





## Markel Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### COMMERCIAL GENERAL LIABILITY PLUS EXTENSION ENDORSEMENT

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

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in the declarations. The words "we," "us" and "our" refer to the company providing this insurance.

This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE PART

Unless specifically stated in this endorsement, all other terms, conditions and exclusions of the policy remain unchanged.

The following is a summary of the limits, additional coverages and extensions provided by this endorsement. For complete details on specific coverages, consult the policy contract wording. As respects any coverage provided by this endorsement, if higher limits are provided on any other schedule, declarations, or endorsement attached to this policy, then the limits and coverage provided by this endorsement would not apply for that coverage.

#### SCHEDULE

Medical Payments	Increased to \$10,000 per person (unless excluded)
Supplementary Payments	
Bail Bonds	Up to \$5000
Loss of Earnings	Up to \$500 a day
Damage to Premises Rented to You	Up to the General Liability Each Occurrence Limit
Non-Owned Watercraft	Increased to 51 feet long
Non-Owned Aircraft	If rented or loaned with a paid crew
Property Damage from Elevator Use	Included
Broadened Definition of Insured	Included
Mental Anguish Resulting from Bodily Injury	Included
Advertising Injury from Televised or Videotaped Material	Included
Broadened Definition of Mobile Equipment	Included
Per Location and Per Project Aggregates	Included
Additional Insured - Managers or Lessors of Premises	Included
Additional Insured - Vendors (Limited)	Included
Additional Insured-By Written Contract, Agreement or Permit	Included
Additional Insured-Mortgagee, Assignee, or Receiver	Included
Extended "Property Damage" - Expected or Intended Injury	Included
Property Damage to Borrowed Equipment	Up to \$10,000 per "occurrence"
Property Damage to "Customers' Goods"	Up to \$10,000 per "occurrence"
Medical Personnel Coverage	Up to \$100,000 per "occurrence" if no other coverage form applies
Limited "Product Withdrawal" Expense Coverage	\$10,000 per "Product Withdrawal"
Waiver of Transfer of Rights of Recovery	Included
Duties in the Event of "Occurrence", Claim or "Suit"	Included
Unintentional Failure to Disclose Hazards	Included
Liberalization	Included

**I. Medical Payments**

The following applies only if Medical Payments Coverage is not excluded from the policy to which this endorsement is attached:

**SECTION III - LIMITS OF INSURANCE**, paragraph 7. is deleted in its entirety and replaced by the following:

7. Subject to paragraph 5., **Section III - Limits of Insurance**, the Medical Expense Limit is equal to the Medical Expense Limit stated in the Declarations subject to a minimum of \$10,000 and is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

**II. SUPPLEMENTARY PAYMENTS - BAIL BONDS AND LOSS OF EARNINGS**

**SUPPLEMENTARY PAYMENTS - COVERAGES A AND B**, paragraphs 1.b. and 1.d. are deleted in their entirety and replaced by the following:

- b. Up to \$5000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds;
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work;

**III. DAMAGE TO PREMISES RENTED TO YOU**

A. When Damage To Premises Rented To You Limit is shown in the Declarations, Exclusion j. of Coverage A, **Section I** is replaced by the following:

**j. Damage To Property**

"Property damage" to:

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

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

- B. SECTION I - COVERAGE A.2.** Exclusions is amended to delete the last paragraph and is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or sprinkler leakage damage to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III - Limits of Insurance**.

- C. SECTION III - LIMITS OF INSURANCE**, Paragraph 6. is replaced by the following:

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises while rented to you, or, in case of damage by fire, lightning, explosion, smoke, or sprinkler leakage while rented to you or temporarily occupied by you with permission of the owner.

The Damage To Premises Rented To You limit is the Each Occurrence Limit shown in the General Liability Declarations.

- D. COMMERCIAL GENERAL LIABILITY CONDITIONS SECTION**, paragraph 4.b.(1)(a)(ii) or paragraph 4.b.(1)(a)(iii) is deleted and replaced by the following:

That is fire, lightning, explosion, smoke or sprinkler leakage insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- E. DEFINITIONS SECTION** , paragraph 9.a. is deleted and replaced by the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or sprinkler leakage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "Insured contract";

**IV. NON-OWNED WATERCRAFT AND NON-OWNED AIRCRAFT RENTED OR LOANED TO YOU WITH A CREW**

**SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Exclusion g. - Aircraft, Auto or Watercraft, paragraph (2), is deleted in its entirety and replaced with the following:

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge.

