

Your Insurance Coverage Summary

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

Advance Notice of Renewal Premium



May 31, 2016

174-307 EC00000378A000780Q 1256
RIO VISTAS II HOA
PO BOX 3046
TELLURIDE, CO 81435-3046

RIO VISTAS II HOA

Thank you for allowing American Family to insure your business. We appreciate your trust and confidence. Listed below are the principal coverages and limits that will apply for the renewal term shown on this coverage summary letter. Please take a minute to review them to be sure they are adequate for your needs. If you would like to discuss your policy coverages and limits, or if you have any questions, please don't hesitate to contact me.

Policy Period: 08-01-2016 TO 08-01-2017

Customer Billing Account: 018-307-050 71

Policy Type: BUSINESSOWNERS POLICY	
Policy Number: 05XT507501	
Total Advance Renewal Premium:	\$3,299.00
PLEASE DO NOT SEND MONEY ** INFORMATIONAL ONLY	

Total Advance Renewal Premium Summary:	
Premises 1 305 SOCIETY DR TELLURIDE, CO 81435-8936	\$3,299.00

Section I Property Coverage

Limit Of Insurance

Description Of Premises

Premises No. 1
Location 305 SOCIETY DR
TELLURIDE, CO 81435-8936
Occupancy Condominium Association - Residential with Mercantile
Number Of Units 15
Building Interest Leased to Others
Construction Frame

Buildings, Auxiliary Buildings/Structures, Business Personal Property and Auxiliary Buildings Business Personal Property may have been increased by inflation protection.

Building Replacement Cost \$3,822,529

Section II Liability And Medical Expenses Coverage

Limit Of Insurance

Aggregate Limit(Other Than Products Completed Operations)	\$4,000,000
Products-Completed Operations Aggregate Limit	\$4,000,000
Damage To Premises Rented To You	\$50,000

Your Insurance Coverage Summary

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

Advance Notice of Renewal Premium



174-307 0000000378A0007811 1256
RIO VISTAS II HOA
05XT507501

Liability And Medical Expenses		\$2,000,000
Premises 1 Medical Expenses - Any One Person		\$5,000

This coverage summary does not represent contract terms.
Consult the policy for specific definitions and limitations.

The renewal premium shown is for your next policy period.

You may receive separate advance notice of renewal premium
if you have other Commercial Lines policies.

This coverage summary may not show all coverages and
limits on your policy.

Thank You,

RICK NELSON

Phone: (970) 240-2155



AMERICAN FAMILY INSURANCE GROUP
6000 AMERICAN PKWY • MADISON, WISCONSIN 53783-0001

OFFER OF TERRORISM INSURANCE COVERAGE AND DISCLOSURE OF PREMIUM

Dear Policyholder:

Thank you for insuring with American Family Insurance. This notice provides you with important information about the Terrorism Risk Insurance Program Reauthorization Act of 2015. Please read the information below about the act and notify American Family if you wish to change your previous decision regarding acceptance or rejection of the coverage for "certified acts of terrorism."

Some Background

On Nov. 26, 2002, President Bush signed the Terrorism Risk Insurance Act into law, which requires insurance carriers to make coverage available to policyholders for losses due to "certified acts of terrorism". This law has been reauthorized since then, and the latest reauthorization occurred in January of 2015 when President Obama signed the Terrorism Risk Insurance Program Reauthorization Act of 2015 into law. The most recent reauthorization extends the current program for six years.

As an American Family customer, you have the right, under the recently reauthorized law, to purchase insurance coverage for losses resulting from "certified acts of terrorism", which are defined as: any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism. The criteria contained in that law for certifying an act of terrorism includes the following:

- The act is a violent act or an act that is dangerous to human life, property or infrastructure;
- The act results in aggregate property and casualty insurance losses in excess of \$5 million; and
- The act is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Further Explanation

Where coverage is provided under the act for losses resulting from "certified acts of terrorism," such losses may be partially reimbursed by the United States Government as established by the act. You should also understand that your policy may contain exclusions (not part of the act) that might affect your coverage.

