclusion applies to all coverages, coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms and conditions of the policy remain unchanged.



BEST CHOICE CONTRACTOR PROGRAM

Economic and Trade Sanctions Condition

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

- **Economic And Trade Sanctions Condition**

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "**suit**" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or "**suit**" is prohibited by U.S. economic or trade sanctions;
3. Any claim or "**suit**" that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



BEST CHOICE CONTRACTOR PROGRAM

Schedule of Applicable Forms

Policy Number: _____

I. Policy Level Forms applicable to all Coverage Parts:

Form Number	Form Title
(tbd)	Policy Jacket
CNA97904XX (4-2020)	Common Policy Declarations
IL 00 17 11 98	Common Policy Conditions
IL 00 21 09 08	Nuclear Energy Liability Exclusion

II. Additional Forms Applicable to Commercial General Liability Coverage Part

Form Number	Form Title
CNA97913XX (4-2020)	Commercial General Liability Declarations
CG 00 01 12 19	Commercial General Liability Coverage Form

III. Additional Forms Applicable to Commercial Inland Marine Coverage Part

Form Number	Form Title
CNA97915XX (4-2020)	Commercial Inland Marine Declarations
CNA97916XX (4-2020)	Small Tools Floater Coverage Form

**Rejection of Certified Acts of Terrorism Coverage****REJECTION OF CERTIFIED ACTS OF TERRORISM COVERAGE****INSTRUCTIONS TO INSURED:**

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism, which is an act committed by an individual or individuals to coerce the government or population of the United States, that results in aggregate losses of \$5 million or more. The 2007 reauthorization no longer requires the act of terrorism to be committed by or on behalf of a foreign interest and certified acts of terrorism now encompass, for example, a terrorist act committed against the United States government by a United States citizen when the act is determined by the federal government to be "a certified act of terrorism."

You may choose to exclude Certified Acts of Terrorism, as described above. This Rejection of Certified Acts of Terrorism Coverage form is valid only if fully completed and returned to us. To reject such coverage, please affirm the REJECTION OF TERRORISM STATEMENT below for the policy number and period indicated by checking the "Reject" box corresponding to the Coverage Part to be rejected. In addition, the SIGNATURE BLOCK (below) must be completed in its entirety. The applicable policy will then be endorsed to exclude terrorism, and the premium recalculated.

The states of CA, CT, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, WA, WI, and WV have Standard Fire Policy (SFP) statutes that are applicable to your Property and, in CA, ME, MO, OR and WI, to your Inland Marine coverages. In these states, coverage is required to be provided for fire damage that results or follows from any cause of loss, even those that are otherwise excluded. As a result, although certified acts of terrorism are excluded from your policy, we are statutorily required to insure against fire damage that might result from otherwise excluded acts of terrorism. In addition, certain states may not allow coverage for certified acts of terrorism to be rejected for any coverage part. Terrorism coverage cannot be rejected for Workers' Compensation in any state.

If the circumstances in the above paragraph apply, the United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability, pursuant to the federal law where if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Calendar Year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This Rejection of Certified Acts of Terrorism Coverage form applies only during the policy period indicated below. Please consult your CNA agent with any questions regarding this form.

**BEST CHOICE CONTRACTOR PROGRAM****Rejection of Certified Acts of Terrorism Coverage****REJECTION OF TERRORISM STATEMENT**

Account Name: _____

Policy Number: _____

Policy Period: --/--/---- to --/--/----

Coverage Part	Reject

I hereby agree to the rejection of terrorism coverage for the listed coverage parts, as indicated above. I understand that a rejection of terrorism coverage means the exclusion of foreign and domestic acts of terrorism that are determined by the Department of Treasury to be Certified Acts of Terrorism as defined in the Terrorism Risk Insurance Act. I also recognize by waiving this coverage, if I so choose to add terrorism coverage on at a later date within this policy term, coverage will not be available if the alert level has been raised above "orange". I hereby agree that I am abiding by the rules and terms of my mortgagee, loss payee or additional insured as interest may appear, and have notified them of my intent to reject coverage.

SIGNATURE BLOCK

By: _____ Authorized Representative's Signature	_____ Authorized Representative's Title
_____ Named Insured	_____ Date of Signature

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.