The following is added to g.

(6) An aircraft not owned by any insured that is rented or loaned to you with a paid crew.

If other insurance applies to a loss because of "property damage" to non-owned watercraft or aircraft as described in (2)(a) and (b) or (6) above, the insurance provided by this Coverage Form does not apply whether the other insurance is primary, excess, contingent, or issued on any other basis.

**V. PROPERTY DAMAGE COVERAGE ARISING OUT OF ELEVATOR USE**

**SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Exclusion j. is amended to include the following:

Paragraphs (3), (4) and (6) shall not apply to liability arising out of the use of elevators.

If other valid and collectible insurance applies to a loss because of "property damage" arising out of the use of elevators, this Coverage Form shall apply excess of the other insurance, whether this other insurance is primary, excess, contingent, or issued on any other basis.

## VI. WHO IS AN INSURED

**SECTION II - WHO IS AN INSURED**, is amended by the following:

**A. Paragraph 2.** is amended to include the following as insureds:

- e. Any legally incorporated entity of which you own at least 51% of the voting stock on the inception date of this Coverage Form and on the date of any covered "occurrence", claim or "suit".

This insurance shall not apply to any entity that is already an insured under any other insurance provided by any company or that would be an insured but for the exhaustion of its limits of insurance.

**B. Newly Acquired or Formed Organizations**

Paragraph 3.a. is deleted in its entirety and replaced with:

a. Coverage for your newly acquired or formed organization shall be:

- 1. Effective on the date of acquisition or affirmation; and
- 2. Afforded until the end of the policy period of this Coverage Form.

**C. The following is added to Paragraph 2.a.:**

Paragraph (1) does not apply to executive officers, or to managers at the supervisory level or above.

## VII. MENTAL ANGUISH COVERAGE THAT RESULTS FROM BODILY INJURY

**DEFINITIONS SECTION**, Item 3., Bodily Injury, is deleted in its entirety and replaced with the following:

3. "Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, and also includes mental anguish or emotional distress provided such mental anguish or emotional distress results from any of these; and
- b. Death resulting from bodily injury, sickness or disease.

## VIII. ADVERTISING INJURY

**A. DEFINITIONS SECTION**, Item 14, Personal and Advertising Injury, paragraphs d. and e. are deleted in their entirety and replaced with the following:

- d. Oral, written or professionally produced televised or videotaped publication of material in any manner that slanders or libels a person or organization, or disparages a person's or organization's goods, products or services;
- e. Oral, written or professionally produced televised or videotaped publication of material in any manner that violates a person's right to privacy;

**B. SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**, Exclusions b. and c. are deleted in their entirety and replaced with the following:

- b. "Personal and advertising injury" arising out of oral, written or professionally produced televised or videotaped publication of material in any manner, if done by you or at your direction with knowledge of its falsity;

- c. "Personal and advertising injury" arising out of oral, written or professionally produced televised or videotaped publication of material whose first publication took place before the beginning of the policy period.

**IX. MOBILE EQUIPMENT**

**DEFINITIONS SECTION**, Item 12., Mobile Equipment, paragraph f.(1) is amended to add the following:

This shall not apply to self-propelled vehicles of less than 1000 pounds gross vehicle weight.

**X. PER LOCATION AND PER PROJECT AGGREGATES**

**SECTION III - LIMITS OF INSURANCE**, is amended to add the following:

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a covered "location" or covered construction project:

1. A separate Per Location or Per Project General Aggregate Limit applies to each covered "location" or covered construction project, and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
2. The Per Location or Per Project General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C** regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
3. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the Per Location or Per Project General Aggregate Limit for each covered "location" or covered project for which payment is made. Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other covered "location" or covered project's general aggregate.
4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Per Location or Per Project General Aggregate Limit.

- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which cannot be attributed only to ongoing operations at a covered "location" or covered project:

1. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
2. Such payments shall not reduce any Per Location or Per Project General Aggregate Limit.

- C. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Per Location or Per Project General Aggregate Limit.
- D. For the purposes of this section of this endorsement, "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E. If the applicable covered construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.
- F. The provisions of Limits of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

**XI. ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES**

WHO IS AN INSURED (SECTION II) is amended to include as an additional insured any person or organization who leases to you or manages property you rent or lease, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with that part of the premises leased or rented to you and shown on the Declarations. The following additional exclusions apply:

This insurance does not apply to:

- 1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
- 2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization who leases to you or manages property you rent or lease.