~~For example, if a "certified act of terrorism" occurs and results in damage that you're not covered for under~~ other portions of your policy, the terrorism coverage may not apply to the loss because you need to have underlying coverage to qualify for a "certified act of terrorism" loss covered by the act.

You should also be aware that the reauthorized act contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from "certified acts of terrorism" to \$100 billion per calendar year. What this means is, if the combined insured losses for all insurers exceeds \$100 billion, your coverage may be reduced due to the cap.

Per the act, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by American Family Insurance. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the Federal Government under the act.

Disclosure of premium

Policy	Premium Charge for Certified Acts of Terrorism	*Fire Following Exposure Charge
Businessowners Policy	1.76% of the total premium	0.45% of the total premium

*** Please note a coverage exception for the locations and policy types listed below.**

Certain states have mandated that even if you elect to reject the "certified acts of terrorism" coverage, your rejection does not apply to fire losses resulting from an act of terrorism, and the coverage in your policy for such fire losses will continue. Therefore, the "fire following exposure charge" (listed in the chart above) applies in this case.

For Businessowners Policies, the following states mandate coverage for fire losses that result from acts of terrorism – **Arizona, Georgia, Illinois, Iowa, Missouri, Oregon, Washington and Wisconsin.

** In Arizona, the exception applies to building coverage if it is a 1-4 unit dwelling.

TERRORISM INSURANCE COVERAGE OPTIONS

Our records indicate you previously elected not to purchase coverage for "certified acts of terrorism" for the policy referenced above. If you do not wish to make any changes regarding this coverage, you do not need to do anything, and the coverage will continue to be excluded throughout the renewal term of your policy.

However, if you want to add coverage for "certified acts of terrorism," please indicate your decision to accept coverage, and sign and return this notice in the provided envelope.

I wish to purchase coverage for "certified acts of terrorism." I understand that I will be charged an additional premium for this coverage.

If you choose this option, you must notify us before your policy's effective date by signing and returning this letter in the enclosed envelope. (Exception: If we send you a new disclosure form after your policy's effective date, and you wish to change your election, we will endorse your policy to reflect your new coverage election.)

Your decision to accept coverage for "certified acts of terrorism" applies to the term of this policy. You will receive an offer and disclosure at each renewal as required by the Act.

Please sign and return this notice only if you are accepting coverage.

Insured's Signature		
Named Insured (please print)		Date
*Policy Number	Agt/Dst	*Policy Expiration Date

**Your policy number and policy expiration date are listed in the section after the first paragraph of the enclosed Insurance Coverage Summary letter. The policy expiration date is the second date shown in the "Policy Period" section after the word "TO".*



AMERICAN FAMILY MUTUAL INSURANCE COMPANY
AMERICAN FAMILY INSURANCE COMPANY
6000 AMERICAN PKWY • MADISON, WISCONSIN 53783-0001

An endorsement is being added to your policy at renewal.

Endorsement will clarify policy language and does not impact your premium.

American Family Insurance is committed to ensuring that your policy language clearly identifies the coverages we provide.

At your policy's next renewal, we will update language in your Businessowners Coverage Form (BP 00 03) by adding the **Unmatched Property Damage Exclusion Endorsement**. This endorsement clarifies our intent that your policy does not cover the cost to repair or replace undamaged materials due to a mismatch between the undamaged materials and the new materials that are used to repair or replace damaged materials.

The endorsement replaces the appraisal clause in the property loss conditions of your Businessowners Coverage Form (BP 00 03) to state that, in the event of a claim or dispute, appraisers and umpires do not have the authority to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues.

A copy of the endorsement is on the back of this insert. There is no premium associated with this endorsement.

To better understand this change, please contact your agent, or call us at 1-800-MY AMFAM (1-800-692-6326). We have also shared a copy of this letter with your agent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNMATCHED PROPERTY DAMAGE EXCLUSION ENDORSEMENT AND APPRAISAL CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The Following is Added to E. Property Loss Conditions:

9. Undamaged material

We will not pay to repair or replace undamaged material due to mismatch between undamaged material and new material used to repair or replace damaged material.

We do not cover the loss in value to any property due to mismatch between undamaged material and new material used to repair or replace damaged material.

B. E. Property Loss Conditions 2. Appraisal is replaced by:

2. Appraisal

This applies after we confirm that the damage due to a loss is covered. If you and we fail to agree on the dollar amount of the damage, either may demand that such amount be set by appraisal. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. Each appraiser will separately set the dollar amount of the damage. Such amounts must be determined according to all terms of this policy including those in Section I – Property **E.5 Loss Payment**. If both appraisers submit written reports to us of their agreement of the amount, such amount will be the dollar amount of the damage. If they fail to agree within 20 days, they must choose a competent and disinterested umpire. If they cannot agree on the choice within 20 days, you and we must jointly request that the choice of a competent and disinterested umpire be made by a judge of a court having jurisdiction. The appraisers will then submit their differences to the umpire. Written agreement signed by any two of these three will set the dollar amount of the damage.

The appraisal determination of dollar amount of the damage is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us. We will pay our appraiser. You will pay your appraiser. Other expenses and the compensation of the umpire will be paid equally by you and us. Appraisal does not waive our rights.

The appraisers and umpires are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined independent of the appraisal process, the appraisal award is binding upon you and us. Interest will not accrue on any award or judgment for the recovery of money set by appraisal until that time.



AMERICAN FAMILY INSURANCE GROUP
6000 AMERICAN PKWY • MADISON, WISCONSIN 53783-0001

NOTICE TO POLICYHOLDERS

Thank you for choosing American Family Insurance. We truly value you as our customer.

The Terrorism Risk Insurance Program Reauthorization Act of 2015 was signed into law. This Act extends the federal terrorism insurance program through December 31, 2020. The federal program establishes a mechanism whereby payment of losses for "Certified Acts" of terrorism are shared between the federal government and the insurance industry.

~~Endorsements that address "Certified and/or Other Acts of Terrorism" are attached to your policy. With the~~ renewal of the federal terrorism insurance program, many of these policy endorsements have been revised. The new, revised endorsements will apply to your upcoming renewal policy. These changes will affect all Businessowners, Business Key, Commercial Liability Umbrella and Non-Profit Directors and Officers Liability policyholders.

Provided below is a summary of the revisions to policy endorsements that address "Certified and/or Other Acts of Terrorism." Under the reauthorized Act, you have the right to accept or decline coverage for "Certified Acts" of terrorism at the time of policy renewal. The endorsements that apply to your policy are based on your coverage election and type of policy. Please refer to your policy.

Changes to Premium Disclosure Endorsements

The following endorsements have been revised:

BP 05 15-Disclosure Pursuant to Terrorism Risk Insurance Act
BP 05 16-Missouri-Disclosure Pursuant to Terrorism Risk Insurance Act
IL 09 85-Disclosure Pursuant to Terrorism Risk Insurance Act
IL 09 90-Missouri-Disclosure Pursuant to Terrorism Risk Insurance Act

Changes:

- Any reference to "Program" year has been changed to "calendar" year.
- ~~• Federal share of losses are now shown in Part II of the Schedule in the form and are amended to~~ 85% in 2015; 84% beginning in January of 2016; 83% beginning in January of 2017; 82% beginning in January of 2018; 81% beginning in January of 2019 and 80% beginning in January of 2020.

Changes to Endorsements That Apply to Liability Coverage

The following endorsements have been revised:

BP 0523-Cap on Losses from Certified Acts of Terrorism
BP 0538-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
BP 0524-Exclusion of Certified Acts of Terrorism
BP 0541-Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
NP 2115-Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
NP 2116-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism

CU 2131-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
CU 2135-Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
CG 2171-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
CG 2175-Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States

Changes:

- To maintain consistency with endorsements providing property coverage, endorsements addressing liability coverages are being updated to add, or revise the wording of, provisions reinforcing the applicability of other policy conditions and exclusions that may apply to a loss arising out of an act of terrorism.

Other Changes to Endorsements

The following endorsements have been revised:

BP 0523-Cap on Losses from Certified Acts of Terrorism
BP 0538-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
BP 0524-Exclusion of Certified Acts of Terrorism
NP 2116-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
CU 2131-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
CG 2171-Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
IL 0952-Cap on Losses from Certified Acts of Terrorism
IL 0953-Exclusion of Certified Acts of Terrorism
CL 0600-Certified Terrorism Loss
CL 0620-Certified Act of Terrorism Exclusion (With Limited Exception)

Changes:

- Any reference to "Program" year has been changed to "calendar" year.