**XII. ADDITIONAL INSUREDS - VENDORS (LIMITED)**

The following provision applies only if the policy to which this endorsement is attached provides insurance for "bodily injury" and "property damage" included in the "products-completed operations hazard":

WHO IS AN INSURED (SECTION II) is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agree in a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- 1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;



- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - h. Any failure to maintain the product in a merchantable condition; or
  - i. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (1) The exceptions contained in subparagraphs d. or f.; or
    - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.

**XIII. ADDITIONAL INSURED - BY WRITTEN CONTRACT, AGREEMENT, PERMIT OR AUTHORIZATION**

The following paragraph is added to WHO IS AN INSURED (Section II):

4. Any person or organization for whom you are required by written contract, agreement, permit or authorization to provide insurance is an insured, subject to the following additional provisions:
- a. The contract, agreement, permit or authorization must be in effect during the policy period shown in the Declarations, and must have been executed prior to the "bodily injury", "property damage", or "personal and advertising injury".
  - b. The person or organization is an insured only to the extent you are held liable due to:
    - (1) The ownership, maintenance or use of that part of premises you own, rent, lease or occupy subject to the following additional provisions:
      - (a) This insurance does not apply to any "occurrence" which takes place after you cease to be a tenant in any premises leased to or rented to you;
      - (b) This insurance does not apply to any structural alterations, new construction or demolition operations performed by or on behalf of the person or organization;
    - (2) Your ongoing operations for that insured, whether the work is performed by you or for you;
    - (3) The maintenance, operation or use by you of equipment leased to you by such person or organization, subject to the following additional provisions:
      - (a) The insurance does not apply to any "occurrence" which takes place after the equipment lease expires;
      - (b) This insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence of such person or organization;
    - (4) Permits or authorizations issued by any state or political subdivision with respect to operations performed by you or on your behalf, subject to the following additional provision:
 

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of operations performed for that state or municipality.

- c. The insurance with respect to any architect, engineer, or surveyor, added as an "Insured" by this coverage, does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering or failure to render any professional services by or for you, including:
  - (1) The preparing, approving or failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
  - (2) Supervisory, inspection or engineering services.
- d. This insurance does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

A person's or organization's status as an insured under this endorsement ends when your operations for that insured are completed.

No coverage will be provided if, in the absence of this endorsement, no liability will be imposed by law on you. Coverage will be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.

This Additional Insured provision does not apply to Managers or Lessors of Premises, Vendors, or Mortgagees, Assignees, or Receivers. For Managers or Lessors of Premises, refer to ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES. For Vendors, refer to ADDITIONAL INSURED - VENDORS. For Mortgagees, Assignees or Receivers, refer to ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER.

#### **XIV. ADDITIONAL INSURED - MORTGAGEE, ASSIGNEE, OR RECEIVER**

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of premises by you.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

#### **XV. EXTENDED "PROPERTY DAMAGE" - EXPECTED OR INTENDED INJURY**

Exclusion 2.a. of SECTION I - COVERAGES, COVERAGE A is deleted in its entirety and replaced by the following:

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

#### **XVI. PROPERTY DAMAGE - BORROWED EQUIPMENT**

A. Paragraph (4) of Exclusion j. of SECTION I - COVERAGES, COVERAGE A does not apply to "property damage" to borrowed equipment while that equipment is:

- 1. Not being used to perform operations; and
- 2. Away from an Insured's premises.

B. The insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured whether primary, excess, contingent or on any other basis.

C. SECTION III - LIMITS OF INSURANCE is amended to add the following:

Subject to the General Aggregate provision, the most we will pay under this provision for "property damage" to borrowed equipment is \$10,000 per "occurrence".

**XVII. PROPERTY DAMAGE - "CUSTOMERS' GOODS"**

- A. Paragraphs (3), (4), and (6) of Exclusion j. of **SECTION I - COVERAGES, COVERAGE A** does not apply to "property damage" to "customers' goods" while on your premises.
- B. The insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured whether primary, excess, contingent or on any other basis.
- C. **SECTION III - LIMITS OF INSURANCE** is amended to add the following:

Subject to the General Aggregate provision, the most we will pay under this provision for "property damage" to "customers' goods" is \$10,000 per "occurrence".