If there are any questions regarding your coverage, please contact your American Family agent.

+0000251 174-307
RIO VISTAS II HOA
PO BOX 3046
TELLURIDE, CO 81435-3046

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY**DECLARATIONS****CUSTOMER BILLING ACCOUNT**

018-307-050 71

POLICY NUMBER
05XT507501NAMED INSURED RIO VISTAS II HOA
MAILING ADDRESS PO BOX 3046
TELLURIDE, CO 81435-3046POLICY PERIOD FROM 08-01-2016 TO 08-01-2017
12:01 A.M. Standard Time at your mailing address shown above.

FORM OF BUSINESS CORPORATION

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

SECTION I PROPERTY

COVERAGE PROVIDED INSURANCE AT THE FOLLOWING DESCRIBED PREMISES ONLY FOR COVERAGES FOR WHICH A LIMIT OF INSURANCE IS SHOWN UNLESS COVERAGE IS PROVIDED BY AN ENDORSEMENT.

DESCRIPTION OF PREMISESPREMISES NO. 0001 BUILDING NO. 001
LOCATION 305 SOCIETY DR
TELLURIDE, CO 81435-8936BUILDING INTEREST LEASED TO OTHERS
PREDOMINANT OCCUPANCY CONDOMINIUM ASSOCIATION - RESIDENTIAL WITH MERCANTILENUMBER OF UNITS 15
CONSTRUCTION FRAME
YEAR BUILT 2001
COMMERCIAL BUILDING CONSTRUCTION COST INDEX LEVEL 348

PROPERTY DEDUCTIBLE \$5,000

OTHER PROPERTY DEDUCTIBLE(S)

OPTIONAL COVERAGE/GLASS DEDUCTIBLE \$500

COVERAGE	LIMIT OF INSURANCE	PREMIUM
BUILDING REPLACEMENT COST	\$3,822,529	\$3,171.00

ADDITIONAL COVERAGE	LIMIT OF INSURANCE	PREMIUM
BUSINESS INCOME	ACTUAL LOSS SUSTAINED	INCLUDED

AGENT 174-307
RICK NELSON
315 S 12TH ST UNIT B
MONTROSE, CO 81401-5061PHONE
970-240-2155PAGE 0001
BRANCH HNC003 RENW
ENTRY DATE 05-27-2016

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICYPOLICY NUMBER
05XT507501**DECLARATIONS**CUSTOMER BILLING ACCOUNT
018-307-050 71

Property forms and endorsements applying to this premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP 85 17 09 15 BP 04 30 01 06 BP 84 11 07 98 BP 85 11 12 08

APPLICABLE PROPERTY ENDORSEMENT CHARGES \$68.00

TOTAL ADVANCE PROPERTY PREMIUM \$3,239.00

Property forms and endorsements applying to all premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP 06 01 01 07 BP 83 01 07 98 BP 83 02 01 07

SECTION II LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to **Section II Liability** in the BUSINESSOWNERS COVERAGE FORM and any attached endorsements.

COVERAGE	LIMIT OF INSURANCE
AGGREGATE LIMIT (OTHER THAN PRODUCTS COMPLETED OPERATIONS)	\$4,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$4,000,000
DAMAGE TO PREMISES RENTED TO YOU	\$50,000
LIABILITY AND MEDICAL EXPENSES	\$2,000,000
PREM 0001 BLDG 001 MEDICAL EXPENSES - ANY ONE PERSON	\$5,000

LOCATION	PREMIUM BASIS	RATE	ADVANCE PREMIUM
PREMISES NO. 0001 BUILDING NO. 001	15 UNITS		\$60.00

TOTAL ADVANCE BUSINESS LIABILITY PREMIUM \$60.00

Liability forms and endorsements applying to all premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP 04 17 07 02 BP 04 39 07 02 BP 04 54 01 06 BP 04 93 01 06
BP 05 17 01 06 BP 05 77 01 06 BP 10 05 07 02 BP 14 60 06 10
BP 84 24 01 07 BP 85 04 07 10 BP 85 05 07 98CO BP 85 10 07 98
BP 85 12 01 06 IL 75 26 12 05

TOTAL ADVANCE BUSINESS PREMIUM \$3,299.00

This premium may be subject to adjustment.