**XVIII. MEDICAL PERSONNEL**

The following applies only if no other similar coverage is included on or added to the policy to which this endorsement is attached:

The following is added to **SECTION I - COVERAGES, COVERAGE A - Bodily Injury and Property Damage Liability - Insuring Agreement**:

- A. We will pay those sums the insured becomes legally obligated to pay as a result of an "occurrence" arising out of your employed registered nurse, licensed practical nurse, certified emergency medical technician or certified paramedic performing professional health care services. This applies only to those professional health care services arising out of duties related to the conduct of your business. The registered nurse, licensed practical nurse, certified emergency medical technician or certified paramedic must be your "employee".
- B. **SECTION II - WHO IS AN INSURED** is amended to include the above designated "employees" for acts within the scope of their employment by you while performing duties related to the conduct of your business including duties arising out of his or her providing or failure to provide professional health services.
- C. **SECTION III - LIMITS OF INSURANCE** is amended to add the following:

Subject to the General Aggregate provision, the most we will pay under Medical Personnel coverage is \$100,000 for all professional health services sustained by any one person.

**XIX. LIMITED PRODUCT WITHDRAWAL EXPENSE COVERAGE**

THIS COVERAGE ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL". THIS COVERAGE DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR SUIT.

- A. The following is added to **Section I - Coverages**:

**SECTION I - LIMITED PRODUCT WITHDRAWAL EXPENSE COVERAGE**

**1. Insuring Agreement**

- (a) We will reimburse you for "product withdrawal expense" incurred by you because of a "product withdrawal" to which this insurance applies.

The amount of such reimbursement is limited as described in **Section III - Limits of Insurance**. No other obligation or liability to pay sums or perform acts or services is covered.

- (b) This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:

(1) You determine that the "product withdrawal" is necessary; or

(2) An authorized government entity has ordered you to conduct a "product withdrawal".

- (c) We will reimburse "product withdrawal expenses" only if:
  - (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
  - (2) The expenses are reported to us within one year of the date the expenses were incurred; and
  - (3) The product that is the subject of the "product withdrawal" was produced after the inception date of this policy or the date this endorsement was added, whichever is earlier.
- (d) The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
  - (1) When you first announced, in any manner, to the general public, your vendors, or to your employees (other than those directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
  - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- (e) "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

**2. Exclusions**

This insurance does not apply to "product withdrawal expenses" arising out of:

**(a) Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your product" to accomplish their intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure is reasonably expected to cause "bodily injury" or "physical damage" to tangible property other than "your product".

**(b) Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.

**(c) Deterioration, Decomposition Or Chemical Transformation**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if it is caused by:

- (1) An error in manufacturing, design or processing;
- (2) Transportation of "your product"; or
- (3) "Product tampering".

**(d) Goodwill, Market Share, Revenue, Profit Or Redesign**

The costs of goodwill, market share, revenue or "profit" or the costs of redesigning "your product".

**(e) Expiration Of Shelf Life**

Any "product withdrawal" initiated due to expiration of the designated shelf life of "your product".

**(f) Known Defect**

A "product withdrawal" initiated because of a "defect" in "your product" known to exist by the Named Insured or the Named Insured's "executive officers", prior to the date when this Coverage Part was first issued to you or prior to the time "your product" leaves your control or possession.

**(g) Otherwise Excluded Products**

A recall of any specific products for which "bodily injury" or "property damage" is excluded under Coverage A - Bodily Injury and Property Damage Liability by endorsement.

**(h) Governmental Ban**

A recall when "your product" or a component contained within "your product" has been:

- (1) Banned from the market by an authorized government entity prior to the policy period; or
- (2) Distributed or sold by you subsequent to any governmental ban.

**(i) Defense Of Claim**

The defense of a claim or "suit" against you for liability arising out of a "product withdrawal".

**(j) Third Party Damages, Fines And Penalties**

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured.

**(k) Pollution-Related Expenses**

Any loss, cost, or expense due to any:

- (1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, "pollutants".

**B.** For purposes of this endorsement, **Section III - LIMITS OF INSURANCE** is replaced by the following:

**SECTION III - LIMITS OF INSURANCE**

The most that we will reimburse you for under this coverage is \$10,000 regardless of the number of:

- (a) Insureds;
- (b) "Product withdrawals" initiated; or
- (c) Number of "your products" withdrawn.

The \$10,000 limit is the most that we will reimburse you for the sum of all "product withdrawal expenses" incurred for all "product withdrawals" initiated during the policy period.