Forms and endorsements applying to property and liability at all premises and made part of this policy at time of issue:
Any endorsement followed by a state abbreviation will only apply to coverages within this state.

BP IN 01 01 06 BP 00 03 01 06 BP 01 81 07 02 BP 05 01 07 02
BP 05 15 01 15 BP 05 24 01 15 BP 05 41 01 15 BP 80 01 01 07
BP 87 01 08 10 BP 87 90 08 10

AGENT 174-307
RICK NELSON
315 S 12TH ST UNIT B
MONTROSE, CO 81401-5061

PHONE
970-240-2155

PAGE 0002
BRANCH HNC003 RENW
ENTRY DATE 05-27-2016

BP AF 01 01 16

INSURED

Stock No. 15141

AMERICAN FAMILY MUTUAL INSURANCE COMPANY

MADISON, WISCONSIN 53783-0001

BUSINESSOWNERS POLICY

DECLARATIONS

POLICY NUMBER
05XT507501

CUSTOMER BILLING ACCOUNT
018-307-050 71

AUTHORIZED
REPRESENTATIVE

Jack Saband
President

Peck
Secretary

COUNTERSIGNED
LICENSED RESIDENT AGENT

AGENT 174-307
RICK NELSON
315 S 12TH ST UNIT B
MONTROSE, CO 81401-5061

PHONE
970-240-2155

PAGE 0003
BRANCH HNC003 RENW
ENTRY DATE 05-27-2016

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
UNMATCHED PROPERTY DAMAGE EXCLUSION ENDORSEMENT AND APPRAISAL CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The Following is Added to E. Property Loss Conditions:

9. Undamaged material

We will not pay to repair or replace undamaged material due to mismatch between undamaged material and new material used to repair or replace damaged material.

We do not cover the loss in value to any property due to mismatch between undamaged material and new material used to repair or replace damaged material.

B. E. **Property Loss Conditions 2. Appraisal** is replaced by:

2. Appraisal

This applies after we confirm that the damage due to a loss is covered. If you and we fail to agree on the dollar amount of the damage, either may demand that such amount be set by appraisal. In this event, each party will choose a competent and disinterested appraiser within 20 days after receiving a written request from the other. Each appraiser will separately set the dollar amount of the damage. Such amounts must be determined according to all terms of this policy including those in Section I – Property E.5 **Loss Payment**. If both appraisers submit written reports to us of their agreement of the amount, such amount will be the dollar amount of the damage. If they fail to agree within 20 days, they must choose a competent and disinterested umpire. If they cannot agree on the choice within 20 days, you and we must jointly request that the choice of a competent and disinterested umpire be made by a judge of a court having jurisdiction. The appraisers will then submit their differences to the umpire. Written agreement signed by any two of these three will set the dollar amount of the damage.

The appraisal determination of dollar amount of the damage is binding upon you and us. This appraisal process and authority granted to the appraisers and the umpire can only be expanded and modified by written mutual consent signed by you and us. We will pay our appraiser. You will pay your appraiser. Other expenses and the compensation of the umpire will be paid equally by you and us. Appraisal does not waive our rights.

The appraisers and umpires are not authorized to determine coverage, exclusions, conditions, forfeiture provisions, conditions precedent, or any other contractual issues that may exist between you and us. The appraisal award cannot be used by either you or us in any proceeding concerning coverage, exclusions, forfeiture provisions, conditions precedent, or other contractual issues. However, once contractual liability is admitted or determined independent of the appraisal process, the appraisal award is binding upon you and us. Interest will not accrue on any award or judgment for the recovery of money set by appraisal until that time.

POLICY NUMBER: 05XT507501

BUSINESSOWNERS
BP 05 15 01 15

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE
<p>SCHEDULE - PART I</p> <p>Terrorism Premium (Certified Acts) \$ _____</p> <p>Additional information, if any, concerning the terrorism premium:</p>
<p>SCHEDULE - PART II</p> <p>Federal share of terrorism losses ____ % Year: 20 ____ (Refer to Paragraph B. in this endorsement.)</p> <p>Federal share of terrorism losses ____ % Year: 20 ____ (Refer to Paragraph B. in this endorsement.)</p> <p>Federal share of terrorism losses is 85% through 2015; 84% beginning January 1, 2016; 83% beginning January 1, 2017; 82% beginning January 1, 2018; 81% beginning January 1, 2019 and 80% beginning January 1, 2020.</p> <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) 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 Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance 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 ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph B.2.) applies to property located in the following state(s):

Georgia, Illinois, Iowa, Missouri, Oregon, Washington, Wisconsin

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:
1. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.
- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:
1. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
- 2. Exception Covering Certain Fire Losses**
- The following exception to the exclusion in Paragraph B.1. applies only if indicated and as indicated in the Schedule of this endorsement.
- If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense Additional Coverages.
- If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance 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.
- C.** The following provision is added to the Businessowners Liability Coverage Form **BP 00 05** or **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:
1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".
 2. The following definition is added:

For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

BUSINESSOWNERS
BP 05 41 01 15

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM
COMMITTED OUTSIDE THE UNITED STATES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following provisions are added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

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

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section-40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
 3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
 - C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

POLICY NUMBER: 05XT507501

BUSINESSOWNERS
BP 04 30 01 06

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

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE			
Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable	Description Of "P-9" If Applicable:
0001	001	P-1	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to the Property General Conditions in Section 1 - Property:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

2. The protective safeguards to which this endorsement applies are identified by the following symbols:

a. **"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

(1) Any automatic fire protective or extinguishing system, including connected:

- (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
- (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.
- b. "P-2" **Automatic Fire Alarm**, protecting the entire building, that is:
- (1) Connected to a central station; or
 - (2) Reporting to a public or private fire alarm station.
- c. "P-3" **Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.
- d. "P-4" **Service Contract**, with a privately owned fire department providing fire protection service to the described premises.
- e. "P-9", the protective system described in the Schedule.
- B. The following is added to Paragraph **B. Exclusions** in **Section I – Property**:
- We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:
- 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
 - 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.
- If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 05XT507501

BUSINESSOWNERS
BP 85 11 12 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUILDING AND BUSINESS PERSONAL PROPERTY CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Premises No.	Building No.	Auxiliary Building/Structure Description	Auxiliary Building/ Structure Limit	Auxiliary Buildings Business Personal Property Limit
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* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

Section I - Property is amended as follows:

A. Paragraph A.1. Covered Property is replaced with the following:

Covered Property includes Building as described under Paragraph a. below, Business Personal Property as described under Paragraph b. below, Auxiliary Buildings/Structures as described under Paragraph c. below, Auxiliary Buildings Business Personal Property as described under Paragraph d. below, or all four, depending on whether a Limit of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, Auxiliary Buildings/Structures, Auxiliary Buildings Business Personal Property, or all four, there is no coverage for property described under Paragraph A.2. Property Not Covered.

a. Building, means the described building shown in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the described building or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the described building;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the described building.

b. Business Personal Property located in or on the described building at the premises shown in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the described building you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and

(5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

c. Auxiliary Buildings/Structures, meaning the auxiliary buildings/structures described in the above Schedule located at the premises shown in the Declarations, including:

(1) Completed additions;

(2) Fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Personal property owned by you that is used to maintain or service the auxiliary buildings/structures, including:

(a) Fire extinguishing equipment;

(b) Floor coverings; and

(c) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(5) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the auxiliary buildings/structures;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the auxiliary buildings/structures, used for making additions, alterations or repairs to the auxiliary buildings/structures.

d. Auxiliary Buildings Business Personal Property located in or on the auxiliary buildings/structures described in the above Schedule located at the premises shown in the Declarations, including:

(1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b);

(3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2).

B. The following is added to E.3., Property Loss Conditions – Duties In the Event of Loss or Damage:

(10) Keep records of your property in such a way that we can accurately determine the amount of any loss.