C. For the purposes of this coverage, the **Duties In The Event Of Occurrence, Claim Or Suit Condition** under **Section IV - Conditions** is replaced by the following:

**2. Duties In The Event Of A "Defect" Or A "Product Withdrawal"**

a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened "defect" in "your product", or any governmental investigation, that may result in a "product withdrawal". To the extent possible, notice should include:

(1) How, when and where the "defect" was discovered;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature, location and circumstances of any injury or damage arising out of use or consumption of "your product".

b. If a "product withdrawal" is initiated, you must:

(1) Immediately record the specifics of the "product withdrawal" and the date where it was initiated; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "product withdrawal" as soon as practicable.

c. You must promptly take all reasonable steps to mitigate the expenses associated with a "product withdrawal". Any "profit" that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for "product withdrawal expenses".

d. You and any other involved insured must:

(1) Immediately send us copies of pertinent correspondence received in connection with the "product withdrawal";

(2) Authorize us to obtain records and other information; and

(3) Cooperate with us in our investigation of the "product withdrawal".

D. For the purposes of this coverage, the following is added to **Section IV - Conditions**:

**Concealment Or Fraud**

We will not provide coverage under **Section I** to you, or any other insured, who at any time:

1. Engaged in fraudulent conduct; or

2. Intentionally concealed or misrepresented a material fact concerning a "product withdrawal" or "product withdrawal expenses" incurred by you under **Section I** of this coverage.

**XX. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

Item 8., **Transfer of Rights of Recovery Against Others to Us** of **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended by the addition of the following:

We agree to waive any right of recovery we may have against any person or organization with whom you have agreed by contract prior to an "occurrence" to waive such rights because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". The waiver applies only to the person or organization with whom you have agreed in a contract prior to an "occurrence" to waive such rights.

**XXI. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT**

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, Item 2., Duties in the Event of Occurrence, Claim or Suit, is amended to include the following:

- e. Your obligation to notify us as soon as practicable of an "occurrence", offense, claim or "suit" is satisfied if you send us written notice as soon as practicable after any of your "executive officers", directors, partners, insurance managers or legal representatives becomes aware of or should have become aware of such "occurrence", offense, claim or "suit".

**XXII. UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS**

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, is amended to include the following:

Based on our reliance on your representations as to existing hazards, if you unintentionally fail to disclose all such hazards prior to the beginning of the policy period of the Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

**XXIII. LIBERALIZATION**

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, is amended to include the following:

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

**XXIV. DEFINITIONS**

The following definitions are added:

- 1. "Customers' goods" mean tangible personal property belonging to your customers and left with you for storage, service or repair. "Customers' goods" do not include:
  - a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
  - b. Animals;
  - c. Contraband, or property in the course of illegal transportation or trade;
  - d. Personal property while airborne or waterborne;
  - e. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
  - f. Vehicles or self-propelled machines (including aircraft or watercraft) that are licensed for use on public roads.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines, other than "autos", you hold for sale; or
  - (2) Rowboats or canoes out of water at the described premises;
- g. The following property while outside of buildings:
    - (1) Grain, hay, straw or other crops;
    - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants held for sale).

2. "Defect" means a defect, deficiency or inadequacy that creates a dangerous condition.
3. "Product tampering" is an act of intentional alteration of "your product" which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

When "product tampering" is known, suspected or threatened, a "product withdrawal" will be limited to those batches of "your product" which are known or suspected to have been tampered with.

For purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and application software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

4. "Product withdrawal" means the recall or withdrawal:

- a. From the market; or
- b. From use by any other person or organization;

of "your products" or products which contain "your products", because of known or suspected "product tampering", which has caused or is reasonably expected to cause "bodily injury" or physical injury to tangible property other than "your product".

For purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or 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, data processing devices, or any other media which are used with electronically controlled equipment.

5. "Product withdrawal expenses" means those reasonable and necessary extra expenses, listed below, paid and directly related to a "product withdrawal":
  - a. Costs of notification;
  - b. Costs of stationery, envelopes, production of announcements and postage or facsimiles;
  - c. Costs of overtime paid to your regular non-salary employees and costs incurred by your employees, including costs of transportation and accommodations;
  - d. Costs of computer time;
  - e. Costs of hiring independent contractors and other temporary employees;
  - f. Costs of transportation, shipping or packaging;
  - g. Costs of warehouse or storage space; or
  - h. Costs of proper disposal of "your products" or products that contain "your products" that can not be reused, not exceeding your purchase price or your cost to produce the products.
6. "Profit" means the positive gain from business operation after subtracting for all expenses.

All other terms and conditions remain the same.



